

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended (the “FSMA”) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your existing ordinary shares in Synthomer plc (the “Company” or “Synthomer”, and, together with its subsidiary undertakings, the “Synthomer Group”), please send this document, together with the accompanying form of proxy (the “Proxy Form”) (other than documents or forms personalised to you) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holdings of ordinary shares in Synthomer (the “Synthomer Shares”) you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase or subscribe for, any securities, including any Nil Paid Rights, Fully Paid Rights or New Synthomer Shares or take up any entitlements to be issued in connection with the proposed Rights Issue.



SYNTHOMER PLC

(Incorporated and registered in England and Wales with registered number 00098381)

Proposed Acquisition of OMNOVA Solutions Inc.

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on pages 13 to 25 of Part I (Chairman’s Letter) of this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. Your attention is also drawn to the risk factors which are set out in Part II (Risk Factors) of this document.

Notice of the general meeting of Synthomer to be held at 10:00 am on 31 July 2019 at the Company’s offices at 45 Pall Mall, London, SW1Y 5JG, United Kingdom (the “General Meeting”) is set out at the end of this document (the “Notice of General Meeting”). A Proxy Form for use at this General Meeting is enclosed. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Proxy Form in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by Computershare Investor Services PLC (the “Registrar”) at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom by no later than 10:00 am on 29 July 2019 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting). If you are a member of CREST you may be able to use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by no later than 10:00 am on 29 July 2019 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

Holders of Synthomer Shares (the “Shareholders”) are advised to read the Prospectus which contains information relating to the New Synthomer Shares. The Prospectus will be available on the Company’s website.

If you have any questions about this document, the General Meeting or the completion and return of the Proxy Form, please contact the Registrar between 8:30 am and 5:30 pm Monday to Friday (excluding public holidays) on (0)370 707 1421 (from the United Kingdom), or +44 370 707 1421 (from outside the United Kingdom, international rates apply). Please note that calls may be monitored or recorded and the Registrar cannot provide financial, legal or tax advice on the merits of the Acquisition.

Barclays Bank PLC, acting through its Investment Bank, ("**Barclays**"), Citigroup Global Markets Limited ("**Citi**") and HSBC Bank plc ("**HSBC**") are each authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated by the PRA and the Financial Conduct Authority ("**FCA**") in the United Kingdom. Barclays is acting exclusively as sponsor, sole global coordinator, joint financial adviser, joint bookrunner and joint corporate broker for the Company and Citi and HSBC are acting exclusively as joint bookrunners for the Company, and in each case for no one else in connection with the Acquisition, the Rights Issue and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Acquisition, the Rights Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their clients, or for providing advice, in relation to the Acquisition, the Rights Issue and Admission or any other transaction, arrangement or matter referred to in this document.

Canaccord Genuity Limited ("**Canaccord**") is authorised and regulated by the FCA in the United Kingdom. Canaccord is acting exclusively as joint bookrunner and joint corporate broker to Synthomer and no one else in connection with the Acquisition, the Rights Issue and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Acquisition, the Rights Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, or for providing advice, in relation to the Acquisition, the Rights Issue and Admission or any other transaction, arrangement or matter referred to in this document.

TVG Limited ("**The Valence Group**") is authorised and regulated by the FCA in the United Kingdom. The Valence Group is acting exclusively as joint financial adviser to Synthomer and no one else in connection with the Acquisition, the Rights Issue and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Acquisition, the Rights Issue and Admission and will not be responsible to anyone other than Synthomer for providing the protections afforded to its clients, or for providing advice, in relation to the Acquisition, the Rights Issue and Admission or any other transaction, arrangement or matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Barclays, Canaccord, Citi and HSBC (together, the "**Underwriters**") and The Valence Group by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither the Underwriters, The Valence Group nor any of their respective subsidiaries, branches or affiliates, accept any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company in relation to the Acquisition, the Rights Issue and Admission, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness, verification or sufficiency or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Acquisition, the Rights Issue and Admission, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not as to the past or future. The Underwriters, The Valence Group and their respective subsidiaries, branches and affiliates accordingly disclaim all and any duty, liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this document or any such statement or otherwise.

This document is a circular relating to the Acquisition which has been prepared in accordance with the Listing Rules solely for the purpose of assisting shareholders' consideration of the Resolutions. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering the Resolutions is prohibited. The contents of this document are not to be construed as legal, financial or tax advice.

Persons into whose possession this document comes should inform themselves about, and observe, any applicable restrictions and legal, exchange control or regulatory requirements in relation to the distribution of this document and the Acquisition. The release, publication or distribution of this document in certain jurisdictions may be restricted by law. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such requirements by any person.

Notice to US Shareholders

This document is not an offer to sell or the solicitation of an offer to buy securities in the United States and there will be no public offer to sell securities in the United States. The securities of the Company discussed in this document have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority or under the relevant laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, into or within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The New Synthomer Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

None of the securities of the Company referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities reviewed, passed upon or determined the adequacy or accuracy of this document.

This document is dated 10 July 2019.

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EXPECTED TIMETABLE

<u>Event</u>	<u>Time and Date</u>
Announcement of the Acquisition	3 July 2019
Publication of this document	10 July 2019
Posting of this document and the Proxy Forms	11 July 2019
Latest time and date for receipt of Proxy Forms	10:00 am on 29 July 2019
Voting record date for General Meeting	6:00 pm on 29 July 2019
General Meeting	10:00 am on 31 July 2019
Expected date of Completion	Late 2019 / early 2020
Long-stop date for Completion	3 July 2020

All references to time in this document and in the expected timetable above are to the time in London, United Kingdom, unless otherwise stated. Each of the times and dates in the table above are indicative only and may be subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders via a Regulatory Information Service.

IMPORTANT INFORMATION

1. Forward-looking statements

Certain statements contained in this document or incorporated by reference into it constitute, or may be deemed to constitute “forward-looking statements”. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this document, including, without limitation, those regarding the Synthomer Group’s and/or the OMNOVA Group’s intentions, beliefs or current expectations concerning, among other things, their future financial condition and performance and results of operations; their strategy, plans, objectives, prospects, growth, goals and targets; future developments in the industry and markets in which the Synthomer Group and/or the OMNOVA Group participate or are seeking to participate; and anticipated regulatory changes in the industry and markets in which the Synthomer Group and the OMNOVA Group operate. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “plan”, “project”, “should” or “will” or, in each case, their negative, or other variations or comparable terminology.

By their nature, forward-looking statements are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Shareholders are cautioned that forward-looking statements are not guarantees of future performance and that the Synthomer Group’s, the OMNOVA Group’s and, following Completion, the Enlarged Group’s actual financial condition, results of operations, cash flows and distributions to shareholders and the development of their financing strategies, and the development of the industry in which they operate, may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if their financial condition, results of operations, cash flows and distributions to shareholders and the development of their financing strategies, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements should, therefore, be construed in light of the foregoing risk factors and the other factors identified in Part II (*Risk Factors*) of this document. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are made as at the date of this document and are not intended to give any assurance as to future results. The Synthomer Group will update this document as required by applicable law, including the Listing Rules, the Market Abuse Regulation (Regulation (EU) 596/2014) and the Disclosure Guidance and Transparency Rules, but otherwise expressly disclaims any obligation or undertaking to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. You are advised to read this document and the information incorporated by reference into this document in their entirety, and, in particular, Part II (*Risk Factors*). In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document and/or the information incorporated by reference into this document may or may not occur. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital.

2. Market and industry data

Certain information in this document has been sourced from third parties. Where information in this document has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

All information contained in this document which has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

All references to market data, industry statistics and forecasts and other information in this document consist of estimates based on data and reports compiled by industry professionals, organisations, analysts, publicly available information or the Company’s own knowledge of its sales and markets.

3. Sources and presentation of financial information

3.1 Presentation of Synthomer Group financial information

Unless otherwise indicated, the historical consolidated financial information relating to the Synthomer Group included in this document has been extracted without material adjustment from the audited consolidated financial statements of the Synthomer Group for the years ended 31 December 2018, 2017 and 2016 which are incorporated by reference into Part VI (*Additional Information*) of this document.

Unless otherwise indicated, the historical consolidated financial information relating to the Synthomer Group has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Commission for use in the European Union (“**IFRS**”).

3.2 Presentation of OMNOVA Group financial information

Unless otherwise indicated, the historical consolidated financial information relating to the OMNOVA Group included in this document has been extracted without material adjustment from the OMNOVA Group’s audited consolidated financial statements for the years ended 30 November 2018, 2017 and 2016 and from the unaudited interim consolidated financial statements for the six months ended 31 May 2019 incorporated by reference into Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document.

Unless otherwise indicated, the historical consolidated financial information relating to the OMNOVA Group, including that which is incorporated by reference into Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document, has been prepared in accordance with the generally accepted accounting principles in the United States (“**US GAAP**”).

Section B of Part III (*Historical Financial Information of the OMNOVA Group*) of this document includes unaudited reconciliations of the OMNOVA Group’s historical financial information from US GAAP to IFRS, together with an accountant’s report.

3.3 Enlarged Group financial information

Following Completion, OMNOVA will be a subsidiary of the Synthomer Group, and the accounting policies applied to the OMNOVA Group will be the same as those applied to the Synthomer Group.

4. Non-IFRS or Non-US GAAP measures of performance

This document contains certain non-IFRS financial measures of the Synthomer Group’s financial performance that are not required by, or presented in accordance with, IFRS. The IFRS profit measures show the performance of the Synthomer Group as a whole and as such include all sources of income and expenses, including both one-off items and those that do not relate to the Synthomer Group’s ongoing businesses. To provide increased clarity on the ongoing trading performance of the Synthomer Group’s businesses, the Synthomer management uses “Underlying performance” as an alternative performance measure to plan for, control and assess the performance of the segments. Underlying performance differs from the IFRS measures as it excludes Special Items.

In addition, this document includes certain non-US GAAP financial measures of the OMNOVA Group’s financial performance as defined by the Securities and Exchange Commission (“**SEC**”). The OMNOVA Group reviews the adjusted financial measures in assessing the performance of the business segments and in making decisions regarding the allocation of resources to the business segments. The OMNOVA Group also considers the adjusted information is useful for providing investors with an understanding of the OMNOVA Group’s business and operating performance.

The non-IFRS and non-US GAAP measures contained in this document should not be considered in isolation from, or as a substitute for, measures presented in accordance with IFRS or US GAAP, respectively. In addition, the relevant non-IFRS measure presented by the Synthomer Group or the relevant non-US GAAP measures presented by the OMNOVA Group may not be comparable to similarly titled measures presented by other businesses, as such businesses may define and calculate such measures differently than the Synthomer Group or the OMNOVA Group. Accordingly, undue reliance should not be placed on the non-IFRS and non-US GAAP measures contained in this document.

4.1 Non-IFRS measures of the Synthomer Group's performance

4.1.1 Underlying performance

The Directors believe that the Underlying performance measures provide additional clarity for the Synthomer Group's investors and so they are the primary focus of the Synthomer Group's narrative reporting.

Underlying performance represents the statutory performance of the Synthomer Group under IFRS, excluding Special Items.

The following items are disclosed separately as Special Items in order to provide a clearer indication of the Synthomer Group's Underlying performance:

- re-structuring and site closure costs;
- sale of a business or significant asset;
- acquisition costs;
- amortisation of acquired intangible assets;
- impairment of non-current assets;
- fair value adjustment—mark to market adjustments in respect of cross currency and interest rate derivatives used for hedging purposes where IAS 39 hedge accounting is not applied;
- items of income and expense that are considered material, either by their size and/or nature;
- tax impact of above items; and
- settlement of prior period tax issues.

These Special Items are either irregular and therefore including them in the assessment of a segment's performance would lead to a distortion of trends or are technical adjustments which ensure the Synthomer Group's financial statements are in compliance with IFRS but do not reflect the operating performance of the segment in the year, or both.

4.1.2 EBITDA

The Synthomer Group uses EBITDA as an alternative performance measure as it provides an indication of the level of cash being generated by the business from its trading activities in the period by excluding the depreciation and amortisation charges and Special Items. This is also the principal profit measure used for the financial covenants in the Synthomer Group's debt facilities.

EBITDA is calculated as operating profit before depreciation, amortisation and Special Items (as defined above).

The following table shows how EBITDA is calculated based on IFRS operating profit for the years under review:

<u>(£ millions)</u>	For the years ended		
	31 December		
	2018	2017	2016
EBITDA	181.0	176.2	160.1
Depreciation and amortisation	<u>(38.9)</u>	<u>(37.2)</u>	<u>(29.9)</u>
Operating profit—Underlying performance	142.1	139.0	130.2
Special Items	<u>(13.4)</u>	<u>(43.6)</u>	<u>14.5</u>
Operating profit—IFRS	<u>128.7</u>	<u>95.4</u>	<u>144.7</u>

4.2 Non-GAAP measures of the OMNOVA Group's performance

4.2.1 OMNOVA's Adjusted EBITDA

The following table shows how OMNOVA's adjusted EBITDA ("OMNOVA Adjusted EBITDA") is calculated based on the US GAAP operating profit for the periods indicated:

(US\$ millions)	For the six months ended 31 May 2019 (unaudited)	For the year ended 30 November 2018	For the six months ended 31 May 2018 (unaudited)
Operating Profit	12.0	33.8	22.8
Interest expense	(10.2)	(19.3)	(9.7)
Income (loss) before Income Taxes	<u>1.8</u>	<u>14.5</u>	<u>13.1</u>
Management Excluded Items			
Severance	1.9	2.7	1.5
Accelerated depreciation	1.0	1.2	—
Operational improvement costs	0.7	—	—
Asset impairment, facility closure and other	2.0	15.5	0.6
Environmental costs	—	0.2	0.2
Debt issuance costs write-offs	—	0.8	—
Corporate headquarters relocation costs	—	—	—
Gain on sale of assets	(4.2)	(0.9)	—
Pension settlement	—	—	—
Vacation accrual	—	—	—
Deferred financing fees	—	—	0.8
Acquisition and integration related expense	<u>0.4</u>	<u>4.0</u>	<u>0.9</u>
Subtotal for management excluded items	<u>1.8</u>	<u>23.5</u>	<u>4.0</u>
Adjusted Operating Profit before Income Taxes	3.6	38.0	17.1
Interest expense	10.2	19.3	9.7
Depreciation and amortisation	14.8	29.0	14.5
OMNOVA Adjusted EBITDA	<u><u>28.6</u></u>	<u><u>86.3</u></u>	<u><u>41.3</u></u>

5. Information on the OMNOVA Group

In this document an adjusted EBITDA for the OMNOVA Group for the last twelve months (the "LTM") ended 31 May 2019 (the "OMNOVA May 2019 LTM Adjusted EBITDA") is used for the purposes of calculating the enterprise multiple set out in paragraph 1 of Part I (*Chairman's Letter*).

The OMNOVA May 2019 LTM Adjusted EBITDA is based on the OMNOVA Adjusted EBITDA for the LTM ended 31 May 2019, of US\$73.5 million, plus the following adjustments:

- pre-acquisition results of Resiquímica relating to the period from 1 June 2018 to 25 September 2018, when Resiquímica was acquired by OMNOVA, of US\$0.9 million;
- Resiquímica pre-tax cost savings (as previously announced by OMNOVA) of US\$1.1⁽¹⁾ million; and
- Green Bay pre-tax cost savings (as previously announced by OMNOVA) of US\$7.7⁽¹⁾ million.

This information addresses a hypothetical situation and therefore does not represent the OMNOVA Group's or the Enlarged Group's financial performance or position, nor is it indicative of future financial performance or position that may, or may not, be expected to be achieved in the future.

The non-US GAAP measures contained in this section should not be considered in isolation from, or as a substitute for, measures presented in accordance with US GAAP, and accordingly undue reliance should not be placed on the non-US GAAP measures contained in this section.

Notes:

(1) See commentary on phasing of Resiquímica and Green Bay cost savings in paragraph 5.1 of this 'Important Information' section.

5.1 Historical OMNOVA acquisitions and disposals

On 25 September 2018, the OMNOVA Group acquired all of the outstanding shares of Resiquímica S.A. and certain related entities (“**Resiquímica**”) from Socer-Imobiliária e Investimentos, S.A. for €21.8 million (US\$25.6 million). Resiquímica is a Portugal-based producer of polymers and resins for coatings and construction applications in Europe, Middle East and Africa. On 27 March 2019, OMNOVA announced expected cost savings of US\$2 million and as at 31 May 2019, pre-tax cost savings of approximately US\$0.9 million have been achieved. Resiquímica is estimated to deliver additional pre-tax cost savings of US\$1.1 million: pre-tax cost savings of US\$0.9 million are expected to be realised during OMNOVA’s H2 2019 (i.e. 1 June 2019 to 30 November 2019), with further total pre-tax cost savings of US\$0.2 million expected to be realised during the year ending 30 November 2020.

On 28 June 2018, OMNOVA announced the closure of its Green Bay, Wisconsin styrene butadiene facility and moving production to OMNOVA’s Mogadore, Ohio facility as part of its strategic decision to exit the commodity coated paper sector. On 27 March 2019, OMNOVA announced expected cost savings of US\$7 million to US\$8 million. On 3 July 2019, OMNOVA repeated its assessment of expected cost savings of US\$7 million to US\$8 million, and that it expects to realise approximately half of the savings during OMNOVA’s H2 2019, with the full cost savings realised during the year ending 30 November 2020. The closure of Green Bay is expected to deliver pre-tax cost savings of US\$7.7 million: pre-tax cost savings of US\$3.85 million are expected to be realised during OMNOVA’s H2 2019 (i.e. 1 June 2019 to 30 November 2019), with the total pre-tax cost savings of US\$7.7 million expected to be realised during the year ending 30 November 2020.

5.2 Acquisition cost synergies

The enterprise value multiple set out in paragraph 1 of Part I (*Chairman’s Letter*) is stated before the impact of the cost synergies for the Acquisition. As disclosed in more detail in paragraph 3 of the Chairman’s Letter the Directors expect the Acquisition to give rise to annual run rate pre-tax cost synergies of US\$29.6 million by the end of the third year following Completion.

6. Pro forma financial information

In this document, any reference to “pro forma” financial information is to information which has been extracted without material adjustment from the unaudited financial information contained in Part IV (*Unaudited Pro Forma Financial Information of the Enlarged Group*) of this document.

The Unaudited Pro Forma Financial Information is for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of the Synthomer Group, the OMNOVA Group or the Enlarged Group.

Future results of operations may differ materially from those presented in the Unaudited Pro Forma Financial Information due to various factors.

7. Rounding

Certain financial data and percentages have been rounded. As a result of such rounding, the totals of financial data presented in this document may vary slightly from the actual arithmetic totals of such data and percentages may not add up to 100%.

8. Currency

The Synthomer Group prepares its financial statements in pounds sterling. All references to “pounds”, “pounds sterling”, “sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

The OMNOVA Group prepares its financial statements in US dollars. All references to “US dollars”, “dollar”, “\$”, “US\$” and “cents” are to the lawful currency of the United States.

An exchange rate as at 2 July 2019 of £1 to US\$1.2595 has been used, unless otherwise stated in this document.

An exchange rate as at 2 July 2019 of £1 to €1.1160 has been used, unless otherwise stated in this document.

9. No profit forecast or estimates

Unless otherwise stated, no statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings for Synthomer or OMNOVA, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings for Synthomer or OMNOVA, as appropriate.

10. Incorporation by reference

The contents of Synthomer's and OMNOVA's websites or any hyperlinks accessible from those websites do not form part of this document and investors should not rely on them.

11. Definitions

Certain terms used in this document, including capitalised terms and certain technical terms, are defined and explained in Part VII (*Definitions*).

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors

Neil Johnson, Chairman
Calum MacLean, Chief Executive Officer
Stephen Bennett, Chief Financial Officer
The Hon. Alexander Catto, Non-Executive Director
Dato' Lee Hau Hian, Non-Executive Director
Brendan Connolly, Senior Independent Director
Holly A. Van Deursen, Independent Non-Executive Director
Dr Just Jansz, Independent Non-Executive Director
Caroline Johnstone, Independent Non-Executive Director

Company Secretary

Richard Atkinson

Registered office of the Company (including following Completion)

Synthomer plc

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United Kingdom

Head office of the Company (including following Completion)

Synthomer plc

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Sponsor, Sole Global Coordinator, Joint Financial Adviser, Joint Bookrunner and Joint Corporate Broker

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Joint Bookrunner and Joint Corporate Broker

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Joint Bookrunner

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Registrar and Receiving Agent

Computershare Investor Services PLC

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Bristol BS13 8AE
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**PART I
CHAIRMAN'S LETTER**



(Incorporated and registered in England and Wales with company number 00098381)

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www.synthomer.com

Neil Johnson (*Chairman*)
Calum MacLean (*Chief Executive Officer*)
Stephen Bennett (*Chief Financial Officer*)
The Hon. Alexander Catto (*Non-Executive Director*)
Dato' Lee Hau Hian (*Non-Executive Director*)
Brendan Connolly (*Senior Independent Director*)
Holly A. Van Deursen (*Independent Non-Executive Director*)
Dr Just Jansz (*Independent Non-Executive Director*)
Caroline Johnstone (*Independent Non-Executive Director*)

10 July 2019

To the Shareholders and, for information only, to persons with information rights

Dear Shareholder

**Proposed Acquisition of OMNOVA Solutions Inc.
and
Notice of General Meeting**

1. Introduction

On 3 July 2019, the board of Directors of Synthomer (the "**Board**") and the board of directors of OMNOVA (the "**OMNOVA Board**") announced that they had reached agreement on the terms of a recommended acquisition by Spirit USA Holdings Inc. (the "**MergerCo**"), an indirect subsidiary of Synthomer, of the entire issued and to be issued share capital of OMNOVA.

The Acquisition will be made at a price of US\$10.15 per OMNOVA Share, which values the entire issued and to be issued share capital of OMNOVA at US\$473 million (approximately £375 million), with an implied enterprise value of US\$824 million (approximately £654 million). This enterprise value implies a multiple of 9.9 times the OMNOVA May 2019 LTM Adjusted EBITDA (as defined in paragraph 5 of *Important Information*), before the impact of cost synergies for the Acquisition, and 9.6 times the OMNOVA Adjusted EBITDA for OMNOVA's financial year ended 30 November 2018.

Owing to its size, the Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules, and therefore requires the approval of Shareholders. Accordingly, a General Meeting has been convened for 10:00 am on 31 July 2019 at the Company's offices at 45 Pall Mall, London, SW1Y 5JG, United Kingdom to approve the Acquisition.

In addition, Shareholders will be asked to approve an increase in the borrowing limit set out in the Articles of Association from £750,000,000 to £1,500,000,000 to enable the Company to finance the consideration payable in respect of the Acquisition and the repayment of the existing OMNOVA Group debt and to provide sufficient headroom for future borrowings to be made.

Accordingly, the Shareholders will be asked at the General Meeting to approve the following ordinary resolutions (the “**Resolutions**”):

- *Resolution 1*: subject to and conditional upon the passing of resolution 2, to approve the Acquisition; and
- *Resolution 2*: that the borrowing limit set out in Article 93.2 of the Articles of Association be increased from £750,000,000 to £1,500,000,000.

An explanation of the Resolutions is set out in paragraph 16.2 below. In the event that both Resolutions are not passed, the Acquisition will not proceed.

The Company intends to finance the Acquisition, and related fees and expenses, from: (1) the net proceeds of a rights issue of up to £199 million (approximately US\$251 million) (the “**Rights Issue**”), as set out in paragraph 8 below; and (2) drawings under the New Debt Facilities, as defined and set out in paragraph 7 below.

The purpose of this letter is to give you further details of the Acquisition and the Rights Issue, including the background to, and reasons for, the Acquisition and the Rights Issue, and to explain why the Board considers each of these to be in the best interests of Synthomer and Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolutions.

2. Background to, and reasons for, the Acquisition

2.1 Background to the Acquisition

Synthomer is a FTSE 250 specialist chemicals company and one of the world’s major suppliers of aqueous polymers. With strong geographic diversity, operating in 18 countries, and product differentiation, Synthomer is a major player in a wide range of sectors including coatings, construction, textiles, paper and healthcare.

OMNOVA develops, manufactures and markets emulsion polymers, speciality chemicals and decorative products. It provides engineered surfaces for various commercial, industrial and residential end uses. OMNOVA uses strategically-located manufacturing and technical facilities in North America, Europe, China and Thailand to service a broad customer base. OMNOVA’s operations consist of two business segments: Specialty Solutions and Performance Materials. For the financial year 2018, OMNOVA derived 63% of its net sales from Specialty Solutions and 37% from the Performance Materials segment.

The Directors believe that the creation of the Enlarged Group will accelerate the growth potential of both businesses. It will benefit from increased scale, greater customer reach and strong operational capabilities and have a strengthened ability to invest in growth and innovation, and to invest in and attract the best people. The Acquisition represents a step change for Synthomer, and the Enlarged Group will have greater potential for further consolidation through opportunistic bolt-on acquisitions.

2.2 Reasons for the Acquisition

Strong strategic fit with the Acquisition creating a global speciality chemicals company with greater scale and a strong platform from which to invest in future growth

The combination with OMNOVA will create a major global speciality chemicals company with a broad range of chemistries ranging from acrylic, vinylic and speciality emulsions polymers to styrene butadiene (“**SB**”) and acrylonitrile-butadiene latexes catering to a diverse range of attractive end-sectors. OMNOVA’s Specialty Solutions business segment will enable Synthomer to build on its strategy of focusing on application development, with the opportunity to secure new long term customer relationships through value-added solutions.

The Acquisition will also further enhance Synthomer’s global platform in speciality coatings and ingredients, increasing its exposure to attractive coatings and additives for oil and gas drilling, cementing and stimulation end-sectors, as well as creating a major global player in water-based polymer solutions.

Expansion and diversification of product portfolio into new attractive end-sectors

The Directors believe that the majority of OMNOVA’s Specialty Solutions portfolio are exposed to GDP+ growth rates, supported by underlying structural trends including preference for lightweight

materials, rising mobilisation, and growing energy demand. The Acquisition will enable Synthomer to enhance its current portfolio with entry and/or increased exposure to attractive end-sectors, most particularly the oil and gas drilling, cementing and stimulation sectors.

OMNOVA is a major supplier of speciality wellbore chemicals used in demanding applications globally. It offers a wide range of solutions including fluid loss control and sealing, emulsifiers, lubricants and rheological modifiers. The sector is expected to grow driven by growing energy demand and rising well values.

Following the Acquisition, the Enlarged Group will have greater end-sector diversification with the ability to leverage OMNOVA's brand recognition and technical expertise in new application areas.

Enhanced focus on speciality products supported by strong R&D and innovation capabilities

The Directors believe that the key strength of OMNOVA's portfolio is its presence in more speciality, high-growth applications. During its financial year ended 30 November 2018, OMNOVA derived 63% of its net sales from its Specialty Solutions business segment.

OMNOVA's focus on commercial excellence, innovation and inorganic growth initiatives in the Specialty Solutions segment has led to the development of over 60 products in the past three years, supported by its advanced technology centres across three continents. OMNOVA will further bolster Synthomer's coatings technology and product portfolio with an increased presence in light industrial performance coatings as well as complement its product range of solutions for non-woven textiles and Synthomer intends to leverage the Enlarged Group's best-in-class process technology and R&D platform. The Directors believe there is opportunity to accelerate commercialisation of both businesses' innovation programmes, capitalising on the Enlarged Group's technical expertise.

Global geographic coverage with increased customer proximity and access to attractive international markets

The Acquisition will enhance Synthomer's position as an international supplier by increasing its presence in North America, Europe and Asia. OMNOVA has a flexible operation structure with 13 plants located principally throughout the United States, France, Portugal and China.

In particular, the Acquisition will materially strengthen Synthomer's presence in North America. In its financial year ended 30 November 2018, OMNOVA derived 58% of its revenue from North America. This compares to Synthomer, which generated 6% of its revenue from North America in its financial year ended 31 December 2018. As a result of the Acquisition, Synthomer will acquire 8 new production facilities in North America which have access to US shale gas feedstocks. The Enlarged Group is expected to derive 58% of its revenue from Europe, with 19% of its revenue from North America and 23% from Asia and the rest of the world.

Synthomer will also benefit from further penetration into Asia, notably the high growth Chinese market. OMNOVA's manufacturing footprint in China is partly located in the Shanghai Chemical Industrial Park (SCIP) with base load business to benefit Synthomer's Chinese sales and technology base.

Together, Synthomer and OMNOVA, through the Enlarged Group, will be able to better serve customers across three continents and provide geographic diversification of their portfolios.

Ability to leverage manufacturing excellence expertise to drive productivity and cost improvements

The Directors believe the combination will allow Synthomer to leverage its enhanced scale to deliver productivity and cost reductions from a range of areas. The combined business is expected to benefit from increased scale to be able to deliver benefits from logistics optimisation and raw material procurement integration.

Synthomer intends to utilise best practices across the 38 facilities across the Enlarged Group to drive non-manpower fixed cost efficiencies and deliver manufacturing optimisation and excellence. The Directors also believe that the Enlarged Group will benefit from Synthomer's strong track record of safe conversion of hazardous feedstocks into water-based polymers.

3. Synergies and integration

The Directors believe that the Acquisition will enhance shareholder value. The Directors expect that the Acquisition will be earnings accretive in the first full financial year following Completion and strongly accretive thereafter.

Furthermore, the Directors expect Synthomer's return on invested capital associated with the Acquisition to exceed its cost of capital in the third full financial year after Completion.

The Directors expect the Acquisition to result in estimated recurring run rate pre-tax cost synergies of US\$29.6 million per annum by the end of the third year following Completion. The Directors believe that the Acquisition represents a significant opportunity to deliver potential cost synergies across the following areas:

- (i) De-listing and head office cost savings (expected to contribute approximately 50% of the full run-rate pre-tax cost synergies).
- (ii) Operational performance improvement, R&D and procurement (expected to contribute approximately 30% of the full run rate pre-tax cost synergies).
- (iii) Regional and property efficiencies (expected to contribute approximately 20% of the full run rate pre-tax cost synergies).

The Directors expect approximately 50% of the annual run rate pre-tax cost synergies to be realised by the end of the first 12-month period following Completion, approximately 75% of the annual run rate pre-tax cost synergies to be realised by the second 12-month period following Completion and the full annual run rate pre-tax cost synergies to be achieved by the end of the third 12-month period following Completion.

The Directors expect that the realisation of these cost synergies will require one-off implementation costs of approximately US\$31.6 million (approximately £25.1 million), of which approximately US\$3.6 million relates to capital expenditure. These are expected to be phased across a three-year period following Completion.

In developing the synergy benefits, the Board has undertaken a rigorous process covering the following steps:

- The Board has worked to evaluate and assess the potential synergies available from the Acquisition, based on past acquisition experience.
- The assessment and quantification of the potential synergies has been informed by the Board's extensive industry experience, knowledge of Synthomer and OMNOVA as well as information gathered during the due diligence process in respect to OMNOVA.
- The cost synergies have been assessed relative to the pre-Acquisition cost base of the OMNOVA Group for the year ended 30 November 2018 and of the Synthomer Group for the year ended 31 December 2018 adjusted for ongoing cost saving initiatives in both companies.
- Key assumptions have been discussed with OMNOVA's operational management.

The Directors have considered dis-synergies in quantifying the net impact of the synergy benefits and these are not expected to be material.

The cost synergies indicated above are expected to be recurring and are contingent on Completion and could not be achieved independently of the Acquisition. The Directors confirm that the cost synergies reflect both beneficial elements and relevant costs associated with achieving these cost synergies.

An estimated leverage of approximately 2.5x net debt / EBITDA⁽¹⁾ for the Enlarged Group is expected at Completion with strong cash flow generation driving expected deleveraging to below 2.0x by the end of the second full financial year following Completion.

(1) Based on an estimated net debt following a hypothetical completion date of October 2019 and assuming that the Rights Issue and the Acquisition completes. An estimated EBITDA for the Enlarged Group is based on the OMNOVA 31 May 2019 LTM Adjusted EBITDA, Synthomer's EBTDA for the year ended 31 December 2018 and an estimate of 50% of the run rate pre-tax cost synergies for the Acquisition (see paragraph 3 (*Synergies and Integration*) of this Part I (*Chairman's Letter*) for further details on cost synergies). The estimated net debt is a forward looking statement and an estimate at a hypothetical date. There can be no assurance that Completion will occur on the date stated (see further paragraph 1 (*Forward-looking statements*) of *Important Information*).

4. Information on Synthomer

Synthomer is a FTSE 250 specialist chemicals company and one of the world's major suppliers of aqueous polymers. With strong geographic diversity, operating in 18 countries, and product differentiation, Synthomer is a major player in a wide range of sectors including coatings, construction, textiles, paper and healthcare.

The Company continues to see significant opportunities to drive improvement from existing businesses with the support of a strong balance sheet. Innovation continues to be a core pillar of business growth providing the opportunity for Synthomer to secure improved market positions and solutions to generate added value for existing customers.

Synthomer remains focused on its goal to become a major chemicals company with strong global reach. A new global business structure was launched on 1 January 2019 that the Directors believe enable Synthomer to benefit from its global product portfolio, expand the reach of its R&D capabilities and bring greater operational focus to its business.

5. Information on OMNOVA

OMNOVA develops, manufactures and markets emulsion polymers, speciality chemicals and decorative products. It provides engineered surfaces for various commercial, industrial and residential end uses. OMNOVA uses strategically-located manufacturing, and technical facilities with 13 manufacturing facilities in North America, Europe, and Asia to service a broad customer base. OMNOVA's operations consist of two business segments: Specialty Solutions and Performance Materials. For the financial year 2018, OMNOVA derived 63% of its net sales from Specialty Solutions and 37% from the Performance Materials segment.

The Specialty Solutions segment consists of three business lines: Specialty Coatings & Ingredients, Oil & Gas and Laminates & Films. The Specialty Solutions segment develops, designs, produces, and markets a broad range of speciality products for use in coatings, adhesives, sealants, elastomers, laminates, films, nonwovens and oil & gas products. The segment's products are functional ingredients or compounds that improve the performance of customers' products, including stain, rust and ageing resistance; surface modification; gloss; softness or hardness; dimensional stability; high heat and pressure tolerance; and binding and barrier (e.g. moisture, oil) properties.

The Performance Materials segment serves sectors including plastics, paper, carpet and coated fabrics with a broad range of polymers based primarily on SB, styrene butadiene acrylonitrile, styrene butadiene vinyl pyridine, high styrene pigments, polyvinyl acetate, acrylic, styrene acrylic, calcium stearate, glyoxal, and bio-based chemistries. Performance Materials' custom-formulated products are tailored latexes, resins, binders, antioxidants, hollow plastic pigment, coated fabrics and rubber reinforcing which are used in tire cord, polymer stabilisation, industrial rubbers, carpet, paper and various other applications. Its products provide a variety of functional properties to enhance OMNOVA's customers' products, including greater strength, adhesion, dimensional stability, ultraviolet resistance, improved processability and enhanced appearance.

OMNOVA was incorporated in Ohio, United States. OMNOVA became an independently, publicly-traded company on 1 October 1999, when it was spun off by GenCorp Inc., its former parent company. OMNOVA Shares are listed on the New York Stock Exchange (the "NYSE") under the trading name "OMN". As at 30 November 2018, OMNOVA employed approximately 1,900 employees globally.

6. Summary of the key terms of the Acquisition

On 3 July 2019, Synthomer, OMNOVA, Synthomer USA LLC and MergerCo, a wholly owned subsidiary of Synthomer, entered into an agreement and plan of merger (the "**Merger Agreement**"), which sets out the terms and conditions of the Acquisition, pursuant to which MergerCo will, subject to the satisfaction of certain conditions, merge with and into OMNOVA and holders of OMNOVA Shares ("**OMNOVA Shareholders**") will receive a cash price of:

US\$10.15 per OMNOVA Share (the "Merger Consideration").

This values the entire issued and to be issued share capital of OMNOVA at US\$473 million (approximately £375 million), with an implied enterprise value of US\$824 million (approximately £654 million). This enterprise value implies a multiple of 9.9 times the OMNOVA May 2019 LTM

Adjusted EBITDA, before the impact of cost synergies for the Acquisition, and 9.6 times the OMNOVA Adjusted EBITDA for OMNOVA's financial year ended 30 November 2018.

Synthomer intends to finance the Acquisition, and related fees and expenses, from: (1) the net proceeds of the Rights Issue of up to £199 million (approximately US\$251 million); and (2) drawings under the New Debt Facilities.

Upon Completion, Synthomer will, indirectly, hold all equity interests in OMNOVA.

For further information on the Merger Agreement, please see Part V (*Summary of the Principal Terms and Conditions of the Merger Agreement*) of this document.

6.1 Conditions to the Acquisition

The obligations of the parties to the Merger Agreement to effect the Acquisition are subject to the satisfaction or waiver of certain conditions (the "**Conditions**"). Such Conditions include:

- (i) the affirmative vote of the holders of issued and outstanding OMNOVA Shares entitling such holders to exercise at least two thirds of the voting power of OMNOVA;
- (ii) the affirmative vote in favour of approval of the Resolutions required to approve and implement the Acquisition by Shareholders representing a simple majority of the votes represented in person or by proxy at the General Meeting;
- (iii) the expiration or termination of the applicable waiting period (or extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**") and the receipt of certain other applicable antitrust approvals;
- (iv) the representations and warranties of each party to the Merger Agreement being true and correct as at the date of the Merger Agreement and as at the Completion Date, subject to certain exceptions based on materiality, material adverse effect and similar standards;
- (v) each party to the Merger Agreement having performed or complied in all material respects with the covenants and agreements contained in the Merger Agreement to be performed or complied with by it prior to or on the Completion Date;
- (vi) the absence of any fact, condition, circumstance, occurrence, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the OMNOVA Group;
- (vii) Synthomer and MergerCo each having provided a certificate dated the Completion Date signed on its respective behalf by a duly authorised executive to the effect that the Conditions set out in (iv) and (v) above have been satisfied and OMNOVA having provided a certificate dated the Completion Date signed on its behalf by a duly authorised executive to the effect that the Conditions set out in (iv), (v) and (vi) above have been satisfied; and
- (viii) the absence of: (1) any law that makes illegal or otherwise prohibits the consummation of the Acquisition; (2) any order by a competent governmental authority that enjoins or otherwise prohibits or makes illegal the consummation of the Acquisition; and (3) any order imposing a burdensome condition on obtaining any required approval from an antitrust authority.

OMNOVA is required to pay Synthomer the sum of US\$15.8 million (approximately £12.5 million) in certain circumstances, including if the Merger Agreement is terminated by Synthomer where the OMNOVA Board changes its recommendation to its shareholders to vote in favour of the Acquisition. Synthomer is required to pay OMNOVA the sum of US\$15.8 million (approximately £12.5 million) (representing 1% of the market capitalisation of Synthomer as at the date of the signing of the Merger Agreement) if the Merger Agreement is terminated: (1) by OMNOVA where, prior to the General Meeting, the Board has changed its recommendation to Shareholders to vote in favour of the Acquisition; or (2) by Synthomer or OMNOVA as a result of the failure to obtain required regulatory approvals.

6.2 Completion

Assuming satisfaction or waiver of all Conditions, Completion is expected to occur in late 2019 / early 2020. The expected timetable of principal events for the Acquisition is set out on page 4. Any revision to this will be promptly notified to Shareholders, by Synthomer, via a Regulatory Information Service.

Following Completion, Synthomer will announce via a Regulatory Information Service that the Acquisition has taken effect.

7. Financing

Synthomer intends to finance the Acquisition, and related fees and expenses, from: (1) the net proceeds of the Rights Issue (as set out in paragraph 8 below) of up to £199 million (approximately US\$251 million); and (2) drawings under the Bridge Facilities and the Syndicated Facilities (each as defined below) (the Bridge Facilities and the Syndicated Facilities, together, the “**New Debt Facilities**”).

Synthomer has entered into the 2019 Bridge Facilities Agreement and the 2019 Syndicated Facilities Agreement (each as defined below) in connection with the Acquisition.

The Bridge Facilities and the 2019 Term Facility (as defined below) are available to be applied for the following purposes: (1) financing the consideration payable for the Acquisition; (2) payment of fees, costs and expenses in connection with the Acquisition; (3) refinancing the OMNOVA Debt Facilities; and (4) prepayment and cancellation of all amounts outstanding under Synthomer’s 2018 Revolving Credit Facility Agreement. The 2019 Revolving Facility (as defined below) is available to be applied towards the payment of all fees, costs and expenses in connection with the 2019 Syndicated Facilities Agreement and general corporate and working capital purposes (including, without limitation, refinancing certain existing financial indebtedness of OMNOVA (including the OMNOVA Debt Facilities) and the prepayment and cancellation of all amounts outstanding under Synthomer’s 2018 Revolving Credit Facility Agreement).

7.1 Bridge Facilities

On 3 July 2019, Synthomer as original borrower and original guarantor and Synthomer (UK) Limited, Synthomer Trading Limited and Synthomer Holdings Limited as original guarantors entered into a bridge facilities agreement with, among others, Barclays Bank PLC, Citi, HSBC and Banco Santander, S.A., London Branch (“**Santander**”) as mandated lead arrangers and bookrunners, Barclays Bank PLC, Citibank, N.A., London Branch (“**Citibank**”), HSBC and Santander as original lenders and HSBC as agent (the “**2019 Bridge Facilities Agreement**”).

The facilities provided under the 2019 Bridge Facilities Agreement comprise two unsecured credit facilities:

- a £200 million bridge term loan facility which matures on the date falling 6 months after the earlier of: (1) the Completion Date; and (2) the date that is 3 months after 3 July 2019 (the earlier of (1) and (2), the “**Start Date**”), subject to the exercise of two extension options at Synthomer’s discretion which would extend the maturity date for two further periods, in each case, of six months (“**Bridge Facility A**”); and
- a €520 million (approximately £466 million) bridge term loan facility which matures on the date falling 1 year after the Start Date, subject to the exercise of two extension options at Synthomer’s discretion which would extend the maturity date for two further periods, in each case, of six months (“**Bridge Facility B**” and, together with Bridge Facility A, the “**Bridge Facilities**”).

The Directors do not expect Bridge Facility A to be utilised following receipt of the net proceeds of the Rights Issue. Subject to prevailing market conditions, the Directors intend that Bridge Facility B will be refinanced by bond issuances or other form of refinancing in due course. Synthomer has not entered into any definitive documentation with respect to any such bond issuances or refinance financing. There can be no assurance that any replacement, supplemental or refinance financing will be available to Synthomer at all or on acceptable terms, as outlined in the risk factor in Part II (*Risk Factors*) of this document entitled “*Synthomer may encounter difficulties or high costs associated with securing refinancing of debt incurred in connection with the Acquisition*”.

The Company may enter one or more foreign exchange forwards in order to hedge the Company’s exposure between the euro bridge facility and the US dollar purchase price for the Acquisition. The Company has not entered into any definitive documentation in relation to such hedging arrangements and there can be no certainty that the Synthomer Group will enter into such hedging arrangements in respect of all or part of such foreign exchange risk.

For more information on the Bridge Facilities, please see paragraph 5.1.5 of Part VI (*Additional Information*) of this document.

7.2 Syndicated Facilities

On 3 July 2019, Synthomer as original borrower and original guarantor and Synthomer (UK) Limited, Synthomer Trading Limited and Synthomer Holdings Limited as original guarantors entered into a multicurrency term loan and revolving facilities agreement with, among others, Barclays Bank PLC, Citi, HSBC and Santander as mandated lead arrangers and bookrunners, Barclays Bank PLC, Citibank, HSBC and Santander as original lenders and HSBC as agent (the “**2019 Syndicated Facilities Agreement**”).

The facilities provided under the 2019 Syndicated Facilities Agreement comprise two unsecured credit facilities which mature on 3 July 2024:

- a US\$260 million (approximately £206 million) term loan facility (the “**2019 Term Facility**”); and
- a €460 million (approximately £412 million) multicurrency revolving credit facility (the “**2019 Revolving Facility**” and, together with the 2019 Term Facility, the “**Syndicated Facilities**”).

For more information on the Syndicated Facilities, please see paragraph 5.1.4 of Part VI (*Additional Information*) of this document.

8. Key terms of the Rights Issue

The Company is proposing to raise net proceeds of up to £199 million (approximately US\$251 million), from the Rights Issue. Pursuant to the Rights Issue, the Company is proposing to offer up to 84,970,192 New Synthomer Shares to Qualifying Shareholders other than to those Shareholders with a registered address, or resident in, one of the Excluded Territories. The offer is to be made at 240 pence per New Synthomer Share, payable in full on acceptance by no later than 11:00 am on 29 July 2019. The Issue Price represents a 30.4% discount to the theoretical ex-Rights price based on the closing middle-market price of 371.2 pence per Synthomer Share on 2 July 2019.

The Rights Issue will be made on the basis of:

1 New Synthomer Share at 240 pence per New Synthomer Share for every 4 Existing Synthomer Shares

held by Qualifying Shareholders at the close of business on the Record Date.

Entitlements to New Synthomer Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders and will be disregarded.

Qualifying Shareholders with registered addresses in any of the Excluded Territories will not be sent Provisional Allotment Letters and will not have their CREST stock accounts credited with Nil Paid Rights, except where the Company and the Underwriters are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction.

The New Synthomer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Synthomer Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Synthomer Shares.

The New Synthomer Shares to be issued pursuant to the Rights Issue, other than the New Synthomer Shares which KLK has irrevocably undertaken to take up, are underwritten by the Underwriters pursuant to the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in paragraph 5.1.2 of Part VI (*Additional Information*) of this document.

The Rights Issue will result in up to 84,970,192 New Synthomer Shares being issued (representing approximately 25% of the existing issued share capital and 20% of the enlarged issued share capital of Synthomer immediately following completion of the Rights Issue).

The Rights Issue is conditional, inter alia, upon:

- the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission; and

- Admission becoming effective by no later than 8:00 am on the second Business Day following the date of this document (or such later time and date as the Underwriters and the Company may agree but being no later than 16 July 2019).

The Rights Issue is not conditional on the Acquisition proceeding or the Resolutions being passed. The Company and OMNOVA can give notice of termination of the Merger Agreement prior to Completion if certain conditions, as detailed within the Merger Agreement and explained further in Part V (*Summary of the Principal Terms and Conditions of the Merger Agreement*) of this document, are not satisfied. It is therefore possible that the Rights Issue could proceed but the Acquisition does not. In such circumstances, the Company intends to retain the net proceeds raised by the Rights Issue for the purpose of pursuing future acquisition opportunities or, if no suitable acquisition opportunities can be found within a reasonable period, the Company will consider, to the extent possible in the circumstances, returning the net proceeds raised by the Rights Issue to Shareholders in a tax efficient way.

Applications will be made to the FCA for the New Synthomer Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New Synthomer Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and that dealings in the New Synthomer Shares (nil paid) will commence by 8:00 am on 15 July 2019 and in the New Synthomer Shares (fully paid) by 8:00 am on 30 July 2019.

The Directors, who have beneficial holdings and shares in respect of which they have an interest amounting to 8,974,497 Synthomer Shares in aggregate, representing approximately 2.6% of the existing ordinary share capital of Synthomer in issue as at 9 July 2019 (the "**Latest Practicable Date**"), are fully supportive of the Rights Issue.

9. Irrevocable undertakings

The Directors have irrevocably undertaken to vote or to procure that the registered holders vote in favour of the Resolutions in respect of their beneficial holdings and shares in respect of which they have an interest amounting to 8,974,497 Synthomer Shares in aggregate, representing approximately 2.6% of the existing ordinary share capital of Synthomer in issue as at the Latest Practicable Date.

In addition, each Director who holds Synthomer Shares has irrevocably undertaken to take up in full their rights to subscribe for New Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid dealing period to meet the costs of taking up the balance of their entitlements to New Shares.

KLK, which holds 66,879,401 Synthomer Shares, representing approximately 19.7% of the existing ordinary share capital of Synthomer in issue as at the Latest Practicable Date, has irrevocably undertaken to vote in favour of the Resolutions.

In addition, KLK has irrevocably undertaken to take up its entitlement pursuant to the Rights Issue in full. This will result in KLK acquiring an aggregate of 16,719,850 New Shares, representing approximately 19.7% of the New Shares to be issued pursuant to the Rights Issue. KLK is being paid a commission of 0.75% of the aggregate value, at the Issue Price of the New Shares KLK has agreed to take up pursuant to the Rights Issue. The Company is not paying an underwriting fee to the Underwriters in respect of these New Shares.

10. Management and employees

The Enlarged Group's headquarters will be the Company's existing headquarters at 45 Pall Mall, London, SW1Y 5JG, United Kingdom and the Enlarged Group's registered office will be the Company's existing registered office at Temple Fields, Harlow, Essex, CM20 2BH, United Kingdom.

Following the Acquisition, the existing contractual and statutory employment rights of all OMNOVA employees who will be employed by the Enlarged Group will be fully observed.

11. Dividends and dividend policy

The Synthomer Group has a progressive dividend policy. For the year ended 31 December 2018, the Board proposed a final ordinary dividend per Synthomer Share of 9.1p (2017: 8.5p), resulting in a total dividend per Synthomer Share for the year of 13.1p (2017: 12.2p), representing an increase of 7.4% in total dividend in 2018. This is in line with the Synthomer Group's dividend policy with the dividend

representing 40% of the Underlying EPS. The final dividend per share was approved at the Company's Annual General Meeting on 25 April 2019 and was distributed on 5 July 2019 to those Shareholders on the register on 7 June 2019.

Following the Acquisition, and subject to the Enlarged Group's trading prospects being satisfactory, the Company intends to maintain its existing dividend policy.

12. Current trading and prospects for Synthomer and OMNOVA

12.1 Synthomer

Synthomer's performance in H1 2019 has been in line with the Board's expectations. Following a slower start to 2019, where Q1 2019 was impacted by ongoing challenging conditions in styrene butadiene rubber ("**SBR**") and lower volumes in the Functional Solutions division, the Synthomer Group's Q2 performance normalised and is expected to be marginally ahead of Q2 2018. Whilst H1 2019 is likely to be lower than the strong comparative period in 2018, the Synthomer Group's outlook for 2019 remains unchanged.

On a divisional basis, Performance Elastomers had a solid H1 in 2019, driven by Nitrile Butadiene Latex ("**Nitrile**") where good demand led to higher Nitrile volumes and improved unit margins relative to a strong H1 2018. The Synthomer Group also started to benefit from the additional 90 kilotonnes of capacity introduced in Q4 2018 at its Pasir Gudang site in Malaysia. SBR sector conditions remained challenging, with the subdued demand seen in Q4 2018 continuing throughout H1 2019. Weaker demand was especially pronounced in the Synthomer Group's European paper business.

The Functional Solutions division made good progress in H1 2019. Whilst reported volumes were lower than the corresponding period in 2018 due to a slower start to the year in Europe and the sale of 51% of the Synthomer Group's Dubai operations in July 2018, unit margins were stronger. Additional capacity at the Synthomer Group's Worms (Germany) and Roebuck (USA) dispersions facilities were successfully commissioned at the end of June 2019, and saleable volumes are starting to be delivered to customers.

The Industrial Specialities division's results for H1 2019 were in line with expectations. The improving trend seen in the later part of Q1 2019 continued through Q2 2019 with demand now back to more normalised levels.

With lower comparatives in the second half of 2019 and improved conditions in most parts of the business, the Synthomer Group is confident of continued progress in H2 2019. SBR in Europe is likely to remain challenging, offset by the further benefits of additional capacity and continued strength in Nitrile. Subsequently, the Board's expectations for the Synthomer Group's Full Year 2019 performance remain unchanged.

12.2 OMNOVA

OMNOVA filed its Form 10-Q for the six months ended 31 May 2019 with the SEC on 3 July 2019.

OMNOVA's net sales in the first six months of 2019 were US\$374.6 million, compared to US\$385.0 million in the first six months of 2018. The acquisition of Resiquímica during the fourth quarter of 2018 accounted for US\$28.7 million of current year sales. The Specialty Solutions business segment sales increased US\$17.0 million, or 7.1%, and Performance Materials business segment sales decreased by US\$27.4 million, or 18.6%. Contributing to the net sales decrease in 2019 were lower volumes of US\$5.6 million, primarily in paper, and unfavourable foreign currency exchange of US\$5.4 million, which were partially offset by favourable price/mix of US\$0.6 million.

Gross profit in the first six months of 2019 was US\$85.8 million with a gross profit margin of 22.9%, compared to US\$98.2 million and 25.5% in the first six months of 2018. The decrease from the comparable first six months period resulted from unfavourable foreign exchange for both Specialty Solutions and Performance Materials, unfavourable price and volume for Performance Materials, which were partially offset by favourable volume and pricing within Specialty Solutions.

Selling, general and administrative expense in the first six months of 2019 was US\$58.9 million, or 15.7% of net sales, compared to US\$57.1 million, or 14.8% of net sales, in the first six months of 2018. The US\$1.8 million increase in expense for the first six months of 2019 reflects increased costs related to personnel and outside services and the acquisition of Resiquímica.

Interest expense was US\$10.2 million in the first six months of 2019, compared to US\$9.7 million for the first six months of 2018. The increase in the current year is primarily due to a higher average outstanding debt balance and increased interest rates.

OMNOVA recorded income tax expense of US\$0.8 million and an income tax benefit of US\$2.6 million for the first six months ended 31 May 2019 and 2018, respectively. OMNOVA's effective tax rate for the first six months of 2019 was different than its US federal statutory tax rate primarily due to losses in jurisdictions in which no tax benefit was recognised. OMNOVA's effective tax rate for the first six months of 2018 was different than its US federal statutory rate primarily due to discrete items related to the Tax Cuts and Job Act 2017 (the "**Tax Act**") that were recorded in the first quarter of 2018. These items included a US\$4.1 million income tax benefit related to the re-measurement of the US deferred taxes as the US federal tax rate was reduced from 35% to 21% and a US\$0.9 million income tax benefit associated with the reversal of the valuation allowance against the existing AMT credit carry forward as it is refundable under the Tax Act. In addition, during the first quarter of 2018, OMNOVA recognised a US\$0.8 million income tax benefit related to the impact of a French tax rate change on OMNOVA's deferred tax liabilities. These discrete tax benefits were partially offset by losses in jurisdictions in which no tax benefit was recognised.

OMNOVA generated net income of US\$1.0 million, or US\$0.02 per diluted share, in the first six months of 2019, compared to net income of US\$15.7 million, or US\$0.35 per diluted share, in the first six months of 2018.

13. Overseas Shareholders

The attention of Shareholders who have registered addresses outside the United Kingdom, or who are citizens in, or residents of, or located in countries other than the United Kingdom, is drawn to the information in paragraph 7 of Part IX (*Terms and Conditions of the Rights Issue*) of the Prospectus.

New Synthomer Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders on the register at the Record Date, including Overseas Shareholders. However, Provisional Allotment Letters will not be sent to Qualifying Non-CREST Shareholders with registered addresses in any of the Excluded Territories, nor will the CREST stock account of Qualifying CREST Shareholders with registered addresses in any of the Excluded Territories be credited.

Notwithstanding any other provision of this document, the Prospectus or the Provisional Allotment Letter, the Company reserves the right to permit any Shareholder on the register at the Record Date to take up his or her rights if the Company and the Underwriters in their sole and absolute discretion are satisfied that the transaction in question will not violate applicable laws.

In particular, persons who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers whether they require any governmental or other consents or need to observe any formalities to enable them to take up their entitlements in the Rights Issue.

14. Share schemes

The options and awards granted under the Company's share scheme may be adjusted in accordance with the rules of the share scheme and in such a way as the Remuneration Committee considers appropriate to compensate option and award holders for any effect the Rights Issue will have on those options and awards. Any adjustments will be made on or after the ex-Rights Date and will be subject to the approval of HMRC and the Company's auditors where required. Where options and awards are subject to performance conditions, adjustments may, if appropriate, be made to the conditions. Participants in the share scheme will be contacted separately with further information on how their options and awards may be affected by the Rights Issue.

15. De-listing of OMNOVA Shares

Following Completion, there will no longer be any publicly held OMNOVA Shares. Accordingly OMNOVA Shares will be delisted from the NYSE as promptly as practicable following Completion and will be deregistered under the Securities Exchange Act of 1934, as amended and the regulations promulgated thereunder (the "**Exchange Act**") as promptly as practicable after such delisting. OMNOVA will no longer be subject to reporting obligations under the Exchange Act in respect of OMNOVA Shares after such deregistration.

It is anticipated that a Form 25 will be filed with the SEC on the Completion Date. Delisting of OMNOVA Shares from the NYSE will be effective 10 days after a Form 25 is filed with the SEC. It is anticipated that a Form 15 will be filed with the SEC to deregister the OMNOVA Shares once the delisting is effective. Prior to Completion, OMNOVA will cooperate with Synthomer to cause the delisting from the NYSE of the OMNOVA Shares as promptly as practicable following Completion and the deregistration of the OMNOVA Shares under the Exchange Act as promptly as practicable after such delisting.

16. General Meeting and the Resolutions

16.1 General Meeting

Owing to its size, the Acquisition constitutes a Class 1 transaction for the purposes of the Listing Rules, and therefore requires the approval of Shareholders. Accordingly, a General Meeting has been convened for the purpose of approving the Acquisition.

Set out on pages 74 to 76 of this document is the Notice of General Meeting to be held at 10:00 am on 31 July 2019 at the Company's offices at 45 Pall Mall, London, SW1Y 5JG, United Kingdom, at which the Resolutions (summarised below) will be proposed. The full text of the Resolutions is set out in the Notice of General Meeting.

The Resolutions will be proposed as ordinary resolutions requiring a simple majority of votes cast in favour.

16.2 Resolutions

The implementation of the Acquisition is conditional upon, among other things, Shareholders' approval of the Resolutions being obtained at the General Meeting.

Resolution 1

Resolution 1 proposes that, subject to and conditional upon the passing of Resolution 2, the Acquisition be approved and the Directors be authorised to make any such non-material amendments, waivers or extensions to the terms of the Acquisition or the Merger Agreement which they in their absolute discretion consider necessary, appropriate or desirable to implement the Acquisition and to take all steps and to do all things which they consider necessary or desirable to implement the Acquisition.

Resolution 2

Resolution 2 proposes that the increase in the borrowing limit set out in Article 93.2 of the Articles of Association from £750,000,000 to £1,500,000,000 be and is hereby approved.

Resolution 2 is sought to enable the Company to draw down sums under the New Debt Facilities in order to finance the consideration payable in respect of the Acquisition and the repayment of the existing OMNOVA Debt Facilities and to provide sufficient headroom for future borrowings to be made.

For the avoidance of doubt, Resolution 2 may be passed without Resolution 1 being passed, however the Acquisition is conditional on, among other things, both Resolutions being passed. In the event that the Resolutions are not passed, the Acquisition will not proceed.

16.3 Actions to be taken

General Meeting

If you are a Shareholder, you will find enclosed with this document a Proxy Form for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Proxy Form in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Registrar at Computershare, Corporate Actions Projects, Bristol, BS99 6AH by no later than 10:00 am on 29 July 2019 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you are a member of CREST you may be able to use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be

received by no later than 10:00 am on 29 July 2019 (or, in the case of an adjournment, no later than 48 hours before the time fixed for the holding of the adjourned meeting).

Please refer to the Notice of General Meeting on page 74 for guidance notes on the completion and return of the Proxy Form and other applicable voting documentation.

Rights Issue

The latest time for acceptance by Qualifying Shareholders under the Rights Issue is 11:00 am on 29 July 2019. The procedure for acceptance and payment is set out in paragraph 4.2 of Part IX (*Terms and Conditions of the Rights Issue*) of the Prospectus. Further details also appear in the Provisional Allotment Letter which will be sent to all Qualifying Non-CREST Shareholders (other than those Qualifying Non-CREST Shareholders with a registered address in any of the Excluded Territories).

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the FSMA if you are resident in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

16.4 Further information

Your attention is drawn to the additional information set out in Part II (*Risk Factors*) and Part VI (*Additional Information*) of this document. You are advised to read the whole document and not merely rely on the key or summarised information in this letter.

17. Financial advice

The Board has received financial advice from Barclays and The Valence Group in relation to the Acquisition. In providing their respective financial advice to the Board, each of Barclays and The Valence Group has relied upon the Board's commercial assessment of the Acquisition.

18. Recommendation

The Board considers the Acquisition, the Rights Issue and the Resolutions to be in the best interests of Synthomer and Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions set out in the Notice of General Meeting. The Directors have irrevocably undertaken to vote or to procure that the registered holders vote in favour of the Resolutions in respect of their beneficial holdings and shares in respect of which they have an interest amounting to 8,974,497 Synthomer Shares in aggregate, representing approximately 2.6% of the existing ordinary share capital of Synthomer in issue as at the Latest Practicable Date.

The Directors are fully supportive of the Rights Issue. Each Director who holds Synthomer Shares either intends, to the extent that they are able, to take up in full their rights to subscribe for New Synthomer Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid dealing period to meet the costs of taking up the balance of their entitlements to New Synthomer Shares.

Yours faithfully

Neil Johnson
Chairman

PART II RISK FACTORS

The Acquisition may give rise to a number of risks which, if they occur, may have a material adverse effect on the business, financial condition, results of operations or prospects of the Synthomer Group and following Completion, the Enlarged Group. Accordingly, the risk factors should be afforded careful consideration together with all the other information set out in, or incorporated by reference into, this document in deciding whether to approve the Resolutions being put to the Shareholders at the General Meeting.

The risks which the Directors consider to be material as at the date of this document are set out in this Part II. The risks described in this Part II are based on information known at the date of this document but may not be the only risks to which the Synthomer Group and, following Completion the Enlarged Group, are or might be exposed.

Additional risks and uncertainties, which are currently unknown to the Synthomer Group or that the Synthomer Group does not currently consider to be material, may adversely affect the business of the Synthomer Group and, following Completion, the Enlarged Group and could have a material adverse effect on the business, financial condition, operating or financial results and future prospects of the Synthomer Group and, following Completion, the Enlarged Group.

If any of the following risks were to materialise, the business, financial condition, operating or financial results and future prospects of the Synthomer Group and, following Completion, the Enlarged Group could be materially adversely affected and the value of Synthomer Shares could decline and Shareholders could lose all or part of their investment in those Synthomer Shares.

Shareholders should read this document as a whole and not rely solely on the information set out in this section.

1. Material risks relating to the Acquisition

1.1 Completion is subject to a number of Conditions which may not be satisfied or waived or which may be satisfied subject to conditions imposed by regulatory bodies or other third parties and may result in Completion being delayed or the Acquisition not completing

The obligations of the parties to the Merger Agreement to effect the Acquisition are subject to the satisfaction or waiver of certain Conditions. Such Conditions include:

- (i) the affirmative vote of the holders of issued and outstanding OMNOVA Shares entitling such holders to exercise at least two thirds of the voting power of OMNOVA;
- (ii) the affirmative vote in favour of approval of the Resolutions required to approve and implement the Acquisition by Shareholders representing a simple majority of the votes represented in person or by proxy at the General Meeting;
- (iii) the expiration or termination of the applicable waiting period (or extension thereof) under the HSR Act and the receipt of certain other applicable antitrust approvals;
- (iv) the representations and warranties of each party to the Merger Agreement being true and correct as at the date of the Merger Agreement and as at the Completion Date, subject to certain exceptions based on materiality, material adverse effect and similar standards;
- (v) each party to the Merger Agreement having performed or complied in all material respects with the covenants and agreements contained in the Merger Agreement to be performed or complied with by it prior to or on the Completion Date;
- (vi) the absence of any fact, condition, circumstance, occurrence, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the OMNOVA Group;
- (vii) Synthomer and MergerCo each having provided a certificate dated the Completion Date signed on its respective behalf by a duly authorised executive to the effect that the Conditions set out in (iv) and (v) above have been satisfied and OMNOVA having provided a certificate dated the Completion Date signed on its behalf by a duly authorised executive to the effect that the Conditions set out in (iv), (v) and (vi) above have been satisfied; and

(viii) the absence of: (1) any law that makes illegal or otherwise prohibits the consummation of the Acquisition; (2) any order by a competent governmental authority that enjoins or otherwise prohibits or makes illegal the consummation of the Acquisition; and (3) any order imposing a burdensome condition on obtaining any required approval from an antitrust authority.

There is no guarantee that the Conditions will be satisfied (or waived, if applicable) in the necessary time frame and the Acquisition may, therefore, be delayed or not completed. Although Synthomer and OMNOVA have agreed in the Merger Agreement to use their reasonable best efforts, subject to certain limitations, to complete the Acquisition as promptly as practicable, the Conditions may fail to be satisfied. In addition, satisfying the Conditions may take longer, and could cost more, than Synthomer and OMNOVA expect. Any delay in completing the Acquisition may adversely affect the synergies and other benefits that Synthomer expects to achieve if the Acquisition and the integration of the companies' respective businesses are completed within the expected timeframe. In addition, Synthomer's and OMNOVA's management would have spent significant time in connection with the Acquisition, which could otherwise have been spent in connection with the other activities of the Synthomer Group and the OMNOVA Group, as applicable. Therefore, the aggregate consequences of a material delay in completing or failure to complete the Acquisition may have a material adverse effect on the business, financial condition and operating or financial results of the Synthomer Group, the OMNOVA Group and, in the case of a delay only, the Enlarged Group.

1.2 *The Enlarged Group's success will be dependent upon its ability to integrate the Synthomer Group and the OMNOVA Group and deliver the value of the combined underlying businesses; the full financial benefits and synergies expected from the Enlarged Group may not be fully achieved*

The Synthomer Group and the OMNOVA Group have operated and, until Completion, will continue to operate, independently and there can be no assurances that their businesses can be integrated successfully. The success of the Enlarged Group will depend, in part, on the effectiveness of the integration process and the ability of the Enlarged Group to realise the anticipated financial benefits and synergies from combining the respective businesses.

In particular, some of the key integration challenges of combining the businesses include consolidation and co-ordinating services and operations, retaining key contracts, maintaining relationships with customers and suppliers, harmonising business cultures, consolidating infrastructure, procedures, processes, facilities, systems and policies and compensation structures, realising synergies, and retaining key employees of the Enlarged Group. If the Enlarged Group does not properly manage these challenges, they may affect the effective running of the business in the ordinary course and the efficient allocation, including redeployment, of resources in the Enlarged Group.

While the Directors believe that the financial benefits and synergies of the Acquisition and the costs associated with the Acquisition have been reasonably estimated, unanticipated events or liabilities may arise or become apparent which result in a delay or reduction in the benefits anticipated to be derived from the Acquisition, or in costs significantly in excess of those estimated. No assurance can be given that the integration process will deliver all or substantially all of the expected benefits or realise any such benefits within the assumed timeframe, or that the costs to integrate and achieve the financial benefits and synergies will not be higher than anticipated.

Further, the demands that the integration process may have on management time could result in diversion of the attention of the Synthomer Group's and the OMNOVA Group's management and employees from ongoing operations, pursuing other potential business opportunities and may cause a delay in other projects currently contemplated by each group.

To the extent that the Enlarged Group is unable to efficiently integrate the operations of the Synthomer Group and the OMNOVA Group, realise anticipated financial benefits and synergies, retain key personnel and avoid unforeseen costs or delay, there may be a material adverse effect on the business, financial condition, operating or financial results and/or prospects of the Enlarged Group.

1.3 *The uncertainties about the effects of the Acquisition could have a materially adverse effect on the Synthomer Group, the OMNOVA Group, and, if the Acquisition completes, the Enlarged Group*

Uncertainty about the effects of the Acquisition, including effects on employees, partners, customers, vendors, distributors and suppliers, may have a material adverse effect on the business, financial

condition and operating or financial results of the Synthomer Group, the OMNOVA Group and, if the Acquisition completes, the Enlarged Group. These uncertainties could cause parties that have business or other relationships with the Synthomer Group or the OMNOVA Group to defer the completion of transactions or other decisions concerning the business of the Synthomer Group, the OMNOVA Group and, if the Acquisition completes, the Enlarged Group or to seek to change their terms of business. In addition, prior to and following Completion, there is also a risk that some current and prospective employees may experience uncertainty about their future roles within the Enlarged Group, which may adversely affect the Synthomer Group's, the OMNOVA Group's and, following Completion, the Enlarged Group's ability to retain or recruit key managers and other employees.

1.4 Synthomer will have foreign exchange risk related to the purchase price for the Acquisition

The Acquisition will be funded from: (1) the net proceeds of the Rights Issue; and (2) drawings under the New Debt Facilities. The proceeds of the Rights Issue are denominated in pounds sterling. There could be a period of time between the date of the Merger Agreement and Synthomer's obligation to acquire OMNOVA for which the payment will be made in US dollars. During this period, the Synthomer Group will be exposed to the risk that, if the foreign exchange rate fluctuates in a manner that is adverse to the Synthomer Group, the Synthomer Group may need to draw down increased amounts under the New Debt Facilities, which may have a material adverse effect on the business, financial condition, operating or financial results and/or prospects of the Enlarged Group. In order to hedge this risk, the Company may enter into one or more foreign exchange forwards, to hedge the foreign exchange rate risk between the euro bridge facilities and the US dollar purchase price for the Acquisition. However, there can be no certainty that the Synthomer Group will enter into such hedging arrangements in respect of all or part of such foreign exchange risk.

1.5 Synthomer may be obligated to complete the merger even if an adverse change to the OMNOVA Group's business or prospects were to occur prior to Completion

The Company is able to terminate the Merger Agreement only in certain limited circumstances, including if Completion has not occurred by the Outside Date, a final and non-appealable law or order prohibits the Acquisition, OMNOVA Shareholder Approval is not obtained or OMNOVA materially breaches a representation, warranty or covenant under the Merger Agreement, which breach would result in a condition to Completion not being satisfied. Further, a condition to Completion is the absence of any fact, condition, circumstance, occurrence, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the OMNOVA Group. Certain changes, events or developments may have a significant negative impact on the OMNOVA Group but nonetheless not amount to having a material adverse effect on the OMNOVA Group pursuant to the terms of the Merger Agreement. Such changes, events or developments may include changes to US or global economic conditions (unless OMNOVA is materially disproportionately affected), any failure by the OMNOVA Group to meet any internal or published projections or forecasts (but not the underlying causes of such failure) or the impact of entering into the Merger Agreement on OMNOVA's relationships with employees, customers or suppliers. Due to the limited termination rights and closing conditions in favour of the Company under the Merger Agreement, even if such adverse changes to the OMNOVA Group's business or prospects were to occur prior to Completion, Synthomer may still be required to complete the Acquisition, and the market price of the Enlarged Group's shares may suffer.

1.6 The Company may be required to pay a termination fee in certain circumstances

The Merger Agreement permits the Board to change its recommendation only in response to an intervening event if the Board determines that such Company Takeover Proposal constitutes or could reasonably be expected to lead to a Company Superior Proposal. If the Board were to make a Company Recommendation Change, OMNOVA would be permitted to terminate the Merger Agreement. If OMNOVA were to terminate the Merger Agreement as a result of such Company Recommendation Change, the Company would be obligated to pay a reverse termination fee of US\$15.8 million (approximately £12.5 million) (representing 1% of the market capitalisation of the Company as at the date of the signing of the Merger Agreement) (the "**Company Reverse Termination Fee**").

If OMNOVA or the Company were to terminate the Merger Agreement as a result of the failure to obtain required regulatory approvals, the Company would similarly be obligated to pay a regulatory termination fee of US\$15.8 million (approximately £12.5 million) (representing 1% of the market capitalisation of the Company as at the date of the signing of the Merger Agreement) (the “**Company Regulatory Termination Fee**”).

1.7 The Acquisition may be subject to litigation, which could delay the Acquisition and prevent Completion

Members of the Synthomer Group and the OMNOVA Group may in the future be party to legal proceedings and claims related to the Acquisition or the Merger Agreement. Legal challenges to the Acquisition could result in an injunction, preventing or delaying Completion. Litigation could also result in the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group incurring defence costs and other liabilities.

1.8 Synthomer may encounter difficulties or high costs associated with securing refinancing of debt incurred in connection with the Acquisition

Synthomer intends to refinance the loans under Bridge Facility B or pursue financing that would replace or supplement financing available under Bridge Facility B in the longer term. There is no guarantee that Synthomer would be able to replace, supplement or refinance Bridge Facility B at all or on terms acceptable to Synthomer. The terms of any debt incurred to replace, supplement or refinance the Bridge Facility B may be materially less attractive than the terms of Bridge Facility B. Synthomer’s ability to obtain financing to refinance Bridge Facility B in the longer term will be subject to various factors, including market conditions, operating performance and the Synthomer Group’s credit rating.

1.9 Increased Synthomer indebtedness in connection with the Acquisition may affect the Enlarged Group’s business flexibility in the longer term

Following Completion, the Enlarged Group will have substantially increased debt compared to the Synthomer Group’s historical level of debt. The Synthomer Group’s consolidated net debt was £214 million as at 31 December 2018. Assuming that the Rights Issue completes, Synthomer expects to incur approximately £450 million (approximately US\$567 million) of additional debt in connection with the Acquisition as a result of financing to complete the Acquisition. In the longer term, this increased level of debt could have the effect, among other things, of reducing the Enlarged Group’s flexibility to respond to changing business and economic conditions. In addition, the amount of cash required to service the Enlarged Group’s increased debt levels and increased aggregate dividends following Completion and thus the demands on the Enlarged Group’s cash resources will be greater than the amount of cash flows required to service the Synthomer Group’s debt and pay dividends prior to the Acquisition. The increased levels of debt and dividends following Completion could, in the longer term, also reduce funds available for the Enlarged Group’s investments in capital expenditures, share repurchases and other activities and may create competitive disadvantages for the Enlarged Group relative to other companies with lower debt levels.

2. Material risks relating to the Synthomer Group which will be impacted by the Acquisition

2.1 As a result of the Acquisition, the Enlarged Group will be subject to additional environmental, health and safety laws and other regulations in new jurisdictions which may require substantial expenditures and which could have an adverse effect on the results of operations, cash flows and financial position of the Enlarged Group following Completion

The Synthomer Group and the OMNOVA Group use and, following Completion, the Enlarged Group will use large quantities of hazardous substances and generate hazardous wastes in their manufacturing operations. Consequently, the operations of the Synthomer Group and the OMNOVA Group are and, following Completion, the Enlarged Group will be subject to extensive environmental, health and safety laws and regulations at both the national and local level in multiple jurisdictions, which could have an adverse effect on the business, financial condition, operating or financial results and cash flows of the Enlarged Group following Completion. The products and many of the applications for the products in the end sectors are regulated by various national and local rules, laws and regulations, such as the US Toxic Substances Control Act, the EU Registration, Evaluation,

Authorisation & Restriction of Chemicals Regulation (“**Reach Regulation**”) and the European Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures (the “**CLP Regulation**”). In addition, the OMNOVA Group has manufacturing operations in several countries including Portugal and China in which the Synthomer Group does not, and as these countries have their own environmental, health and safety laws and regulations, following Completion, the Enlarged Group will be subject to these additional laws and regulations. Many of these laws and regulations have become more stringent over time and the costs of compliance with these requirements may increase, including costs associated with any necessary capital investments. Compliance with environmental and health and safety laws generally increases the costs of transportation and storage of raw materials and finished products, as well as the costs of storage and disposal of wastes.

In connection with the Reach Regulation and the CLP Regulation, any raw material, chemical or substance, including the products of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group, as well as being subject to the registration, classification, labelling and packaging requirements that these regulations impose, could be classified as having a toxicological or health related impact on the environment, on users of products or on the employees of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group. In particular the Reach Regulation requires a costly and time-consuming authorisation process for any chemical that has been deemed to be a Substance of Very High Concern. If authorisation is obtained it will only be for a limited period after which there is a risk that such authorisation will not be renewed or that an alternative would have been found.

Certain products have a variety of end-uses that have specific regulatory requirements such as those relating to products that have contact with food or medical device end-uses. Changes in environmental, health and safety regulations affecting these products could lead to a decrease in demand for such products. Changes in environmental, health and safety regulations in jurisdictions where the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group manufacture and sell their respective products, could lead to a decrease in demand for these products. In addition to changes in regulations, health and safety concerns could increase the costs incurred by customers to use the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group’s products and otherwise limit the use of these products, which could lead to decreased demand for these products. Such a decrease in demand likely would have an adverse effect on the business, financial condition and operating or financial results of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group.

The process of seeking regulatory approval of certain new products and production processes can be time-consuming and subject to unanticipated and significant delays, and such approvals may ultimately not be granted at all. Any delay in obtaining, or any failure to obtain or maintain, these approvals would adversely affect the ability of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group to introduce new products, to continue distributing existing products, and to generate net sales from those products, which could have a material adverse effect on their business and prospects. Moreover, many of the customers of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group are subject to similar regulations. If a significant customer or group of customers were to have an important permit, license, registration or authorisation revoked, this could have a material adverse effect on the business, financial condition and operating or financial results of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group.

The factors mentioned above could, either individually or in the aggregate, have an adverse effect on the business, financial condition and operating or financial results of the Synthomer Group, the OMNOVA Group or following Completion, the Enlarged Group and could, in addition, harm their reputation and customer relations.

If the Synthomer Group, the OMNOVA Group or, following Completion, the Enlarged Group do not accurately predict and adequately provision for the amount or timing of costs of any future compliance or if they misinterpret their obligations under any of these regulatory changes, they may find themselves in violation of laws, regulations or permits. Given the nature of the business, violations of environmental, health and safety requirements, whether current or future, may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, clean-up costs and other remediation or restoration requirements, claims for personal injury or property damages, the installation of costly pollution control equipment, or restrictions on, or the suspension of, operating

permits or activities. The impact on the business of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group or their financial condition or results of operations in any period in which such costs need to be incurred could be material.

2.2 As a result of the Acquisition, the Enlarged Group will be exposed to local business and political risks in the countries in which it will operate

The Synthomer Group and the OMNOVA Group have and, following Completion, the Enlarged Group will have significant operations in foreign countries, including manufacturing facilities, R&D facilities, sales personnel and customer support operations. Currently, the Synthomer Group operates, or others operate on its behalf, 25 manufacturing sites in 18 countries, and the OMNOVA Group operates, or others operate on its behalf, 13 manufacturing sites in 5 countries. The Enlarged Group will therefore be exposed to additional local business and political risks as a result of the new countries (including Portugal and China) or increased presence within existing countries (including the United States) that the Enlarged Group will be operating and/or manufacturing within.

These offshore operations are subject to risks inherent in doing business in foreign countries, including, but not necessarily limited to:

- new and different legal and regulatory requirements in local jurisdictions;
- uncertainties regarding interpretation and enforcement of laws and regulations;
- variation in political and economic policy of the local governments and social conditions;
- export duties or import quotas and difficulties in obtaining export licences;
- domestic and foreign customs and tariffs or other trade barriers;
- potential staffing difficulties and labour disputes;
- managing and obtaining support and distribution for local operations;
- increased costs of transportation or shipping;
- variations in business practices;
- credit risk and financial conditions of local customers and distributors;
- difficulties in enforcing agreements and collecting receivables;
- potential difficulties in protecting intellectual property;
- risk of nationalisation of private enterprises by foreign governments;
- potential imposition of restrictions on investments;
- potentially adverse tax consequences, including imposition or increase of withholding and other taxes on remittances and other payments by subsidiaries;
- legal restrictions on doing business in or with certain nations, certain parties and/or certain products;
- foreign currency exchange restrictions and fluctuations; and
- local economic, political and social conditions, including the possibility of hyperinflationary conditions and political instability.

The Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group may not be successful in developing and implementing policies and strategies to address the foregoing factors in a timely and effective manner at each location where the Synthomer Group, the OMNOVA Group or, following Completion, the Enlarged Group do business. Consequently, the occurrence of one or more of the foregoing factors could have a material adverse effect on the Synthomer Group's, the OMNOVA Group's or, following Completion, the Enlarged Group's international operations or upon its business, financial condition and operating or financial results.

Moreover, the operations of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group in emerging markets are subject to the risks inherent in operating in emerging markets, including legal and regulatory uncertainties (such as difficulties in securing intellectual property rights) and political instability, as well as rapid changes in economic or political conditions,

which may result in greater risks of inflation, fluctuations in exchange rates and interest rates, and a negative impact on the demand for the products of the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group.

2.3 As a result of the Acquisition, the Enlarged Group will be subject to increased risks associated with international trade, including various geopolitical events and fluctuations in the global economy

The sale, purchase and shipment of components and products across international borders subjects the Synthomer Group and the OMNOVA Group and, following Completion, will subject the Enlarged Group to extensive governmental trade regulations. Currently, the Synthomer Group operates, or others operate on its behalf, in 18 countries, and the OMNOVA Group operates, or others operate on its behalf, in 5 countries. The Enlarged Group will therefore be exposed to additional risks associated with international trade as a result of the new countries (including Portugal and China) or increased presence within existing countries (including the United States) that the Enlarged Group will be operating and/or manufacturing within.

The Synthomer Group and the OMNOVA Group are, and, following Completion, the Enlarged Group will be, subject to the risk that laws and regulations could change in a way that would expose them to additional costs, penalties or liabilities. Changes in corporate and other taxation policies, as well as changes in export and other incentives given by various governments or import or tariff policies to restrictions in trade (as a result of the implementation of Brexit or otherwise), could adversely affect the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group's results. Imposition of any additional taxes and levies could adversely affect the demand for the Synthomer Group's, the OMNOVA Group's and, following Completion, the Enlarged Group's products. These may be affected by geopolitical events, including instability within the Eurozone, uncertainty as to the global effect of the current US trade and tariff policies, strained international relations and widespread increases in global tariffs. Additional developments may also occur that the Synthomer Group, the OMNOVA Group and following Completion, the Enlarged Group cannot currently know about or anticipate, or that may be impossible to plan for or protect against. The effects of such geopolitical events may include further financial instability and slower economic growth, significant regulatory changes, currency fluctuations and inflation in the global economy. Inability to manage these risks could harm the Synthomer Group, the OMNOVA Group and, following Completion, the Enlarged Group's growth prospects.

PART III
HISTORICAL FINANCIAL INFORMATION OF THE OMNOVA GROUP

Section A: Historical financial information of the OMNOVA Group

The audited consolidated financial statements for the OMNOVA Group (and the respective independent audit reports for those financial statements) for the years ended 30 November 2018, 30 November 2017 and 30 November 2016, together with the unaudited financial statements for the 6 months ended 31 May 2019, are incorporated by reference from Appendix 2 (*OMNOVA Financial Statements*) of the Prospectus. The financial information relating to the OMNOVA Group in this document and incorporated by reference has been prepared in accordance with US GAAP.

Section B: Unaudited reconciliations of the OMNOVA Group's historical financial information

1. Unaudited reconciliations of the OMNOVA Group's historical financial information to Synthomer's accounting policies

The following unaudited reconciliations summarise the material adjustments which reconcile the OMNOVA Group's consolidated net income/(loss) (profit/(loss) for the period) for the six months ended 31 May 2019 and each of the three years ended 30 November 2018, 30 November 2017 and 30 November 2016, as well as the balance sheet (net assets) as at 31 May 2019, 30 November 2018, 30 November 2017 and 30 November 2016, as previously reported by the OMNOVA Group, to estimate those that would have been reported had the OMNOVA Group applied the accounting policies used by the Synthomer Group in the preparation of its consolidated financial statements for year ended 31 December 2018.

These differences relate to methods for recognition and measurement of the amounts shown in the consolidated financial statements. The reconciliation does not seek to reflect any changes to the judgements made by the OMNOVA Group in preparing the underlying OMNOVA Group financial information and does not reflect any fair value adjustments which the Board will need to make as a result of the Acquisition or would have made had the Acquisition happened at any other date during the historical period shown.

The following unaudited reconciliations present the effect of the material differences between the OMNOVA Group's accounting policies (using US GAAP) and the Synthomer Group's accounting policies (using IFRS). The adjustment to the balance sheet (net assets) at each period end is a cumulative adjustment whereas the net income/(loss) adjustment represents the effect for the accounting period only and therefore does not correspond with the net assets adjustment amount for the corresponding accounting period.

1.1 Unaudited reconciliation of the OMNOVA Group's net income/(loss) for the six months ended 31 May 2019 and for the years ended 30 November 2018, 30 November 2017 and 30 November 2016

(US\$ millions)	Note	For the	For the year ended 30 November		
		six months ended 31 May 2019	2018	2017	2016
Net earnings/(loss) of the OMNOVA Group as reported under US GAAP	1	1.0	20.7	(87.8)	(0.4)
Accounting Policy Adjustments:					
Inventory	2	(1.4)	3.8	1.4	1.8
Pensions and other post-retirement benefits	3	(1.9)	(4.6)	(4.8)	(5.3)
Amortisation of debt costs	4	(1.0)	10.7	—	—
Tax impact of accounting adjustments	5	—	—	—	1.2
Net income/(loss) of the OMNOVA Group under the Synthomer Group's IFRS accounting policies		<u>(3.3)</u>	<u>30.6</u>	<u>(91.2)</u>	<u>(2.7)</u>

1.2 Unaudited reconciliation of the OMNOVA Group's total equity as at 31 May 2019, 30 November 2018, 30 November 2017 and 30 November 2016

(US\$ millions)	Note	As at			
		31 May 2019	30 November 2018	30 November 2017	30 November 2016
Total equity of the OMNOVA Group as reported under US GAAP	1	59.7	57.6	38.2	109.8
Accounting Policy Adjustments:					
Inventory	2	16.7	18.1	14.3	12.9
Pensions and other post-retirement benefits	3	(2.5)	(3.8)	(3.5)	(5.4)
Amortisation of debt costs	4	9.7	10.7	—	—
Tax impact of accounting adjustments	5	—	—	—	1.2
Net assets of the OMNOVA Group under the Synthomer Group's IFRS accounting policies		<u>83.6</u>	<u>82.6</u>	<u>49.0</u>	<u>118.5</u>

Notes:

- (1) The consolidated net income / (loss) and total equity of the OMNOVA Group as at and for the years ended 30 November 2018, 2017 and 2016 have been extracted without material adjustment from the OMNOVA Group's consolidated financial statements incorporated by reference into Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document. The consolidated net income / (loss) and total equity of the OMNOVA Group as at and for the six months ended 31 May 2019 has been extracted without material adjustment from the OMNOVA Group's consolidated financial statements incorporated by reference into Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document.
- (2) Under US GAAP, the OMNOVA Group has historically accounted for the US produced inventory under the last-in-first-out ("LIFO") method. The LIFO method of accounting is not permitted under IFRS. Consequently, adjustments have been made to measure inventory in accordance with Synthomer's accounting policies under IFRS, resulting in adjustments on net earnings for the six months ended 31 May 2019 and each of the years ended 30 November 2018, 2017 and 2016, and to equity as at 31 May 2019, 30 November 2018, 2017, and 2016.
- (3) Under US GAAP, the OMNOVA Group has elected to record the effects of remeasurements (which include actuarial gains/losses) immediately in other comprehensive income (OCI) and to subsequently amortise them in the income statement. Under IFRS, these gains/losses are recognised immediately in other comprehensive income (OCI) and are not subsequently recycled through the income statement. In addition, US GAAP requires an independent calculation of interest cost (based on the application of a discount rate to the projected benefit obligation) and expected return on assets (based on the application of an expected rate of return on assets to the calculated asset value). Under IFRS a discount rate is applied to the net benefit obligation to calculate a single net interest cost or income. Adjustments have been made to reflect the effect of the differences on net earnings for the six months ended 31 May 2019 and each of the years ended 30 November 2018, 2017 and 2016, and to equity as at 31 May 2019, 30 November 2018, 2017, and 2016.
- (4) On 2 March 2018, the OMNOVA Group amended its Term Loan B Agreement and as a result reduced the margins for borrowings under the Term Loan B Agreement by 100 basis points to 3.25% for Eurodollar rate loans and 2.25% for base rate loans. Under both US GAAP and IFRS this amendment is accounted for as a modification. When accounting for a modification, under US GAAP, reductions in future margin payments are recorded on an accruals basis, and a new effective interest rate is calculated using the new contractual cash flows. Under IFRS, a modification gain or loss is immediately recognised in the income statement. The gain or loss is determined by recalculating the gross carrying amount of the financial liability by discounting the new contractual cash flows using the original effective interest rate. Adjustments have been made to reflect the effect of the gain on modification of the liability in the year ended 30 November 2018 and to reflect the unwind of the modification gain for the six months ended 31 May 2019 and the year ended 30 November 2018. Corresponding adjustments to the carrying value of the liability have been made to equity as at 31 May 2019 and 30 November 2018.
- (5) This reflects the tax impact of the accounting adjustments set out above. Adjustments have been made to reflect the effect of the differences on net earnings for the year ended 30 November 2016 and to equity as at 30 November 2016. In 2017 the OMNOVA Group established a valuation allowance of \$73.1 million on its deferred tax assets. The tax impact on the adjustments above is offset by the opposite adjustment in the deferred tax asset valuation allowance, which results in nil tax impact on net earnings for the six months ended 31 May 2019 and the years ended 30 November 2018 and 2017, and to equity as at 31 May 2019, 30 November 2018 and 2017.

2. Accountant's report on the unaudited reconciliations of the consolidated historical financial information of the OMNOVA Group



The Directors
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10 July 2019

Ladies and Gentlemen

Synthomer plc (the “Company”): Proposed acquisition of OMNOVA Solutions Inc. (“OMNOVA”)

We report on the unaudited reconciliations (the “**Reconciliations**”) set out in Section B of Part III of the Company’s circular dated 10 July 2019 (the “**Circular**”) of the consolidated net income/loss for the year for each of the years in the three-year period ended 30 November 2018 and of the consolidated total equity as at 30 November 2016, 30 November 2017 and 30 November 2018, (together the “**Financial Information**”), as previously reported in the financial statements of OMNOVA and its subsidiaries (the “**OMNOVA Group**”) prepared under United States Generally Accepted Accounting Principles, showing the adjustments necessary to restate it on the basis of the Company’s accounting policies used in preparing the Company’s last set of annual consolidated financial statements. This report is required by Listing Rule 13.5.27R(2)(a) of the Financial Conduct Authority and is given for the purpose of complying with that Listing Rule and for no other purpose.

We express no opinion on the unaudited reconciliations of the consolidated net income/loss of the OMNOVA Group for the six months ended 31 May 2019 and of the total equity as at 31 May 2019 to the Company’s accounting policies.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Reconciliations in accordance with Listing Rule 13.5.27R(2)(a).

It is our responsibility to form an opinion, as required by Listing Rule 13.5.27R(2)(a), as to whether:

- a) the Reconciliations have been properly compiled on the basis stated; and
- b) the adjustments are appropriate for the purpose of presenting the Financial Information (as adjusted) on a basis consistent in all material respects with the Company’s accounting policies,

and to report that opinion to you.

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The Reconciliations are based on the audited consolidated balance sheets as at 30 November 2016, 30 November 2017 and 30 November 2018 and the consolidated statements of operations for each of the years in the three-year period ended 30 November 2018 of the OMNOVA Group which were the responsibility of the directors of OMNOVA. The audited consolidated balance sheets and consolidated statements of operations were audited by Ernst & Young LLP. We do not accept any responsibility for any of the historical financial statements of the OMNOVA Group, nor do we express any opinion on those financial statements.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of checking whether the unadjusted Financial Information of the OMNOVA Group has been accurately extracted from an appropriate source, assessing whether all adjustments necessary for the purpose of presenting the Financial Information on a basis consistent in all material respects with the Company's accounting policies have been made, examination of evidence supporting the adjustments in the Reconciliations and checking the arithmetical accuracy of the calculations within the Reconciliations.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Reconciliations have been properly compiled on the basis stated and that the adjustments are appropriate for the purpose of presenting the Financial Information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- a) the Reconciliations have been properly compiled on the basis stated; and
- b) the adjustments are appropriate for the purpose of presenting the Financial Information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PART IV
UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Section A: Unaudited pro forma financial information for the Enlarged Group

The unaudited pro forma statement of net assets and the unaudited pro forma income statement of the Enlarged Group (together the “**Unaudited Pro Forma Financial Information**”) has been prepared on the basis of the notes set out below to illustrate the effect of the Acquisition and the related financing on the Synthomer Group.

The unaudited pro forma statement of net assets has been prepared based on the audited consolidated balance sheet of the Synthomer Group as at 31 December 2018 and the unaudited consolidated balance sheet of the OMNOVA Group as at 31 May 2019, to illustrate the effect on the net assets of the Synthomer Group as if the Acquisition and related financing had taken place as at 31 December 2018.

The unaudited pro forma income statement has been prepared based on the audited income statement of the Synthomer Group for the year ended 31 December 2018 and the audited income statement for the OMNOVA Group for the year ended 30 November 2018, to illustrate the effect on the income statement of the Synthomer Group as if the Acquisition and the related financing had taken place as at 1 January 2018.

The Unaudited Pro Forma Financial Information set out in this Part IV has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation. It therefore does not represent the Synthomer Group’s actual financial position or results or what the Enlarged Group’s actual financial position or results would have been if the Acquisition and the related financing had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date.

The Unaudited Pro Forma Financial Information does not reflect the effect of anticipated synergies and efficiencies or the related costs of achieving these synergies that may result from the Acquisition.

The Unaudited Pro Forma Financial Information has been prepared on a basis consistent with the accounting policies adopted by the Synthomer Group in its consolidated financial statements for the year ended 31 December 2018 and in accordance with item 13.3.3R of the Listing Rules. The adjustments in the Unaudited Pro Forma Financial Information will not have a continuing impact on the Enlarged Group, unless stated otherwise.

Furthermore, the Unaudited Pro Forma Financial Information set out in this Part IV does not constitute financial statements within the meaning of section 434 of the Companies Act. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part IV.

1. Unaudited pro forma statement of net assets relating to the Enlarged Group

	Synthomer Group as at 31 December 2018	Adjustments			Pro forma Enlarged Group
		Rights Issue and Debt Raising	OMNOVA Group as at 31 May 2019	Acquisition Adjustment	
	(Note 1) £m	(Note 2) £m	(Note 3) £m	(Note 4) £m	£m
Non-current assets					
Goodwill	336.5	—	55.6	298.6	690.7
Acquired intangible assets	69.1	—	40.4	—	109.5
Other intangible assets	5.1	—	4.0	—	9.1
Property, plant and equipment	370.0	—	165.4	—	535.4
Deferred tax assets	23.4	—	0.2	—	23.6
Investment in joint ventures	8.6	—	—	—	8.6
Total non-current assets	812.7	—	265.6	298.6	1,376.9
Current assets					
Inventories	141.9	—	78.8	—	220.7
Trade and other receivables	232.9	—	104.3	—	337.2
Cash and cash equivalents	96.9	662.8	26.7	(662.8)	123.6
Total current assets	471.7	662.8	209.8	(662.8)	681.5
Total assets	1,284.4	662.8	475.4	(364.2)	2,058.4
Current liabilities					
Borrowings	(70.1)	49.4	(3.4)	2.8	(21.3)
Trade and other payables	(263.2)	—	(93.5)	—	(356.7)
Current tax liability	(38.3)	—	(1.6)	—	(39.9)
Provisions for other liabilities and charges	(9.4)	—	(5.6)	—	(15.0)
Derivatives at fair value	(5.3)	—	—	—	(5.3)
Total current liabilities	(386.3)	49.4	(104.1)	2.8	(438.2)
Non-current liabilities					
Borrowings	(240.8)	(513.2)	(245.6)	234.2	(765.4)
Trade and other payables	(0.7)	—	—	—	(0.7)
Deferred tax liability	(34.3)	—	(9.1)	—	(43.4)
Post retirement benefit obligations	(132.5)	—	(45.4)	—	(177.9)
Provisions for other liabilities and charges	(4.8)	—	(5.0)	—	(9.8)
Total non-current liabilities	(413.1)	(513.2)	(305.1)	234.2	(997.2)
Net assets	485.0	199.0	66.2	(127.2)	623.0

Notes:

- The Synthomer Group financial information as at 31 December 2018 has been extracted, without material adjustment, from the Synthomer Group published financial statements for the year ended 31 December 2018, which are prepared in accordance with IFRS and are incorporated by reference in paragraph 11 of Part VI of this document.
- The Acquisition will be financed from the net proceeds of the Rights Issue and drawings under the New Debt Facilities. The adjustment to cash reflects:
 - Net proceeds of the Rights Issue. The Synthomer Group expects to receive net proceeds of approximately £199.0 million, after fees of approximately £4.9 million (exclusive of VAT), from the Rights Issue.
 - a £473.5 million drawdown of the New Debt Facilities. The amount drawn is long term, repayable in more than 12 months following Completion. Fees associated with arranging the New Debt Facilities of £9.7m have been deducted from the carrying value.

The amounts in this note have been calculated using exchange rates of £1:US\$1.2595 and £1:€1.1160 at 2 July 2019, being the latest practicable date prior to the announcement of the Acquisition.

The adjustment to current borrowings reflects the refinancing of the Synthomer Group's existing debt (excluding overdrafts). The adjustment to non-current borrowings includes the drawings under the New Debt Facilities (£473.5 million), capitalised debt refinancing fees of £9.7 million and the refinancing of £49.4 million of existing Synthomer Group debt which was previously due within one year.
- The OMNOVA Group net assets are based on the consolidated balance sheet of the OMNOVA Group as at 31 May 2019 extracted without material adjustment from the OMNOVA Group's consolidated financial statements incorporated by reference in Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document, as adjusted to the Synthomer Group's accounting policies and presentation. A reconciliation of the OMNOVA Group's consolidated statement of net assets to the Synthomer Group's accounting policies and presentation is presented below.

OMNOVA Group balance sheet line items	OMNOVA Group balance sheet line items as at 31 May 2019	Synthomer Group line items	OMNOVA Group balance sheet as at 31 May 2019 under Synthomer Group's balance sheet presentation	IFRS adjustments and reclassifications	OMNOVA Group balance sheet as at 31 May 2019 under Synthomer Group's balance sheet presentation and after IFRS adjustments	Translated into the Synthomer Group's reporting currency
	(Note a) \$m		(Note b) \$m	(Note c) \$m	\$m	(Note d) £m
		Non-current assets				
Goodwill	70.2	Goodwill	70.2	—	70.2	55.6
Intangible assets, net	51.1	Acquired intangible assets	51.1	—	51.1	40.4
Property, plant and equipment, net	208.9	Property, plant and equipment	208.9	—	208.9	165.4
Other non-current assets	5.3					
		Other intangible assets	5.1	—	5.1	4.0
		Deferred tax assets	0.2	—	0.2	0.2
	<u>335.5</u>	Total non-current assets	<u>335.5</u>	<u>—</u>	<u>335.5</u>	<u>265.6</u>
Current assets		Current assets				
Inventories, net	82.9	Inventories	82.9	16.7	99.6	78.8
Accounts receivable, net	122.3					
Prepaid expenses and other	9.5					
	<u>33.7</u>	Trade and other receivables	131.8	—	131.8	104.3
Cash and cash equivalents	33.7	Cash and cash equivalents	33.7	—	33.7	26.7
Total current assets	<u>248.4</u>	Total current assets	<u>248.4</u>	<u>16.7</u>	<u>265.1</u>	<u>209.8</u>
Total assets	<u>583.9</u>	Total assets	<u>583.9</u>	<u>16.7</u>	<u>600.6</u>	<u>475.4</u>
Current liabilities		Current liabilities				
Short-term debt	(4.3)	Borrowings	(4.3)	—	(4.3)	(3.4)
Accounts payable	(93.2)					
Accrued payroll and personal property taxes	(21.5)					
Employee benefits	(3.4)					
	<u>(9.1)</u>	Trade and other payables	(118.1)	—	(118.1)	(93.5)
Other current liabilities	(9.1)					
		Current tax liability	(2.0)	—	(2.0)	(1.6)
		Deferred tax liability	—	—	—	—
		Provisions for other liabilities and charges	(7.1)	—	(7.1)	(5.6)
		Derivatives at fair value	—	—	—	—
Total current liabilities	<u>(131.5)</u>	Total current liabilities	<u>(131.5)</u>	<u>—</u>	<u>(131.5)</u>	<u>(104.1)</u>
Non-current liabilities		Non-current liabilities				
Long-term debt	(320.0)	Borrowings	(320.0)	9.7	(310.3)	(245.6)
Deferred income taxes	(11.5)	Deferred tax liability	(11.5)	—	(11.5)	(9.1)
Pension liabilities	(49.8)					
Post-retirement benefits other than pensions	(5.1)					
	<u>(54.9)</u>	Post-retirement benefit obligations	(54.9)	(2.5)	(57.4)	(45.4)
Other non-current liabilities	(6.3)					
		Trade and other payables	—	—	—	—
		Provisions for other liabilities and charges	(6.3)	—	(6.3)	(5.0)
Total non-current liabilities	<u>(392.7)</u>	Total non-current liabilities	<u>(392.7)</u>	<u>7.2</u>	<u>(385.5)</u>	<u>(305.1)</u>
Total liabilities	<u>(524.2)</u>					
Shareholders' equity	<u>59.7</u>	Net assets	<u>59.7</u>	<u>23.9</u>	<u>83.6</u>	<u>66.2</u>

Notes:

- (a) The OMNOVA Group's balance sheet line items are extracted without adjustment from the OMNOVA Group's consolidated balance sheet as at 31 May 2019 incorporated by reference into Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document.
 - (b) This reflects the OMNOVA Group's consolidated statement of net assets as at 31 May 2019 re-presented to conform to the Synthomer Group's line item presentation format. Certain line items have been aggregated or disaggregated to align them with Synthomer's balance sheet presentation.
 - (c) Certain IFRS adjustments and reclassifications were made to reflect the difference in accounting policy and presentation under the Synthomer Group's IFRS accounting policies, as opposed to US GAAP. These adjustments have been disclosed in Section B of Part III (*Historical Financial Information of the OMNOVA Group*) of this document.
 - (d) The OMNOVA Group financial information has been converted from US\$ to £ using the closing exchange rate of 1.2633 at 31 May 2019.
- (4) The Unaudited Pro Forma Financial Information has been prepared on the basis that the Synthomer Group will apply acquisition accounting. The adjustments arising as a result of the Acquisition are set out below:

a) The pro forma adjustment to goodwill arising on the Acquisition has been calculated as follows:

	<u>£m</u>
Consideration for OMNOVA shares ⁽¹⁾	364.8
Less: OMNOVA Group net assets acquired excluding goodwill (net book value at 31 May 2019) (per Note 3)	(10.6)
Goodwill on acquisition of OMNOVA Group	354.2
Less: OMNOVA Group existing goodwill	(55.6)
Pro forma goodwill adjustment	<u>298.6</u>

(1) Cash consideration is calculated as US\$10.15 per share for the entire issued share capital of OMNOVA as at 2 July 2019 (the latest practicable date prior to the announcement of the Acquisition on 3 July 2019). The expected aggregate amount payable for share awards which will have vested ahead of completion of the Acquisition is included in the calculation of consideration where the payment made meets the definition of Acquisition consideration.

These amounts have been translated using an exchange rate of £1:US\$1.2595 as at 2 July 2019, being the date of announcement of the Acquisition.

The final number of shares to be used for calculating the consideration will be determined at Completion and will reflect the additional number of shares which may be issued as a result of share awards vesting in the period up to Completion.

The Enterprise Value of US\$824 million (£654 million) disclosed elsewhere in this document includes cash paid for OMNOVA shares, repayment of OMNOVA Group debt and liabilities relating to OMNOVA Group's pensions and finance leases, which will become liabilities of the Enlarged Group post-Completion.

b) The adjustment to cash and cash equivalents of £662.8 million comprises:

	<u>£m</u>
Cash paid for OMNOVA shares and share awards ⁽¹⁾	375.5
Repayment of OMNOVA Group debt ⁽²⁾	249.4
Advisor fees and other transaction costs ⁽³⁾	37.9
Pro forma cash adjustment	<u>662.8</u>

(1) Comprises cash consideration of £364.8 million and £10.7 million of cash payments for OMNOVA Group share awards that relate to post-Acquisition services.

(2) The £249.4 million cash adjustment relating to the repayment of the OMNOVA Group debt relates to the repayment of the Term Loan B (US\$300.4 million (£237.8 million)) and the Senior Secured Revolving Credit Facility (US\$14.7 million (£11.6 million)). Also included in OMNOVA Group borrowings at 31 May 2019 were:

- US\$15.2 million (£12.0 million) of finance leases, which will become liabilities of the Enlarged Group post-Completion; and
- US\$15.7 million (£12.4 million) comprising unamortised debt issuance costs (US\$4.1 million (£3.2 million)), original issue discounts (US\$1.9 million (£1.5 million)) and the debt modification gain (US\$9.7 million (£7.7 million)), which will be written off when the debt is repaid on Completion.

(3) Advisor fees and other transaction costs comprise change in control and retention payments of £12.4 million and estimated transaction costs of £25.5 million incurred by the Enlarged Group.

c) The adjustment to current borrowings of £2.8 million and to non-current borrowings of £234.2 million reflects the repayment of OMNOVA Group debt (excluding current capital lease obligations of £0.6 million and non-current capital lease obligations of £11.4m).

(5) In preparing the unaudited pro forma statement of net assets, no account has been taken of the trading or transactions of the Synthomer Group since 31 December 2018 or the OMNOVA Group since 31 May 2019.

2. Unaudited pro forma income statement relating to the Enlarged Group

	Synthomer Group for the year ended 31 December 2018	Adjustments			Pro forma Enlarged Group
		Rights Issue and Debt Raising	OMNOVA Group for the year ended 30 November 2018	Acquisition Adjustment	
	(Note 1) £m	(Note 2) £m	(Note 3) £m	(Note 4) £m	£m
Revenue	<u>1,618.9</u>	<u>—</u>	<u>575.7</u>	<u>—</u>	<u>2,194.6</u>
Operating profit/(loss) underlying performance	141.7	—	40.4	—	182.1
Special items	(13.4)	—	(15.7)	(48.6)	(77.7)
Share of joint ventures	<u>0.4</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.4</u>
Operating profit/(loss)	<u>128.7</u>	<u>—</u>	<u>24.7</u>	<u>(48.6)</u>	<u>104.8</u>
Interest payable	(4.9)	0.2	(6.4)	(5.1)	(16.2)
Interest receivable	1.1	—	—	—	1.1
Fair value of unhedged interest derivatives	(1.4)	—	—	—	(1.4)
IAS 19 interest charge	<u>(3.2)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3.2)</u>
Finance costs	<u>(8.4)</u>	<u>0.2</u>	<u>(6.4)</u>	<u>(5.1)</u>	<u>(19.7)</u>
Profit/(loss) before taxation	<u>120.3</u>	<u>0.2</u>	<u>18.3</u>	<u>(53.7)</u>	<u>85.1</u>
Taxation	<u>(17.0)</u>	<u>—</u>	<u>4.6</u>	<u>8.8</u>	<u>(3.6)</u>
Profit/(loss) for the year	<u>103.3</u>	<u>0.2</u>	<u>22.9</u>	<u>(44.9)</u>	<u>81.5</u>

Notes:

- (1) The Synthomer Group financial information for the year ended 31 December 2018 has been extracted, without material adjustment, from the Synthomer Group published financial statements for the year ended 31 December 2018, which is prepared in accordance with IFRS and is incorporated by reference in paragraph 11 of Part VI (*Additional Information*) of this document.
- (2) The £0.2 million adjustment to interest payable reflects the difference between the amortisation charge relating to capitalised debt refinancing fees for the Enlarged Group and the amortisation charges for Synthomer Group and OMNOVA Group. This will have a continuing impact on the results of the Enlarged Group.
- (3) The OMNOVA Group financial information is based on the consolidated income statement of the OMNOVA Group for the year ended 30 November 2018, extracted without material adjustment from the OMNOVA Group's consolidated financial statements incorporated by reference in Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document, as adjusted to the Synthomer Group's accounting policies and presentation. A reconciliation of the OMNOVA Group's consolidated income statement to the Synthomer Group's accounting policies and presentation is presented below.

OMNOVA Group income statement line items	OMNOVA Group income statement line items for the year ended 30 November 2018 (Note a) \$m	Synthomer Group line items	OMNOVA Group income statement for the year ended 30 November 2018 under Synthomer Group's income statement presentation (Note b) \$m	IFRS adjustments and reclassifications (Note c) \$m	OMNOVA Group income statement for the year ended 30 November 2018 under Synthomer Group's income statement presentation and after IFRS adjustments \$m	Translated into the Synthomer Group's reporting currency (Note d) £m
Net sales	769.8	Revenue	769.8	—	769.8	575.7
Cost of goods sold (exclusive of depreciation)	(579.1)					
Gross profit	190.7					
Selling, general and administrative	(104.2)					
Other (income) expense, net	(1.5)					
Depreciation and amortisation	(30.2)					
		Operating profit/(loss)—Underlying performance	54.8	(0.8)	54.0	40.4
Asset impairments	(13.5)					
Gain/(loss) on asset sales	0.9					
Restructuring and severance	(3.5)					
Debt issuance costs write-off	(0.8)					
Acquisition and integrated related expense	(4.1)					
		Special Items	(21.0)	—	(21.0)	(15.7)
		Operating profit/(loss)	33.8	(0.8)	33.0	24.7
Interest expense	(19.3)	Interest payable	(19.3)	10.7	(8.6)	(6.4)
		Interest receivable	—	—	—	—
		IAS 19 interest charge	—	—	—	—
		Finance costs	(19.3)	10.7	(8.6)	(6.4)
Income (loss) before income taxes	14.5	Profit/(loss) before taxation	14.5	9.9	24.4	18.3
Income tax (expense) benefit	6.2	Taxation	6.2	—	6.2	4.6
Net income (loss)	20.7	Profit/(loss) for the year	20.7	9.9	30.6	22.9

Notes:

- (a) The OMNOVA Group's income statement line items have been directly extracted without adjustment from the OMNOVA Group's consolidated income statement for the year ended 30 November 2018 from the OMNOVA Group's consolidated financial statements incorporated by reference into Section A of Part III (*Historical Financial Information of the OMNOVA Group*) of this document.
- (b) This reflects the OMNOVA Group's consolidated income statement for the year ended 30 November 2018 re-presented to conform to the Synthomer Group's line item presentation format. Certain line items have been aggregated or disaggregated to align them with Synthomer's income statement presentation.
- (c) Certain IFRS adjustments and reclassifications were made to reflect the difference in accounting policy and presentation under the Synthomer Group's IFRS accounting policies, as opposed to US GAAP. These adjustments have been disclosed in Section B of Part III (*Historical Financial Information of the OMNOVA Group*) of this document.
- (d) The OMNOVA Group financial information has been converted from US\$ to £ using the average exchange rate of 1.3372.
- (4) a) The £48.6 million adjustment to Special Items comprises:
- advisor fees of £25.5 million in relation to the Acquisition;
 - change in control and retention payments of £12.4 million; and
 - a £10.7 million charge relating to the part of the payment for OMNOVA share awards that relates to post-combination service. The change in control results in an accelerated charge which will be recognised as a remuneration cost in the post-combination income statement as a Special Item.
- b) The Enlarged Group's interest costs will change as a result of the drawdown of the New Debt Facilities to part fund the Acquisition. The reduction in the interest charge of £0.7m is based on LIBOR plus applicable margin (Term Loan 2.1%, Bridge Facility B 1.25% and 2019 Revolving Facility 1.9%). Finance costs associated with this additional debt will have a continuing impact on the results of the Enlarged Group.
- Also included in the £5.1 million pro forma adjustment to interest payable is the £5.8 million write off of OMNOVA Group unamortised debt issuance costs.
- c) The tax impact of the adjustments set out in notes 4(a)-4(c) above has been calculated using the relevant effective tax rates.

(5) The following table sets out a pro forma segmental analysis of the Enlarged Group's revenue for the year ended 31 December 2018:

	Synthomer Group for the year ended 31 December 2018	OMNOVA Group for the year ended 30 November 2018	Pro forma Enlarged Group
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Asia and Rest of World	390.5	116.8	507.3
Europe	1,153.2	122.6	1,275.8
North America	<u>75.2</u>	<u>336.3</u>	<u>411.5</u>
Revenue	1,618.9	575.7	2,194.6

(6) The unaudited pro forma income statement does not reflect the effect of any fair value adjustments which may be recorded to acquired assets and liabilities. Upon completion of the purchase price allocation exercise, which will be finalised after Completion of the Acquisition, additional depreciation of property plant and equipment and amortisation of intangible assets, amongst other things, may be required in the Enlarged Group's financial statements.

(7) In preparing the unaudited pro forma income statement no account has been taken of the trading or transactions of the Synthomer Group since 31 December 2018 or the OMNOVA Group since 30 November 2018.

Section B: Accountant's report on Unaudited Pro Forma Financial Information



The Directors
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United Kingdom

10 July 2019

Ladies and Gentlemen

Synthomer plc (the “Company”)

We report on the unaudited pro forma financial information (the “**Pro Forma Financial Information**”) set out in section A of Part IV of the Company’s circular dated 10 July 2019 (the “**Circular**”) which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed acquisition of OMNOVA Solutions Inc. (the “**Target**”) might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2018. This report is required by item 13.3.3R of the Listing Rules of the Financial Conduct Authority (the “**Listing Rules**”) and is given for the purpose of complying with that Listing Rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

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Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PART V
SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE MERGER AGREEMENT

1. Introduction

On 3 July 2019, the Company, OMNOVA, Synthomer USA LLC and MergerCo entered into the Merger Agreement, which sets out the terms and conditions of the agreement for the Company to acquire, through a merger of MergerCo with and into OMNOVA, all of the outstanding shares of OMNOVA for the Merger Consideration.

Pursuant to the Merger Agreement, MergerCo shall, subject to certain conditions, merge with and into OMNOVA, the separate corporate existence of MergerCo will cease and OMNOVA will continue as the surviving corporation (the “**Surviving Corporation**”) and become a wholly owned subsidiary of the Company. In accordance with the General Corporation Law of the State of Ohio (the “**OGCL**”) and, without limiting and subject to the Merger Agreement and the relevant provisions of the OGCL, at the Effective Time (as defined below), all the property, rights, privileges, immunities, powers, franchises and authority of OMNOVA and MergerCo shall vest in the Surviving Corporation and all debts, liabilities and duties of OMNOVA and MergerCo shall become the debts, liabilities and duties of the Surviving Corporation.

The Acquisition shall become effective at such time as the certificate of merger in relation to the Acquisition (the “**Certificate of Merger**”) has been filed with the Secretary of State of the State of Ohio or at such time as may be agreed between the parties and specified in the Certificate of Merger in accordance with the relevant provisions of the OGCL (the “**Effective Time**”).

Each share of common stock of MergerCo issued and outstanding immediately before the Effective Time will thereafter represent one validly issued, fully paid and non-assessable share of common stock of the Surviving Corporation.

2. Consideration

2.1 Merger Consideration

The holders of each OMNOVA Share that converts into the right to receive Merger Consideration will receive:

for each OMNOVA Share US\$10.15 in cash

The Merger Consideration values the entire issued and to be issued share capital of OMNOVA at US\$473 million (approximately £375 million), with an implied enterprise value of US\$824 million (approximately £654 million).

Pursuant to the Merger Agreement, subject to the satisfaction of conditions set out in the Merger Agreement (described at paragraph 5 below), at the Effective Time: (1) each OMNOVA Share (other than any OMNOVA Shares to be cancelled as described in (2) below) will be cancelled and extinguished and be converted into the right to receive the Merger Consideration; and (2) each OMNOVA Share that is held in treasury of OMNOVA, is held by the Company or any direct or indirect wholly owned subsidiary of the Company, or is held by a person who has not voted in favour of the adoption of the Merger Agreement and has complied in all respects with Section 1701.85 of the OGCL (a “**Dissenting Shareholder**” and the OMNOVA Shares held by such person being “**Dissenting Shares**”) will be cancelled and extinguished, and no payment or other consideration will be made with respect to such shares subject, in the case of Dissenting Shares, to the right of the holder thereof to receive payment as described below.

2.2 Dissenting Shares

Any Dissenting Shares shall, instead of converting into the right to receive the Merger Consideration, be converted into the right to payment of such consideration as may be determined to be due to the Dissenting Shareholder in accordance with Section 1701.85 of the OGCL. If any Dissenting Shareholder withdraws its demand for appraisal or fails to perfect or otherwise loses its right of appraisal pursuant to the OGCL with respect to its OMNOVA Shares (including, for the avoidance of doubt, if such putatively Dissenting Shareholder fails to comply in all respects with Section 1701.85 of the OGCL), or if a court of competent jurisdiction determines that such holder is not entitled to the relief provided by Section 1701.85 of the OGCL, the relevant OMNOVA Shares shall be deemed not

to be Dissenting Shares and shall instead be deemed to be converted as of the Effective Time into the right to receive the Merger Consideration.

2.3 OMNOVA equity awards

At the Effective Time, each restricted share award outstanding as at immediately prior to the Effective Time shall no longer be subject to any vesting conditions or restrictions, and shall be cancelled, and shall, automatically and without any action on the part of the holder thereof, be converted into only the right to receive the Merger Consideration.

At the Effective Time, each restricted share unit outstanding as at immediately prior to the Effective Time, whether vested or unvested, shall be cancelled, and the right to receive OMNOVA Shares pursuant thereto shall, automatically and without any action on the part of the holder thereof, be converted into only the right to receive the Merger Consideration.

At the Effective Time, each award of performance shares outstanding as at immediately prior to the Effective Time shall be cancelled, and that number of OMNOVA Shares that would have been earned at target performance shall, automatically and without any action on the part of the holder thereof, be converted into only the right to receive the Merger Consideration.

All account balances (whether or not vested) under certain OMNOVA benefit plans (other than awards under an OMNOVA Stock Plan, the treatment of which is described in the two paragraphs immediately above) that provide for the deferral of compensation and represent amounts notionally invested in a number of OMNOVA Shares or otherwise provide for distributions or benefits that are calculated based on the value of an OMNOVA Share (collectively, the “**Deferred Compensation Plans**”) shall be adjusted and converted into a right of the holder to have allocated to the holder’s account under any such Deferred Compensation Plan an amount denominated in cash equal to the product of (1) the number of OMNOVA Shares deemed invested under or otherwise referenced by such account immediately prior to the Effective Time, multiplied by (2) the Merger Consideration, or, if higher, the highest closing price for an OMNOVA Share on the NYSE during the 90 calendar days preceding the Completion Date, and shall cease to represent a right to receive a number of OMNOVA Shares or cash amount equal to or based on the value of a number of OMNOVA Shares.

3. Representations and Warranties

Under the Merger Agreement, the Company and MergerCo made customary representations and warranties to OMNOVA, and OMNOVA made customary representations and warranties to the Company and MergerCo, in each case as at the date of the Merger Agreement. These representations and warranties are repeated on the Completion Date, subject to certain exceptions based on materiality, material adverse effect and similar standards.

Following Completion, the Company will not have contractual recourse against, or otherwise be able to recover from, OMNOVA or any other party in respect of any losses which it may suffer in respect of a breach of OMNOVA’s representations and warranties.

4. Covenants

4.1 Conduct of OMNOVA’s business

Each of the parties to the Merger Agreement has undertaken to perform and comply with customary covenants until Completion. OMNOVA has agreed that prior to the Effective Time or the earlier termination of the Merger Agreement, except as required by any material contract or applicable law or consented to by the Company and subject to certain agreed exceptions, it will conduct its business and cause the other members of the OMNOVA Group to conduct their business in the ordinary course of business in all material respects and, to the extent consistent with past practice, use commercially reasonable efforts to preserve intact its business organisation and relationships with suppliers, customers, licensors, licensees, distributors, employees and governmental entities. In addition, except as required by any material contract or applicable law or consented to by the Company, OMNOVA has agreed not to, and to procure that the other members of the OMNOVA Group do not, take certain specified actions, including amending constitutional documents, declaring or paying dividends, making capital expenditures in excess of certain amounts and incurring any indebtedness in excess of certain amounts (subject to agreed exceptions).

4.2 Satisfaction of conditions and financing

Each party has agreed to use reasonable best efforts to take or cause to be taken all actions and do or cause to be done all things necessary, required or advisable to cause all of the conditions to Completion to be satisfied and to consummate and make effective the Acquisition as promptly as reasonably practicable, including using reasonable best efforts to secure all governmental and regulatory approvals required for the Acquisition.

The parties have agreed to assist each other in relation to the preparation of this document, the Prospectus, any required supplementary circular(s) and/or prospectus(es), and OMNOVA's proxy statement.

The Company is required to use reasonable best efforts to obtain financing under the New Debt Facilities, and OMNOVA has agreed to provide all customary cooperation reasonably requested by the Company and MergerCo in connection with the arrangement of the New Debt Facilities (provided that such requested cooperation does not materially impact OMNOVA's operations). The Company indemnifies OMNOVA in respect of the financing pursuant to the New Debt Facilities and any such assistance.

4.3 Recommendations and non-solicit

The Company has agreed under the Merger Agreement that the Board shall recommend that Shareholders vote in favour of the Resolutions and not to, or to publically propose to, fail to make, withdraw, qualify or modify in a manner adverse to OMNOVA, such recommendation (each a "**Company Recommendation Change**"). This obligation is subject to a customary carve-out whereby the Board or any duly constituted and authorised committee thereof may in response to an intervening event that constitutes a Company Takeover Proposal effect a Company Recommendation Change, if the Board or such committee determines in good faith, after consultation with outside legal counsel, that such Company Takeover Proposal constitutes or could reasonably be expected to lead to a Company Superior Proposal and, as a result of such intervening event, the failure to take such action would be inconsistent with its fiduciary duties under applicable law and its duties under section 172 of the Companies Act. However, OMNOVA shall have four business days to propose an offer to effect revisions to the terms of the Merger Agreement so as to cause the Board or any duly constituted and authorised committee thereof to not determine the failure to effect a Company Recommendation Change would be inconsistent with the directors' fiduciary duties under applicable law and its duties under section 172 of the Companies Act.

The Company has agreed to customary non-solicit covenants that prevent the Company from, directly or indirectly, soliciting, initiating, knowingly facilitating or encouraging any "**Company Takeover Proposal**", which is defined as an offer from a third party to acquire more than 30% of the voting power, Synthomer Shares or consolidated assets, revenues or net income of the Company. However, if the Company receives an offer from a third party in relation to a Company Takeover Proposal, and the Board or any duly constituted and authorised committee thereof determines in good faith, after consultation with its financial advisor and outside legal counsel, that not engaging in discussions or negotiations with such third party would be inconsistent with the directors' fiduciary duties under applicable law and its duties under section 172 of the Companies Act, the Company is entitled to engage in discussions or negotiations in relation to the Company Takeover Proposal.

OMNOVA has agreed to customary non-solicit covenants that prevent OMNOVA from, directly or indirectly, soliciting, initiating, knowingly facilitating or encouraging any "**OMNOVA Takeover Proposal**", which is defined as an offer from a third party to acquire more than 20% of the voting power, OMNOVA Shares, or consolidated assets, revenues or net income of OMNOVA. However, if OMNOVA receives an offer from a third party in relation to an OMNOVA Takeover Proposal, and the OMNOVA Board or any duly constituted and authorised committee thereof determines in good faith, after consultation with its financial advisor and outside legal counsel, that such offer constitutes or could reasonably be expected to lead to an OMNOVA Superior Proposal (as defined below) and that not engaging in discussions or negotiations with such third party would be inconsistent with the directors' fiduciary duties under applicable law, OMNOVA is entitled to engage in discussions or negotiations in relation to the OMNOVA Takeover Proposal.

OMNOVA has agreed to an obligation to recommend that OMNOVA Shareholders vote in favour of the Acquisition in its proxy statement and, among other things, not to, or to publically propose to, change, qualify, withhold, withdraw or modify in a manner adverse to the Company, such recommendation, or

approve or recommend an OMNOVA Takeover Proposal (each an “**OMNOVA Recommendation Change**”).

This obligation is subject to customary carve-outs for: (1) material events, changes or developments that were not known to, or reasonably foreseeable by, the OMNOVA Board as of the date of the Merger Agreement; and (2) receipt of an OMNOVA Takeover Proposal if (A) the OMNOVA Board or any duly constituted and authorised committee thereof determines in good faith, after consultation with its financial adviser and outside legal counsel that, as a result of such material event, change or development or receipt of an OMNOVA Takeover Proposal, not making an OMNOVA Recommendation Change would be inconsistent with the directors’ fiduciary duties under applicable law, and (B) with respect to OMNOVA Takeover Proposals, the OMNOVA Board or such committee determines that the OMNOVA Takeover Proposal constitutes an offer to acquire more than 50% of the voting power, OMNOVA Shares or securities representing more than 50% of the voting power of OMNOVA, or consolidated assets, revenues or net income of OMNOVA that the OMNOVA Board or such committee determines in good faith, after consultation with its financial adviser and outside legal counsel (taking into account any changes to the Merger Agreement proposed by the Company in response to such offer), is (x) reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal, including all conditions contained therein, and (y) on terms and conditions more favourable to OMNOVA Shareholders from a financial point of view than the terms and conditions of the Acquisition (“**OMNOVA Superior Proposal**”). However, the Company shall have four business days to revise its offer so as to cause the OMNOVA Board or any duly constituted and authorised committee thereof to not determine the failure to effect an OMNOVA Recommendation Change would be inconsistent with the directors’ fiduciary duties and, with respect to OMNOVA Superior Proposals, to cause the OMNOVA Superior Proposal to no longer constitute an OMNOVA Superior Proposal.

5. Conditions

The obligations of the parties to the Merger Agreement to effect the Acquisition are subject to the satisfaction or waiver of certain Conditions. Such Conditions include:

- (i) the affirmative vote of the holders of issued and outstanding OMNOVA Shares entitling such holders to exercise at least two thirds of the voting power of OMNOVA;
- (ii) the affirmative vote in favour of approval of the Resolutions required to approve and implement the Acquisition by Shareholders representing a simple majority of the votes represented in person or by proxy at the General Meeting;
- (iii) the expiration or termination of the applicable waiting period (or extension thereof) under the HSR Act and the receipt of certain other applicable antitrust approvals;
- (iv) the representations and warranties of each party to the Merger Agreement being true and correct as at the date of the Merger Agreement and as at the Completion Date, subject to certain exceptions based on materiality, material adverse effect and similar standards;
- (v) each party to the Merger Agreement having performed or complied in all material respects with the covenants and agreements contained in the Merger Agreement to be performed or complied with by it prior to or on the Completion Date;
- (vi) the absence of any fact, condition, circumstance, occurrence, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the OMNOVA Group;
- (vii) Synthomer and MergerCo each having provided a certificate dated the Completion Date signed on its respective behalf by a duly authorised executive to the effect that the Conditions set out in (iv) and (v) above have been satisfied and OMNOVA having provided a certificate dated the Completion Date signed on its behalf by a duly authorised executive to the effect that the Conditions set out in (iv), (v) and (vi) above have been satisfied; and
- (viii) the absence of: (1) any law that makes illegal or otherwise prohibits the consummation of the Acquisition; (2) any order by a competent governmental authority that enjoins or otherwise prohibits or makes illegal the consummation of the Acquisition; and (3) any order imposing a burdensome condition on obtaining any required approval from an antitrust authority.

6. Termination

6.1 Termination by the Company or OMNOVA

The Merger Agreement may be terminated at any time prior to the Effective Time by the mutual written consent of the Company and OMNOVA. The Merger Agreement may also be terminated by either of the Company or OMNOVA by written notice to the other if:

- (i) Completion has not occurred on or prior to the close of business (New York City time) on the 9-month anniversary of the date of the Merger Agreement (the “**Outside Date**”); provided, that if either of the Conditions set out above at paragraphs 5(iii) or 5(viii) (where the relevant order arises from or relates to antitrust laws) is not satisfied or waived by the 9-month anniversary of the date of the Merger Agreement but all other Conditions set forth in paragraph 5 have been satisfied or waived (or in the case of Conditions which by their nature are to be satisfied at Completion, are capable of being satisfied as of such date), then the Outside Date shall be automatically extended to the close of business (New York City time) on the 12-month anniversary of the date of the Merger Agreement, and provided further, that the right to terminate the Merger Agreement under this section is not available: (1) to any party whose breach of, or failure to perform or comply with, any obligation under the Merger Agreement materially contributed to, or resulted in, the failure of the Completion to occur on or before the Outside Date (including any extensions thereto), or (2) to the Company or OMNOVA during the pendency of any action by OMNOVA or the Company, as the case may be, for specific performance of the Merger Agreement;
- (ii) (1) any laws shall be in effect making illegal or otherwise prohibiting the consummation of the Acquisition, (2) any governmental entity of competent jurisdiction shall have issued an order permanently enjoining or otherwise prohibiting the consummation of the Acquisition and such order shall have become final and non-appealable or (3) any order imposing a burdensome condition shall be in effect and shall have become final and non-appealable (so long as the Company is not working in good faith to satisfy such burdensome condition), provided that the right to terminate the Merger Agreement pursuant to this section is not available to any party whose action or failure to fulfil any obligation under the Merger Agreement has been the cause of, or resulted in, the issuance of such order;
- (iii) the OMNOVA Shareholders’ meeting (including any adjournments and postponements thereof) shall have concluded and the requisite shareholder approval has not been obtained; or
- (iv) the General Meeting (including any adjournments and postponements thereof) shall have concluded and the requisite shareholder approval has not been obtained.

6.2 Termination by OMNOVA

The Merger Agreement may be terminated by OMNOVA at any time prior to the Effective Time if:

- (i) prior to the OMNOVA Shareholders having approved the Acquisition (the “**OMNOVA Shareholder Approval**”), if, concurrently with the termination of the Merger Agreement, OMNOVA enters into an agreement with respect to an OMNOVA Superior Proposal, provided that OMNOVA has complied with the relevant provisions in relation thereto and has paid or concurrently pays the OMNOVA Termination Fee;
- (ii) prior to the General Meeting, the Board or any duly constituted and authorised committee thereof has made a Company Recommendation Change;
- (iii) the Company or MergerCo has breached, or failed to perform or comply with, any of its covenants, representations or warranties in the Merger Agreement which would either individually or in the aggregate, (1) result in the Company’s or MergerCo’s failure to satisfy the Conditions described in paragraph 5(iv) or (v) above, and (2) is not cured within the earlier of (A) the Outside Date, and (B) 30 days following OMNOVA having given written notice to the Company, provided this termination right shall not apply if OMNOVA is then in material breach of any of its representations, warranties, covenants or agreements contained in the Merger Agreement; or
- (iv) all of the Conditions set out above at paragraph 5 (other than those Conditions that can be unilaterally waived by OMNOVA) have been satisfied or waived, OMNOVA is prepared to consummate the closing, and the Company fails to consummate the closing when the closing

should have occurred pursuant to the terms of the Merger Agreement (assuming the satisfaction of Conditions that are to be satisfied by actions taking at the closing).

6.3 Termination by the Company

The Merger Agreement may be terminated by the Company at any time prior to the Effective Time if:

- (i) prior to the OMNOVA Shareholders' meeting, the OMNOVA Board or any duly constituted and authorised committee thereof has made an OMNOVA Recommendation Change; or
- (ii) OMNOVA has breached, or failed to perform or comply with, any of its covenants, representations or warranties in the Merger Agreement which would either individually or in the aggregate, (1) result in OMNOVA's failure to satisfy the Conditions described in paragraph 5(iv) or (v) above, and (2) is not cured within the earlier of (A) the Outside Date, and (B) 30 days following the Company having given written notice to the Company, provided this termination right shall not apply if the Company is then in material breach of any of its representations, warranties, covenants or agreements contained in the Merger Agreement.

7. Termination Fees

7.1 OMNOVA Termination Fee

OMNOVA is required to pay the Company the sum of US\$15.8 million (approximately £12.5 million) (the "**OMNOVA Termination Fee**") if:

- (i) the Merger Agreement is terminated by the Company where the OMNOVA Board has made an OMNOVA Recommendation Change;
- (ii) the Merger Agreement is terminated by OMNOVA prior to the receipt of the OMNOVA Shareholder Approval if OMNOVA enters into an agreement with respect to an OMNOVA Superior Proposal; or
- (iii) the Merger Agreement is terminated by the Company or OMNOVA in the circumstances described in paragraph 6.1(i) or paragraph 6.1(iii) or by the Company in the circumstances described in paragraph 6.3(ii) and, prior to such termination, an OMNOVA Takeover Proposal has been made to OMNOVA and not withdrawn prior to termination of the Merger Agreement, and within twelve months of termination of the Merger Agreement, OMNOVA enters into an agreement with respect to an OMNOVA Takeover Proposal.

In the event the OMNOVA Termination Fee is paid, the Company shall have no further claim against OMNOVA in relation to the Merger Agreement (except with respect to claims of fraud, knowing material breach of OMNOVA's representations or warranties contained in the Merger Agreement or deliberate material breach of OMNOVA's covenants and agreements contained in the Merger Agreement).

7.2 Company Reverse Termination Fee

The Company is required to pay OMNOVA the Company Reverse Termination Fee if the Merger Agreement is terminated by OMNOVA where, prior to the General Meeting, the Board has made a Company Recommendation Change. The Company is also required to pay OMNOVA the Company Regulatory Termination Fee if the Merger Agreement is terminated by OMNOVA or the Company (1) in the circumstances described in paragraph 6.1(i) and at the time of such termination the Condition set forth in paragraph 5(iii) or 5(viii) shall not have been satisfied or waived (in the case of paragraph 5(viii), if the applicable law or order relates to antitrust laws) but when all other Conditions have been satisfied or waived or (2) in the circumstances described in paragraph 6.1(ii) as a result of a law or order arising or relating to any required competition clearances.

In the event the Company Reverse Termination Fee or the Company Regulatory Termination Fee is paid, OMNOVA shall have no further claim against the Company and MergerCo in relation to the Merger Agreement (except with respect to claims of fraud, knowing material breach of the Company's or MergerCo's representations or warranties contained in the Merger Agreement or deliberate material breach of the Company's or MergerCo's covenants and agreements contained in the Merger Agreement).

PART VI ADDITIONAL INFORMATION

1. Responsibility statement

The Company and the Directors, whose names appear in paragraph 3.1 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registered office

The Company was incorporated and registered in England and Wales with the name Malaya General Company Limited on 16 June 1908 as a private company limited by shares with registered number 00098381.

On 16 September 1971, the shareholders of the Company resolved to affirm a Conditional Agreement dated 24 August 1971 to merge with Yule, Catto & Co. Limited and to change the name from Malaya General Company Limited to Yule, Catto & Co. Limited. This change of name and re-registration was effective on 13 October 1971.

On 25 November 1981 the Company was re-registered as a public limited company.

On 4 December 2012, the Board resolved to change the name of the Company from Yule, Catto & Co. Limited to Synthomer plc. This change of name was effective from 4 December 2012.

The principal legislation under which the Company operates, and pursuant to which the Synthomer Shares have been created, is the Companies Act.

The Company is domiciled in the United Kingdom with its registered office at Central Road, Temple Fields, Harlow, Essex, CM20 2BH, United Kingdom and the Company's principal place of business is at 45 Pall Mall, London, SW1Y 5JG, United Kingdom.

The telephone number of the Company's registered office is +44 (0)1279 436 211.

3. Directors

3.1 Directors

The Directors of the Company as at the date of this document and their respective roles are set out below:

<u>Name</u>	<u>Position</u>
Neil Johnson	Chairman
Calum MacLean	Chief Executive
Stephen Bennett	Chief Financial Officer
The Hon. Alexander Catto	Non-Executive Director
Dato' Lee Hau Hian	Non-Executive Director
Brendan Connolly	Senior Independent Director
Holly A. Van Deursen	Independent Non-Executive Director
Dr Just Jansz	Independent Non-Executive Director
Caroline Johnstone	Independent Non-Executive Director

3.2 Share interests

The Directors have the following interests in Synthomer Shares (including beneficial interests or interests of a person connected with a Director) as at the Latest Practicable Date, and expect to have immediately following Admission (based on the assumption that each Director takes up their rights in

full, 84,970,192 New Synthomer Shares are issued in connection with the Acquisition and that no other issues of Synthomer Shares occur between the Latest Practicable Date and Admission).

Director	Interests as at the Latest Practicable Date ⁽¹⁾		Interests immediately following Admission ⁽¹⁾	
	No.	% of total issued share capital	No.	% of total issued share capital
Neil Johnson	100,000	0.03	125,000	0.03
Calum MacLean	478,712	0.14	598,390	0.14
Stephen Bennett	142,930	0.04	178,662	0.04
The Hon. Alexander Catto	1,492,392	0.44	1,865,490	0.44
	6,697,500 ⁽²⁾	1.97	8,371,875 ⁽²⁾	1.97
Dato' Lee Hau Hian	44,763	0.01	55,954	0.01
Brendan Connolly	3,200	0.001	4,000	0.001
Holly A. Van Deursen	5,000	0.001	6,250	0.001
Dr Just Jansz	10,000	0.003	12,500	0.003
Caroline Johnstone	—	—	—	—

Notes:

(1) The Directors' interests in Synthomer Shares set out above include the beneficial interests of the Directors and their immediate families.

(2) Non-beneficial interest.

Taken together, the combined percentage interest of the Directors in the voting rights in respect of the issued ordinary share capital of Synthomer as at (1) the Latest Practicable Date was approximately 2.6%; and (2) immediately following Admission is expected to be approximately 2.6%.

3.3 Share awards

The Directors had the following options and awards relating to Synthomer Shares under the Synthomer Share Schemes as at the Latest Practicable Date.

Director	Plan	Original date of grant	Exercise price (£)	No. of shares subject to awards	Performance period end date
Calum MacLean	PSP	4 May 2017	Nil	161,644	31/12/2019
	PSP	8 March 2018	Nil	164,479	31/12/2020
	PSP	11 March 2019	Nil	219,432	31/12/2021
Stephen Bennett	PSP	4 May 2017	Nil	80,791	31/12/2019
	PSP	8 March 2018	Nil	82,208	31/12/2020
	PSP	11 March 2019	Nil	111,585	31/12/2021

3.4 Summary of the Directors' remuneration and benefits

A summary of the amount of remuneration paid to the Directors (including any contingent or deferred compensation) and benefits in kind for the year ended 31 December 2018 is set out in the table below. The Directors are categorised in their positions as at 31 December 2018 for these purposes.

Executive Directors

(£)	Base salary	Benefits	Annual bonus	Long-term incentives	Pension	Total
Calum MacLean	535,500	13,200	512,072	728,581	133,875	1,923,228
Stephen Bennett	334,560	22,730	294,329	364,149	66,912	1,082,680

Chairman and Non-Executive Directors

(£)	Base fees with effect from 1 January 2018	Committee membership fees with effect from 1 January 2018	Chair of committee fees with effect from 1 January 2018
Neil Johnson	170,000	—	—
The Hon. Alexander Catto	40,000	—	—
Brendan Connolly	45,000	10,000	5,000
Dr Just Jansz	40,000	10,000	—
Caroline Johnstone	40,000	10,000	5,000
Dato' Lee Hau Hian	40,000	—	—
Holly A. Van Deursen	40,000	—	—

3.5 Directors terms and conditions

Save as disclosed below, there are no service agreements or letters of appointment in force between a director or proposed director of Synthomer or any of its subsidiaries and, save as disclosed below, no such agreement has been entered into or amended during the 6 months' preceding the date of this document. All the Directors retire and seek election or re-election at Annual General Meetings in accordance with the UK Corporate Governance Code.

3.5.1 Executive Directors

	Date of appointment	Notice period by Company (months)	Notice period by Director (months)
Calum MacLean	22 January 2015	12	12
Stephen Bennett	1 May 2015	12	12

There is no unexpired term as each of the Executive Directors' contracts is on a rolling basis. Save in circumstances justifying summary termination the notice period for each of the above contracts is 12 months.

The Company may at the Remuneration Committee's discretion make a payment in lieu of notice equal to the salary, pension contributions and contractual benefits that would have been paid during the notice period. This payment may be made at the Remuneration Committee's discretion as a lump sum or monthly instalments and may be subject to mitigation if the director finds an alternative position during the notice period. The Executive Directors are also entitled to 25 working days' holiday plus public holidays per calendar year.

3.5.2 Non-Executive Directors

The Chairman and the Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment.

	Date of appointment	Notice period by Company (months)	Notice period by Director (months)
Neil Johnson	1 September 2011	—	—
The Hon. Alexander Catto	3 December 1981	—	—
Brendan Connolly	20 January 2014	—	—
Dr Just Jansz	2 April 2012	—	—
Caroline Johnstone	20 March 2015	—	—
Dato' Lee Hau Hian	22 December 1993	—	—
Holly A. Van Deursen	21 September 2018	—	—

All Non-Executive Directors are appointed in writing. Letters of appointment do not include entitlement to participation in the Company's share option scheme or any other of its employee benefits, and do not currently have a notice period. The Non-Executive Directors are subject to annual re-election. There is no right to compensation for loss of office if they are not re-elected or if the Company terminates the appointment because the Non-Executive Director has accepted a position with another company without prior board approval and which the Board reasonably considers likely to give rise to a material conflict.

4. Major shareholders

As at the Latest Practicable Date, insofar as is known to the Company, the following persons had an interest which represented 3% or more of the voting share capital of the Company, and the amount of such persons' interests, is as follows:

<u>Name of Shareholder</u>	<u>Interests as at the Latest Practicable Date</u>	
	<u>No.</u>	<u>% of total issued share capital</u>
Kuala Lumpur Kepong Berhad Group	66,879,401	19.7
Merian Global Investors (UK) Limited	25,243,380	7.4
Standard Life Aberdeen plc	15,001,714	4.4
Kames Capital Plc	11,668,196	3.4

Immediately following Admission, insofar as is known to the Company, the following persons are expected to have an interest which represented 3% or more of the voting share capital of the Company (based on the assumption that each of the above Shareholders takes up its rights in full, there are no other changes to the holdings of the above shareholders, 84,970,192 New Synthomer Shares are issued in connection with the Acquisition and that no other issues of Synthomer Shares occur between the Latest Practicable Date and Admission) and the amount of such persons' interests, is as follows:

<u>Name of Shareholder</u>	<u>Expected interests immediately following Admission</u>	
	<u>No.</u>	<u>% of total issued share capital</u>
Kuala Lumpur Kepong Berhad Group	83,599,251	19.7
Merian Global Investors (UK) Limited	31,554,225	7.4
Standard Life Aberdeen plc	18,752,142	4.4
Kames Capital Plc	14,585,245	3.4

Save as disclosed above, the Directors are not aware of any interest which will represent an interest in the Company's share capital or voting rights which is notifiable under the Disclosure Guidance and Transparency Rules following Completion and Admission occurring.

5. Material contracts

5.1 Synthomer material contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Synthomer Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Synthomer Group which contains any provision under which any member of the Synthomer Group has any obligation or entitlement which is material to the Synthomer Group as at the date of this document:

5.1.1 Merger Agreement

Details of the Merger Agreement are set out under Part V (*Summary of the Principal Terms and Conditions of the Merger Agreement*) of this document.

5.1.2 Underwriting Agreement

On 3 July 2019, the Company entered into the Underwriting Agreement with the Underwriters (the "**Underwriting Agreement**"). Pursuant to the terms and conditions of the Underwriting Agreement:

- the Underwriters have severally agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers, or failing which, the Underwriters will themselves severally subscribe for their proportionate share of New Synthomer Shares (other than New Synthomer Shares subscribed for by KLK) not taken up under the Rights Issue or will procure sub-Underwriters to do so, in each case, at the Issue Price; and
- the Company has also appointed the Sponsor in connection with the Acquisition, the approval by the FCA of this document and the Company's application for Admission.

In consideration of the services of the Underwriters under the Underwriting Agreement, and subject to their obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not being terminated, the Company has agreed to pay a base commission of 2% payable on the New Synthomer Shares (other than New Synthomer Shares subscribed for by KLK) at such times and in such proportions as between the Underwriters as contained in the Underwriting Agreement. The Company may also, at its sole discretion, pay an additional commission of up to 0.5% payable on the New Synthomer Shares (other than New Synthomer Shares subscribed for by KLK) to the Underwriters in proportions the Company determines and at such times contained in the Underwriting Agreement.

The Company shall pay the costs and expenses of, or in connection with, the Rights Issue on the basis contained in the Underwriting Agreement.

The Company has given certain customary representations and warranties to the Underwriters as to the accuracy of the information contained in this document and other relevant documents, and in relation to other matters relating to the Synthomer Group, the OMNOVA Group and the Enlarged Group. In addition, the Company has given customary indemnities to the Underwriters and certain indemnified persons connected with each of them.

The obligations of the Underwriters under the Underwriting Agreement are subject to certain customary conditions including, amongst others:

- the fulfilment by the Company of certain of its obligations under the Underwriting Agreement including the delivery of certain documents to the Underwriters, by the times and dates specified in the Underwriting Agreement; and
- Admission having occurred by not later than 8:00 am the second Business Day after the date of this document (or such later time and/or date as the Company may agree with the Underwriters but being no later than 16 July 2019).

In certain circumstances, prior to the Admission of the Nil Paid Rights, including where any of the conditions are not satisfied (or, where capable of being waived, are waived by the Underwriters) or shall have become incapable of being satisfied by the required time and date, the Underwriters may terminate the Underwriting Agreement. The Underwriting Agreement is not capable of termination after Admission.

The Company has given certain undertakings including an undertaking that it will not, without the prior written consent of the Underwriters, undertake certain actions in relation to its share capital, including issuing further Synthomer Shares, for a period of 90 days from Completion, subject to certain exceptions, including the issue of the New Synthomer Shares.

5.1.3 Irrevocable Undertakings

In connection with the Rights Issue and the Acquisition, KLK has given irrevocable undertakings to take up its full entitlement pursuant to the Rights Issue and to vote in favour of the Resolutions at the General Meeting. This will result in KLK acquiring an aggregate of 16,719,850 New Synthomer Shares, representing approximately 19.7% of the New Synthomer Shares to be issued pursuant to the Rights Issue. KLK is being paid a commission of 0.75% of the aggregate value, at the Issue Price, of the New Synthomer Shares KLK has irrevocably undertaken to take up pursuant to the Rights Issue.

In connection with the Rights Issue and the Acquisition, the Directors have irrevocably undertaken to vote or to procure that the registered holders vote in favour of the Resolutions in respect of their beneficial holdings and shares in respect of which they have an interest amounting to 8,974,497 Synthomer Shares in aggregate, representing approximately 2.6% of the existing ordinary share capital of Synthomer in issue as at the Latest Practicable Date. In addition, each Director who holds Synthomer Shares has irrevocably undertaken to take up in full their rights to subscribe for New Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid dealing period to meet the costs of taking up the balance of their entitlements to New Synthomer Shares.

5.1.4 2019 Syndicated Facilities Agreement

On 3 July 2019, Synthomer as original borrower and original guarantor and Synthomer (UK) Limited, Synthomer Trading Limited and Synthomer Holdings Limited as original guarantors entered into the

2019 Syndicated Facilities Agreement with Barclays Bank PLC, Citi, HSBC and Santander as mandated lead arrangers and bookrunners, Barclays Bank PLC, Citibank, HSBC and Santander as original lenders and HSBC as agent. Under the 2019 Syndicated Facilities Agreement, a US\$260 million (approximately £206 million) term loan facility (the “**2019 Term Facility**”) and a €460 million (approximately £412 million) multi-currency revolving credit (the “**2019 Revolving Facility**”) and, together with the 2019 Term Facility, the “**Syndicated Facilities**”) are available for drawing by Synthomer as the original borrower. Each of the bookrunners named above will arrange for the Syndicated Facilities to be syndicated to a number of financial institutions.

The Syndicated Facilities are unsecured but are otherwise guaranteed by the guarantors listed above and other additional guarantors required to accede following Completion.

The 2019 Term Facility is available to be applied for the following purposes: (1) financing the consideration payable for the Acquisition, (2) payment of fees, costs and expenses in connection with the Acquisition, (3) refinancing the OMNOVA Debt Facilities and (4) prepayment and cancellation of all amounts outstanding under the 2018 Revolving Credit Facility Agreement. The 2019 Revolving Facility is to be applied towards the payment of all fees, costs and expenses in connection with the 2019 Syndicated Facilities Agreement and general corporate and working capital purposes (including, without limitation, refinancing the OMNOVA Debt Facilities and prepayment and cancellation of all amounts outstanding under the 2018 Revolving Credit Facility Agreement).

The Syndicated Facilities mature on 3 July 2024. The 2019 Term Facility is available for drawing in US dollars from the date of the 2019 Syndicated Facilities Agreement to the last day of the “Certain Funds Period” (as defined in the 2019 Syndicated Facilities Agreement). The last day of the Certain Funds Period is the earlier of (1) the Completion Date, (2) the date which is 12 months after the date of the 2019 Syndicated Facilities Agreement and (3) the date on which each of the Company and MergerCo has conclusively withdrawn or terminated its bid for OMNOVA, the obligations of each of the Company and MergerCo under the Merger Agreement have been conclusively terminated, the Merger Agreement has been conclusively terminated following its execution or the Company’s offer for OMNOVA has been conclusively rejected or the Company is conclusively excluded from the sale process by OMNOVA for any reason. The 2019 Revolving Facility is available for drawing in euros, US dollars, sterling and other currencies (subject to certain conditions) and is available for drawing from the date of the 2019 Syndicated Facilities Agreement until the date falling one month prior to its maturity date.

The Syndicated Facilities have been provided on a certain funds basis. This means that, provided certain key conditions have been satisfied (including that all amounts under the 2018 Revolving Credit Facility Agreement have been prepaid and cancelled), the lenders are obligated to participate in loans requested during the Certain Funds Period unless: (1) there is a “Major Default” (as defined in the 2019 Syndicated Facilities Agreement, which includes non-payment, misrepresentation of a major representation, breach of negative pledge, disposal, merger or acquisitions restrictions, insolvency of a material subsidiary and certain other major defaults) continuing or which would result from the proposed utilisation, (2) a “Major Representation” (as defined in the 2019 Syndicated Facilities Agreement, which includes representations with respect to status, binding obligations, non-conflict with other obligations and the Acquisition documents) is untrue, (3) a change of control of Synthomer occurs or (4) it becomes unlawful for the lender to make the loan under the 2019 Syndicated Facilities Agreement.

The 2019 Syndicated Facilities Agreement contains customary representations, undertakings, covenants, indemnities and events of default with appropriate carve-outs and materiality thresholds, where relevant. The financial covenant under the 2019 Syndicated Facilities Agreement is a leverage covenant, whereby the net borrowings of the Synthomer Group must not exceed 4.25 times the consolidated EBITDA of the Synthomer Group on the first and second “Calculation Date” (as defined in the 2019 Syndicated Facilities Agreement, being respectively 30 June and 31 December) falling after the Completion Date, 4.00 times the consolidated EBITDA of the Synthomer Group on the third and fourth Calculation Date falling after the Completion Date, 3.50 times the consolidated EBITDA of the Synthomer Group on the fifth and sixth Calculation Date falling after the Completion Date and 3.25 times the consolidated EBITDA of the Synthomer Group on each Calculation Date thereafter.

The Syndicated Facilities may be prepaid without premium or penalty but subject to breakage costs (if applicable). The amount available under the Syndicated Facilities is subject to reduction in accordance with the mandatory prepayment provisions set out therein (including where a change of control of

Synthomer occurs or where it becomes unlawful for any lender to perform its obligations under the Syndicated Facilities).

The interest rate charged on loans made under the Syndicated Facilities will be equal to the aggregate of an appropriate benchmark rate and the applicable margin. The initial margin under the 2019 Term Facility is 2.10% per annum, with the margin ratcheting between 2.90% per annum and 0.90% per annum in accordance with the total leverage of the Synthomer Group. The initial margin under the 2019 Revolving Facility is 1.90% per annum, with the margin ratcheting between 2.70% per annum and 0.70% per annum in accordance with the total leverage of the Synthomer Group.

Certain fees are payable to the finance parties in connection with the Syndicated Facilities, including participation and arrangement fees, utilisation fees, an agency fee and an ongoing commitment fee. The 2019 Syndicated Facilities Agreement is governed by the laws of England and Wales.

5.1.5 2019 Bridge Facilities Agreement

On 3 July 2019, Synthomer as original borrower and original guarantor and Synthomer (UK) Limited, Synthomer Trading Limited and Synthomer Holdings Limited as original guarantors entered into the 2019 Bridge Facilities Agreement with Barclays Bank PLC, Citi, HSBC and Banco Santander, S.A., London Branch as mandated lead arrangers and bookrunners, Barclays Bank PLC, Citibank N.A., London Branch, HSBC and Banco Santander, S.A., London Branch as original lenders and HSBC as agent. Under the 2019 Bridge Facilities Agreement, the Bridge Facilities are available for drawing by Synthomer as the original borrower.

The Bridge Facilities are unsecured but are otherwise guaranteed by the guarantors listed above and other additional guarantors required to accede following Completion.

The Bridge Facilities are available to be applied for the following purposes: (1) financing the consideration payable for the Acquisition, (2) payment of fees, costs and expenses in connection with the Acquisition, (3) refinancing the OMNOVA Debt Facilities and (4) prepayment and cancellation of all amounts outstanding under the 2018 Revolving Credit Facility Agreement.

Bridge Facility A matures on the date falling 6 months after the "Start Date" (as defined in the 2019 Bridge Facilities Agreement, being the earlier of the Completion Date and the date falling three months after the date of the Bridge Facilities Agreement), subject to the exercise of two extension options at Synthomer's discretion which would extend the maturity date for two further periods, in each case, of six months. Bridge Facility B matures on the date falling 1 year after the Start Date, subject to the exercise of two extension options at Synthomer's discretion which would extend the maturity date for two further periods, in each case, of six months.

Bridge Facility A and Bridge Facility B are available for drawing in sterling and euros respectively from the date of the 2019 Bridge Facilities Agreement to the last day of the "Certain Funds Period" (as defined in the Bridge Facilities Agreement). The last day of the Certain Funds Period is the earlier of (1) the Completion Date, (2) the date which is 12 months after the date of the 2019 Bridge Facilities Agreement and (3) the date on which each of the Company and MergerCo has conclusively withdrawn or terminated its bid for OMNOVA, the obligations of each of the Company and MergerCo under the Merger Agreement have been conclusively terminated, the Merger Agreement has been conclusively terminated following its execution or the Company's offer for the OMNOVA Group has been conclusively rejected or the Company is conclusively excluded from the sale process by OMNOVA for any reason.

Like the Syndicated Facilities, the Bridge Facilities have been provided on a certain funds basis and are subject to the same representations, undertakings, covenants and events of default as the Syndicated Facilities.

The Bridge Facilities may be prepaid without premium or penalty but subject to breakage costs (if applicable). The amount available under the Bridge Facilities is subject to reduction in accordance with the mandatory prepayment provisions set out therein (including, in the case of Bridge Facility A, mandatory prepayment from the subscription proceeds of the Rights Issue, and, in the case of Bridge Facility B, mandatory prepayment from the proceeds of any financing raised from the international or domestic debt capital markets).

The interest rate charged on loans made under the Bridge Facilities will be equal to the aggregate of an appropriate benchmark rate and the applicable margin. The initial margin under Bridge Facility A

and Bridge Facility B is 1.50% per annum and 1.25% per annum respectively and increasing over time to 4.50% per annum and 6.00% per annum respectively.

Certain fees are payable to the finance parties in connection with the Bridge Facilities, including participation and arrangement fees, an agency fee, an ongoing commitment fee and, where applicable, extension fees. The 2019 Bridge Facilities Agreement is governed by the laws of England and Wales.

5.1.6 2018 Revolving Credit Facility Agreement (as amended by the 2018 RCF Amendment Letter)

On 22 June 2018, the Company as original borrower and original guarantor and Synthomer (UK) Limited, Synthomer Trading Limited, Synthomer Holdings Limited, Yule Catto Nederland B.V., Synthomer B.V., Synthomer Deutschland GmbH, Synthomer S.r.l. and Synthomer Speciality Resins S.r.l. as original guarantors entered into the 2018 Revolving Credit Facility Agreement with HSBC as bookrunner, mandated lead arranger, agent and original lender, Barclays Bank PLC as co-ordinator, bookrunner, mandated lead arranger and original lender, China Construction Bank Corporation, London Branch as lead arranger and original lender, Skandinaviska Enskilda Banken AB (Publ) as mandated lead arranger and original lender and Citibank, N.A., London Branch and Commerzbank Aktiengesellschaft, London Branch as bookrunners, mandated lead arrangers and original lenders. On 23 July 2018, the 2018 RCF Amendment Letter was entered into between the parties to the 2018 Revolving Credit Facility Agreement, amending certain of the provisions of the 2018 Revolving Credit Facility Agreement set out therein.

Under the 2018 Revolving Credit Facility Agreement, a €440 million multi-currency revolving credit facility (the “**2018 Revolving Facility**”) is available for drawing by the Company as the original borrower and a €150 million uncommitted accordion facility (the “**2018 Uncommitted Accordion Facility**”) may be established subject to the consent of the participating lenders and no “Event of Default” (as defined in the 2018 Revolving Credit Facility Agreement) continuing. The 2018 Revolving Credit Facility Agreement is unsecured but is otherwise guaranteed by the guarantors listed above.

The 2018 Revolving Facility is to be applied towards payment of all fees, costs and expenses incurred in connection with the 2018 Revolving Credit Facility Agreement and general corporate and working capital purposes. If established, the 2018 Uncommitted Accordion Facility is to be applied towards general corporate and working capital purposes (including, without limitation, the payment of any fees, costs and expenses or the refinancing of financial indebtedness).

The 2018 Revolving Facility matures on 22 June 2022, subject to an extension option requiring participating lender consent whereby the original maturity of the 2018 Revolving Facility may be extended by a period of up to 12 months (the “**2018 RCF Termination Date**”). The 2018 Revolving Facility is available for drawing in euros, US dollars, sterling and other currencies (subject to certain conditions) from 22 June 2018 to the date which is one month prior to the 2018 RCF Termination Date.

The 2018 Revolving Credit Facility Agreement contains customary representations, undertakings, covenants, indemnities and events of default with appropriate carve-outs and materiality thresholds, where relevant. The financial covenant under the 2018 Revolving Credit Facility Agreement is a leverage covenant, whereby the net borrowings of the Synthomer Group must not exceed 3.25 times the consolidated EBITDA of the Synthomer Group in respect of each measurement period of 12 months ending on the last day of a financial half-year or financial year of Synthomer.

The 2018 Revolving Facility may be prepaid without premium or penalty but subject to breakage costs (if applicable). The amount available under the 2018 Revolving Facility is subject to reduction in accordance with the mandatory prepayment provisions set out therein (including where a change of control of Synthomer occurs or where it becomes unlawful for any lender to perform its obligations under the 2018 Revolving Credit Facility Agreement). The 2018 Revolving Facility must be pre-paid and cancelled or an irrevocable notice of cancellation issued to the same effect prior to the utilisation of the Syndicated Facilities under the 2019 Syndicated Facilities Agreement and the Bridge Facilities under the 2019 Bridge Facilities Agreement. Following such cancellation of the 2018 Revolving Facility, no further amounts can be borrowed under the 2018 Revolving Facility, however the 2019 Revolving Facility would remain in place in accordance with its terms. If the Acquisition does not Complete, the 2018 Revolving Facility will remain in place in accordance with its terms.

The interest rate charged on loans made under the 2018 Revolving Facility will be equal to the aggregate of an appropriate benchmark rate and the applicable margin. The initial margin is 0.8% per annum, with the margin ratcheting between 1.90% per annum and 0.7% per annum in accordance with the total leverage of the Synthomer Group.

Certain fees are payable to the finance parties in connection with the 2018 Revolving Credit Facility Agreement, including arrangement fees, utilisation fees, an ongoing commitment fee, an agency fee and, where the maturity of the 2018 Revolving Facility is extended, an extension fee. The 2018 Revolving Credit Facility Agreement is governed by the laws of England and Wales.

5.1.7 2018 Term Loan Agreement

On 27 July 2018, Synthomer as the company entered into the 2018 Term Loan Agreement with Lloyds Bank plc as the arranger, original lender and agent.

Under the 2018 Term Loan Agreement, a €55 million term loan (the “**2018 Term Loan**”) is available for drawing by the Company on an unsecured basis. The 2018 Term Loan is to be applied towards refinancing Synthomer’s €55 million existing term facility agreement dated 22 November 2017 and thereafter towards its general corporate and working capital purposes.

The 2018 Term Loan matures on the earlier of (1) the date falling 364 days after the date of the 2018 Term Loan Agreement, (2) the date on which the 2018 Revolving Credit Facility Agreement is irrevocably and unconditionally repaid in full and the commitments of all lenders thereunder are irrevocably and unconditionally cancelled, (3) the date of receipt by Synthomer or any member of the Synthomer Group of the net proceeds arising from any issue, sale or offering of any bonds (or any other similar or equivalent instrument) issued by any member of the Synthomer Group to any other person who is not a member of the Synthomer Group and (4) 31 July 2019. The 2018 Term Loan was available for drawing in euros from 27 July 2018 to the date falling five “Business Days” (as defined in the 2018 Term Loan) thereafter.

The 2018 Term Loan contains customary representations, undertakings, covenants, indemnities and events of default with appropriate carve-outs and materiality thresholds, where relevant. The financial covenant under the 2018 Term Loan is a leverage covenant, whereby the net borrowings of the Synthomer Group must not exceed 3.25 times the consolidated EBITDA of the Synthomer Group in respect of each measurement period of 12 months ending on the last day of a financial half-year or financial year of Synthomer.

The 2018 Term Loan may be prepaid without premium or penalty but subject to breakage costs (if applicable). The amount available under the 2018 Term Loan is subject to reduction in accordance with the mandatory prepayment provisions set out therein (including where a change of control of Synthomer occurs or where it becomes unlawful for any lender to perform its obligations under the 2018 Term Loan).

The interest rate charged on loans made under the 2018 Term Loan will be equal to the aggregate of a benchmark rate (being the euro interbank offered rate) and the margin of 0.70% per annum.

The 2018 Term Loan Agreement is governed by the laws of England and Wales.

5.2 OMNOVA material contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which OMNOVA or any member of the OMNOVA Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the OMNOVA Group which contains any provision under which any member of the OMNOVA Group has any obligation or entitlement which is material to the OMNOVA Group as at the date of this document:

5.2.1 Merger Agreement

Details of the Merger Agreement are set out under Part V (*Summary of the Principal Terms and Conditions of the Merger Agreement*) of this document.

5.2.2 OMNOVA Term Loan

During 2016, OMNOVA refinanced its US debt facilities and entered into a US\$350 million term loan (the “**OMNOVA Term Loan**”) with Deutsche Bank AG New York Branch (“**Deutsche Bank**”). A portion of the OMNOVA Term Loan was used to redeem the outstanding principal and interest on OMNOVA’s prior US\$200 million term loan. In addition, US\$155.9 million of the OMNOVA Term Loan proceeds were used to redeem the remaining balance outstanding and accrued interest on OMNOVA’s 7.875% senior unsecured notes. The OMNOVA Term Loan matures on 26 August 2023. The OMNOVA Term Loan carries a variable interest rate based on, at OMNOVA’s option, either a Eurodollar rate or a base rate, in each case plus an applicable margin. The Eurodollar rate is a periodic fixed rate equal to the ICE London InterBank Offered Rate subject to a floor of 1.00%. The applicable margin for the Eurodollar rate is 3.25%. The base interest rate is a fluctuating rate equal to the higher of (1) the prime lending rate as announced by Deutsche Bank from time to time, (2) the sum of the Federal Funds Effective Rate (the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day by the Federal Reserve Bank of New York) plus 0.50%, or (3) the one-month Eurodollar rate plus 1.00%. The applicable margin for the base rate is 2.25%.

Annual principal payments consist of US\$3.5 million due in quarterly instalments beginning 30 November 2016, and potential annual excess free cash flow payments as defined in the credit agreement for the OMNOVA Term Loan (the “**Credit Agreement**”), with any remaining balance to be paid on 26 August 2023. OMNOVA was not required to make any annual excess free cash flow payments during 2017 or 2016. OMNOVA can prepay any amount at any time without penalty upon proper notice and subject to a minimum dollar requirement. Prepayments will be applied to any required annual excess free cash flow payment. OMNOVA made a US\$40 million prepayment during the first quarter of the 2018 financial year which would be applied to any required annual excess free cash flow payments for 2018. Additionally, the OMNOVA Term Loan provides for additional borrowings of the greater of (1) US\$120.0 million or (2) an aggregate principal amount such that, on a pro forma basis, OMNOVA’s senior secured net debt leverage ratio will not exceed 4.0x to 1.0x.

The Credit Agreement contains affirmative and negative covenants, including limitations on additional debt, certain investments and acquisitions outside of OMNOVA’s line of business. The OMNOVA Term Loan requires OMNOVA to maintain a total net leverage ratio of less than 5.0x to 1.0x. OMNOVA was in compliance with this covenant with a total net leverage ratio of 3.1x to 1.0x at 30 November 2018.

Until all commitments have terminated and the OMNOVA Term Loan, together with interest, fees and all other Credit Agreement obligations are paid in full, OMNOVA will not wind up, liquidate, or dissolve its affairs or enter into any transaction of merger or consolidation, or make an asset Sale (or agree to make an asset Sale at any future time), or enter into any sale-leaseback transactions, except for certain limited exceptions.

Upon the occurrence of a Change of Control, Deutsche Bank shall, upon the written request of the lenders, take any or all of the following actions: (1) declare the total commitments terminated, (2) declare the principal of and any accrued interest in respect of all obligations under the OMNOVA Term Loan to be due and payable; (3) enforce as collateral agent, all of the liens and security interests created pursuant to the Credit Agreement; and (4) apply any cash collateral held pursuant to the Credit Agreement to pay any obligations of the OMNOVA Term Loan. Change of control shall mean (1) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), who has acquired beneficial ownership (within the meaning of Rule 13(d)-3 under the Exchange Act), directly or indirectly, of 35% or more of the issued and outstanding shares of capital stock OMNOVA having the right to vote for the election of directors of OMNOVA under ordinary circumstances or (2) any “change of control” or similar event shall occur under the ABL Credit Documents dated as of 9 December 2010, by and among OMNOVA and JPMorgan.

5.2.3 USD Revolver

OMNOVA has a Senior Secured Revolving Credit Facility (the “**USD Revolver**”) with a potential availability of US\$90.0 million, which can be further increased up to US\$140.0 million subject to additional borrowing base assets and lender approval, with JPMorgan Chase Bank, N.A. (“**JPMorgan**”) pursuant to an agreement dated 30 November 2016 (the “**Revolving Credit Agreement**”). The USD Revolver matures on 26 August 2021. The Revolving Credit Agreement contains affirmative and negative covenants similar to the Credit Agreement, including limitations on

mergers, consolidations, sales, additional debt, certain investments and acquisitions outside OMNOVA's line of business. Additionally, the Revolving Credit Agreement contains a similar Change of Control provision as in the Credit Agreement. If the average excess availability of the USD Revolver falls below US\$25.0 million during any fiscal quarter, OMNOVA must then maintain a fixed charge coverage ratio greater than 1.1 to 1.0 as defined in the Revolving Credit Agreement. OMNOVA was in compliance with this requirement as at 28 February 2019. As at 28 February 2019 there was a balance of US\$11 million borrowed under the USD Revolver, and the amount available for borrowing was US\$51.7 million.

Advances under the USD Revolver bear interest, at OMNOVA's option, at either an alternate base rate or a Eurodollar rate, in each case plus an applicable margin. The alternate base interest rate is a fluctuating rate equal to the higher of the prime lending rate as announced by JPMorgan from time to time or the sum of the Federal Funds Effective Rate plus 0.50%. Applicable margins are based on OMNOVA's average daily excess availability during the previous financial quarter. If average excess availability is greater than US\$50.0 million, the applicable margin will be 1.50% on Eurodollar loans and 0.50% on base rate borrowings. If average excess availability is greater than or equal to US\$25.0 million but less than or equal to US\$50.0 million, the applicable margin will be 1.75% on Eurodollar loans and 0.75% on base rate borrowings. If average excess availability is less than US\$25.0 million, the applicable margin will be 2.00% on Eurodollar loans and 1.00% on base rate borrowings. The commitment fee for unused credit lines will be 0.25% if outstanding borrowings on the USD Revolver are greater than or equal to 50% of the maximum revolver amount and 0.375% if outstanding borrowings are less than 50% of the maximum revolver amount.

5.2.4 Euro Revolver

On 31 May 2018, OMNOVA established a €16.0 million Eurodollar Revolving Loan (the "**Euro Revolver**") and, together with the USD Revolver and the OMNOVA Term Loan, the "**OMNOVA Debt Facilities**") to provide additional liquidity and working capital flexibility in Europe. The terms of the Euro Revolver are similar to the USD Revolver, including a maturity date of 26 August 2021. This facility contains a €9.0 million expansion feature OMNOVA may exercise in the future to gain additional liquidity should secured collateral of accounts receivable increase. As at February 2019, there were no amounts borrowed under the Euro Revolver and the amount available for borrowing under the Euro Revolver was €11.5 million.

5.2.5 Resiquímica and Socer Sintra Share Purchase Agreement

On 25 September 2018, OMNOVA Solutions France Holding SAS (part of the OMNOVA Group) (the "**2018 Purchaser**") acquired the entire issued share capital of two Portuguese companies, Resiquímica and Socer Sintra—Desenvolvimento Imobiliário, S.A. ("**Socer Sintra**") (together, the "**2018 Target Companies**") from Socer—Imobiliária e Investimentos, S.A. (the "**2018 Seller**") for €21.8 million (US\$25.8 million) pursuant to a Portuguese law share purchase agreement (the "**2018 Agreement**"). At the time of the sale, Resiquímica owned the entire issued share capital in Resiquímica—Resinas Químicas España, S.L. and 33% of the share capital in Xyntra Investments BV.

The 2018 Agreement contains customary representations, warranties and covenants made by each of the 2018 Seller and the 2018 Buyer. In addition, pursuant to the 2018 Agreement the 2018 Seller has agreed to indemnification provisions in favour of the 2018 Purchaser and the 2018 Target Companies and the 2018 Target Companies have agreed to indemnification provisions in favour of the 2018 Seller.

6. Litigation

6.1 Synthomer litigation

Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the Company and/or the Synthomer Group's financial position or profitability.

6.1.1 European Commission investigation into the styrene monomer purchasing sector

As announced on 8 June 2018, the European Commission (the "**Commission**") initiated an investigation into practices relating to the purchase of styrene monomer by companies, including the

Company, operating in the European Economic Area. The Company has and will continue to fully cooperate with the Commission during its investigation. As the investigation is ongoing and the Commission does not provide feedback on its work until the investigation is complete, it is not possible to determine whether or not a liability exists in relation to this matter.

6.2 OMNOVA litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on OMNOVA and/or the OMNOVA Group's financial position or profitability.

7. Working capital

The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and the facilities available to the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least twelve months following the date of publication of this document.

8. Significant change

There has been no significant change in the financial or trading position of the Synthomer Group since 31 December 2018, being the date to which the last audited financial information has been published.

There has been no significant change in the financial or trading position of the OMNOVA Group since 31 May 2019, being the date to which the last interim financial information has been published.

9. Related party transactions

Save as disclosed in the information incorporated by reference into this document referred to below, the Company entered into no transactions with related parties during the years ended 31 December 2018, 2017 and 2016.

- Note 33 of the notes to the audited consolidated financial statements for Synthomer for the year ended 31 December 2018 which can be found on page 141 of the Synthomer Annual Report 2018.
- Note 32 of the notes to the audited consolidated financial statements for Synthomer for the year ended 31 December 2017 which can be found on page 135 of the Synthomer Annual Report 2017.
- Note 33 of the notes to the audited consolidated financial statements for Synthomer for the year ended 31 December 2016 which can be found on page 125 of the Synthomer Annual Report 2016.

For the period from and including 1 January 2019 to the Latest Practicable Date, there were no related party transactions entered into by the Company other than the irrevocable undertakings which the Company has entered into with KLK and each of the Directors in connection with the Rights Issue and the Acquisition (please see paragraph 5.1.3 above for information).

10. Consents

PwC has given and not withdrawn its written consent to the inclusion of its report on:

- the unaudited reconciliations of the consolidated financial information of the OMNOVA Group in paragraph 2 of Section B of Part III (*Historical Financial Information of the OMNOVA Group*) of this document; and
- the Unaudited Pro Forma Financial Information in Section B of Part IV (*Unaudited Pro Forma Financial Information of the Enlarged Group*) of this document,

in the form and context in which they appear.

Barclays has given and has not withdrawn its written consent to the inclusion in this document to its name in the form and context in which they are included.

Canaccord has given and has not withdrawn its written consent to the inclusion in this document to its name in the form and context in which they are included.

Citi has given and has not withdrawn its written consent to the inclusion in this document to its name in the form and context in which they are included.

HSBC has given and has not withdrawn its written consent to the inclusion in this document to its name in the form and context in which they are included.

The Valence Group has given and has not withdrawn its written consent to the inclusion in this document to its name in the form and context in which they are included.

11. Information incorporated by reference

The following documents, which have been filed with or notified to the FCA and are available for inspection in accordance with paragraph 12 of this Part VI (*Additional Information*) of this document, contain information about the Synthomer Group which is relevant to this document:

- Synthomer’s audited consolidated financial statements for the year ended 31 December 2018, together with an audit report in respect of that period and a discussion of Synthomer’s financial performance;
- Synthomer’s audited consolidated financial statements for the year ended 31 December 2017, together with an audit report in respect of that period and a discussion of Synthomer’s financial performance; and
- Synthomer’s audited consolidated financial statements for the year ended 31 December 2016, together with an audit report in respect of that period and a discussion of Synthomer’s financial performance.

The table below sets out the sections of these documents which are incorporated by reference in, and form part of, this document, and only the parts of the documents identified in the table below are incorporated by reference in, and form part of, this document. The parts of the documents which are not incorporated by reference are either not relevant for the purposes of making a properly informed decision as to how to vote on the Resolutions or are covered elsewhere in this document. Where the information described below itself incorporates further information by reference to another document, that further information is not intended to form part of this document for any purpose.

<u>Reference</u>	<u>Sections incorporated by reference</u>	<u>Page number(s)</u>
Synthomer Annual Report 2018	Note 33 of the notes to the audited consolidated financial statements for Synthomer for the year ended 31 December 2018	153
Synthomer Annual Report 2017	Note 32 of the notes to the audited consolidated financial statements for Synthomer for the year ended 31 December 2017	135
Synthomer Annual Report 2016	Note 33 of the notes to the audited consolidated financial statements for Synthomer for the year ended 31 December 2016	125

12. Documents available for inspection

Copies of the following documents will be available for inspection at the Company’s registered office at Temple Fields, Harlow, Essex, CM20 2BH, United Kingdom during normal business hours on Monday to Friday each week (public holidays excepted) for a period of 12 months following Completion:

- Memorandum of Association and the Articles of Association;
- the audited consolidated financial information for the OMNOVA Group in respect of the three financial years ended 30 November 2018, 30 November 2017 and 30 November 2016 and the interim financial information for the OMNOVA Group in respect of the six months ended 31 May 2019;

- the audited consolidated financial information for the Synthomer Group in respect of the three financial years ended 31 December 2018, 31 December 2017 and 31 December 2016;
- the report of PwC on the unaudited reconciliations of the consolidated financial information of the OMNOVA Group in paragraph 2 of Section B of Part III (*Historical Financial Information of the OMNOVA Group*) of this document;
- the report of PwC on the Unaudited Pro Forma Financial Information set out in Section B of Part IV (*Unaudited Pro Forma Financial Information of the Enlarged Group*) of this document;
- the Merger Agreement; and
- this document.

This document is dated 10 July 2019.

PART VII DEFINITIONS

The following definitions shall apply throughout this document unless the context requires otherwise:

“2018 RCF Amendment Letter”	the amendment letter dated 23 July 2018 between, among others, the Company, Synthomer (UK) Limited, Synthomer Trading Limited, Synthomer Holdings Limited, Yule Catto Nederland B.V., Synthomer B.V., Synthomer Deutschland GmbH, Synthomer S.r.l. and Synthomer Speciality Resins S.r.l. and HSBC as agent
“2018 Revolving Credit Facility Agreement”	the multicurrency revolving facilities agreement dated 22 June 2018 (as amended by the 2018 RCF Amendment Letter) between, amongst others, the Company as original borrower and original guarantor, Synthomer (UK) Limited, Synthomer Trading Limited, Synthomer Holdings Limited, Yule Catto Nederland B.V., Synthomer B.V., Synthomer Deutschland GmbH, Synthomer S.r.l. and Synthomer Speciality Resins S.r.l. as original guarantors and HSBC as agent
“2018 Revolving Facility”	a €440 million multi-currency revolving credit facility available for drawing by the Company under the 2018 Revolving Credit Facility Agreement
“2018 Term Loan”	the €55 million term loan provided under the 2018 Term Loan Agreement
“2018 Term Loan Agreement”	the term loan agreement dated 27 July 2018 between, amongst others, the Company and Lloyds Bank PLC
“2019 Bridge Facilities Agreement”	the bridge facilities agreement dated 3 July 2019 setting out the terms of the Bridge Facilities and made between, among others, the Company, Synthomer (UK) Limited, Synthomer Trading Limited, Synthomer Holdings Limited, Barclays Bank PLC, Citi, HSBC and Santander
“2019 Guidance”	a statement made by OMNOVA on 27 March 2019 announcing its Q1 2019 earnings, which constitutes a profit forecast for the purposes of the Listing Rules
“2019 Revolving Facility”	a €460 million (approximately £412 million) multicurrency revolving credit facility provided to Synthomer under the 2019 Syndicated Facilities Agreement
“2019 Syndicated Facilities Agreement”	the multicurrency term loan and revolving facilities agreement dated 3 July 2019 setting out the terms of the Syndicated Facilities and made between, amongst others, the Company, Synthomer (UK) Limited, Synthomer Trading Limited, Synthomer Holdings Limited and HSBC as agent
“2019 Term Facility”	a US\$260 million (approximately £206 million) term loan facility provided to Synthomer under the 2019 Syndicated Facilities Agreement
“Acquisition”	the proposed acquisition by MergerCo of the entire issued and to be issued share capital of OMNOVA pursuant to the Merger Agreement
“Admission”	the admission of the New Synthomer Shares to the Official List and to trading on the Main Market and “Admission becoming effective” means it becoming effective in accordance with paragraph 3.2.7 of the Listing Rules and the Admission and Disclosure Standards
“Admission and Disclosure Standards”	the requirements contained in the publication “Admission and Disclosure Standards” dated 16 April 2013 containing, among other

	things, the admission requirements to be observed by companies seeking admission to trading on the Main Market
“Annual Report 2016”	the Company’s annual report published in 2017 and incorporated by reference to this document
“Annual Report 2017”	the Company’s annual report published in 2018 and incorporated by reference to this document
“Annual Report 2018”	the Company’s annual report published in 2019 and incorporated by reference to this document
“Articles of Association” or “Articles”	the articles of association of the Company
“Barclays”	Barclays Bank PLC, acting through its Investment Bank
“Board”	the board of Directors of the Company
“Bridge Facilities”	Bridge Facility A and Bridge Facility B
“Bridge Facility A”	a £200 million bridge term loan facility provided to Synthomer under the 2019 Bridge Facilities Agreement
“Bridge Facility B”	a €520 million (approximately £466 million) bridge term loan facility provided to Synthomer under the 2019 Bridge Facilities Agreement
“Business Day”	any day other than a Saturday or Sunday or a day on which all banking institutions in New York or London are authorised or required by applicable law or other governmental action to close or on which the Trans-European Automated Real-time Settlement Express Transfer payment system is closed for the settlement of payments in euro
“Canaccord”	Canaccord Genuity Limited
“Certificate of Merger”	the certificate of merger in relation to the Acquisition
“Chairman”	the Chairman of Synthomer, Neil Johnson
“Citi”	Citigroup Global Markets Limited
“Citibank”	Citibank, N.A., London Branch
“CLP Regulation”	the European Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures
“Commission”	the European Commission
“Companies Act”	UK Companies Act 2006, as amended, and the regulations made thereunder
“Company” or “Synthomer”	Synthomer plc, a company registered in England and Wales with registered number 00098381
“Company Recommendation Change”	a direct or indirect withdrawal, withholding, modification in a manner adverse to OMNOVA, or qualification by the Company of a recommendation to Shareholders to vote in favour of the Resolutions
“Company Regulatory Termination Fee”	the termination fee of US\$15.8 million (approximately £12.5 million) (representing 1% of the market capitalisation of the Company as at the date of the signing of the Merger Agreement) that the Company is required to pay to OMNOVA in connection with the Merger Agreement in the circumstance set out in paragraph 7.2 of Part V (<i>Summary of the Terms and Conditions of the Merger Agreement</i>) of this document
“Company Reverse Termination Fee”	the termination fee of US\$15.8 million (approximately £12.5 million) (representing 1% of the market capitalisation of the Company as at

	the date of the signing of the Merger Agreement) that the Company is required to pay to OMNOVA in connection with the Merger Agreement in the circumstance set out in paragraph 7.2 of Part V (<i>Summary of the Terms and Conditions of the Merger Agreement</i>) of this document
“Company Superior Proposal”	a bona fide written Company Takeover Proposal that the Board or any duly constituted and authorised committee thereof determines in good faith, after consultation with outside legal counsel and its financial advisor is (1) reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal, including all conditions contained therein, and (2) more favourable from a financial point of view to the Shareholders than benefits expected to be received by the Company from the Acquisition
“Company Takeover Proposal”	an offer from a third party to acquire more than 30% of the voting power, Synthomer Shares, or consolidated assets, revenues or net income of the Company
“Completion”	completion of the Acquisition, expected to occur in late 2019 / early 2020
“Completion Date”	the date upon which Completion occurs
“Conditions”	the conditions to the implementation of the Acquisition which are set out in the Merger Agreement
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the operator
“Deferred Compensation Plans”	certain OMNOVA benefit plans (other than awards under an OMNOVA Stock Plan) that provide for the deferral of compensation and represent amounts notionally invested in a number of OMNOVA Shares or otherwise provides for distributions or benefits that are calculated based on the value of an OMNOVA Share
“Deutsche Bank”	Deutsche Bank AG New York Branch
“Directors”	the directors of the Company whose names appear in paragraph 3.1 of Part VI (<i>Additional Information</i>) of this document
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part 6 of the FSMA
“Dissenting Shareholder”	a person who has not voted in favour of the adoption of the Merger Agreement and has complied in all respects with Section 1701.85 of the OGCL
“Dissenting Shares”	OMNOVA Shares held by a Dissenting Shareholder
“EBITDA”	operating profit before depreciation, amortisation and Special Items in relation to Synthomer
“Effective Time”	a time agreed between the parties and specified in the Certificate of Merger in accordance with the relevant provisions of the OGCL
“EPS”	earnings per share
“Enlarged Group”	the Synthomer Group and the OMNOVA Group after the Acquisition has taken effect
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Euro Revolver”	a €16.0 million Eurodollar Revolving Loan established by OMNOVA on 31 May 2018

“Ex-Rights Date”	the date on which the New Synthomer Shares are expected to commence trading ex-Rights, being 8:00 am on 15 July 2019
“Exchange Act”	the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“Existing Synthomer Shares”	the Synthomer Shares in issue as at the date of this document
“Executive Directors”	Calum MacLean and Stephen Bennett
“Excluded Territories”	Australia, Canada, New Zealand, Japan, South Africa, the United States (subject to certain limited exceptions) and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fully Paid Rights”	rights to acquire the New Synthomer Shares, fully paid
“General Meeting”	the general meeting of the holders of Synthomer Shares to, among other matters, approve the Acquisition scheduled to take place at 10:00 am on 31 July 2019
“HMRC”	Her Majesty’s Revenue and Customs
“HSBC”	HSBC Bank plc
“HSR Act”	the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder
“IFRS”	International Financial Reporting Standards as adopted by the EU
“Issue Price”	240 pence per New Synthomer Share
“JPMorgan”	JPMorgan Chase Bank, N.A.
“KLK”	the Kuala Lumpur Kepong Berhad Group
“Latest Practicable Date”	9 July 2019, being the latest practicable date prior to publication of this document
“Listing Rules”	the listing rules made by the FCA pursuant to Part 6 of the FSMA
“London Stock Exchange”	London Stock Exchange plc
“LTM”	the last twelve months
“Main Market”	the London Stock Exchange’s main market for listed securities
“Memorandum of Association”	the memorandum of association of the Company
“Merger Agreement”	the agreement and plan of merger entered into by Synthomer, MergerCo, Synthomer USA LLC and OMNOVA, under which Synthomer agreed to acquire the entire issued and to be issued share capital of OMNOVA
“Merger Consideration”	a cash price of US\$10.15 per OMNOVA Share
“MergerCo”	Spirit USA Holdings Inc.
“New Debt Facilities”	the Bridge Facilities and the Syndicated Facilities
“New Synthomer Shares”	the new Synthomer Shares to be issued by the Company pursuant to the Rights Issue
“Nil Paid Rights”	New Synthomer Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue
“Nitrile”	Nitrile Butadiene Latex

“Nominated Person”	any person to whom the Notice of General Meeting is sent
“Non-Executive Directors”	Neil Johnson, The Hon. Alexander Catto, Brendan Connolly, Dr Just Jansz, Caroline Johnstone, Dato’ Lee Hau Hian and Holly A. Van Deursen
“Notice of General Meeting”	the notice of the General Meeting of the Company in this document
“NYSE”	the New York Stock Exchange
“Official List”	the Official List of the FCA
“OGCL”	the General Corporation Law of the State of Ohio
“OMNOVA”	OMNOVA Solutions Inc.
“OMNOVA Adjusted EBITDA”	OMNOVA’s adjusted EBITDA
“OMNOVA Board”	the board of directors of OMNOVA
“OMNOVA Debt Facilities”	the Euro Revolver, the USD Revolver and the OMNOVA Term Loan
“OMNOVA Group”	OMNOVA and its subsidiaries from time to time
“OMNOVA May 2019 LTM Adjusted EBITDA”	an adjusted EBITDA for the OMNOVA Group for the LTM ended 31 May 2019
“OMNOVA Shareholder Approval”	approval of the Acquisition by OMNOVA Shareholders
“OMNOVA Recommendation Change”	a direct or indirect change, withdrawal, withholding, modification in a manner adverse to OMNOVA, or qualification by the Company, of a recommendation to OMNOVA Shareholders to vote in favour of the Acquisition
“OMNOVA Shareholders”	the holders of OMNOVA Shares
“OMNOVA Shares”	common stock of OMNOVA with a par value of US\$0.10 per share
“OMNOVA Superior Proposal”	an OMNOVA Takeover Proposal which constitutes an offer to acquire more than 50% of the voting power, OMNOVA Shares, or consolidated assets, revenues or net income of OMNOVA that the board of directors of OMNOVA determines in good faith, after consultation with legal counsel and its financial adviser (taking into account any changes to the Merger Agreement proposed by the Company in response to such offer), is (1) reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such proposal, including all conditions contained therein, and (2) on terms and conditions more favourable from a financial point of view in the aggregate to the shareholders of OMNOVA than the terms and conditions of the Acquisition
“OMNOVA Takeover Proposal”	an offer from a third party to acquire more than 20% of the voting power, OMNOVA Shares, or consolidated assets, revenues or net income of OMNOVA
“OMNOVA Term Loan”	the US\$350 million term loan taken by OMNOVA in 2016
“OMNOVA Termination Fee”	the termination fee of US\$15.8 million (approximately £12.5 million) that OMNOVA is required to pay to the Company in connection with the Merger Agreement in any of the circumstances set out in paragraph 7.1 of Part V (<i>Summary of the Principal Terms and Conditions of the Merger Agreement</i>) of this document
“Outside Date”	the 9-month anniversary of the date of the Merger Agreement (as it may be extended to the 12-month anniversary of the date of the Merger Agreement)

“OMNOVA Stock Plans”	the OMNOVA 2017 Equity Incentive Plan and the OMNOVA Third Amended and Restated 1999 Equity and Performance Incentive Plan and the OMNOVA Long-Term Incentive Program, in each case as amended from time to time
“Overseas Shareholders”	Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“PAC”	performance adhesives and coatings business
“Pound sterling” or “£”	the lawful currency of the United Kingdom
“PRA”	the Prudential Regulation Authority
“Prospectus”	the prospectus published by Synthomer in relation to the Rights Issue on or around the date of this document relating to the New Synthomer Shares to be issued pursuant to the Rights Issue
“Provisional Allotment Letter”	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders
“Proxy Form”	the personalised form of proxy accompanying this document for use by the Shareholders in connection with the General Meeting
“PSP”	the Synthomer 2011 Performance Share Plan
“PwC”	PricewaterhouseCoopers LLP
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Synthomer Shares on the register of members of the Company on the Record Date which are in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Synthomer Shares on the register of members of the Company on the Record Date which are in certificated form
“Qualifying Shareholders”	holders of Synthomer Shares who are on the Company’s register of members at the Record Date
“Reach Regulation”	the EU Registration, Evaluation, Authorisation & Restriction of Chemicals regulation
“Record Date”	6:00 pm on 8 July 2019
“Register”	the registers of members of the Company
“Registrar”	Computershare Investor Services PLC
“Remuneration Committee”	the remuneration committee established by the Board to consider and make recommendations to the Board as to the remuneration of Company’s directors and senior executives
“Resiquímica”	Resiquímica—Resinas Químicas, S.A.
“Resolutions”	the resolutions to approve the Acquisition and increase the borrowing limit of the Company, to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting
“Revolving Credit Agreement”	the agreement between OMNOVA and JPMorgan relating to the USD Revolver dated 30 November 2016
“Rights”	the Nil Paid Rights or the Fully Paid Rights (or both) as the context may require
“Rights Issue”	the offer by way of rights to Qualifying Shareholders to acquire New Synthomer Shares on the terms and conditions set out in the Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter, with net proceeds of up to £199 million (approximately US\$251 million)

“R&D”	research and development
“Santander”	Banco Santander, S.A., London Branch
“SB”	styrene butadiene
“SBR”	styrene butadiene rubber
“SEC”	the US Securities and Exchange Commission
“Secretary”	the secretary of the Company and any person appointed by the Directors to perform any of the duties of the secretary including, but not limited to, a joint, assistant or deputy secretary
“Securities Act”	US Securities Act of 1933 as amended and the rules and regulations promulgated thereunder
“Shareholders”	the holders of Synthomer Shares
“Special Items”	the items listed in paragraph 4.1.1 of the “ <i>Important Information</i> ” section of this document
“Sponsor”	Barclays
“Surviving Corporation”	the surviving corporation of the merger of MergerCo with and into OMNOVA
“Syndicated Facilities”	the 2019 Term Facility and the 2019 Revolving Facility
“Synthomer Group”	Synthomer and its subsidiary undertakings (as defined in the Companies Act), from time to time
“Synthomer Shares”	the Synthomer shares with a nominal value of ten pence each in the share capital of the Company
“The Valence Group”	TVG Limited
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018
“Unaudited Pro Forma Financial Information”	the unaudited pro forma financial information in respect of the Enlarged Group prepared to illustrate the effect of the Acquisition, the Rights Issue and the related financing on the Synthomer Group
“Underlying EPS”	the EPS for the Synthomer Group, excluding Special Items
“Underlying performance”	the statutory performance of the Synthomer Group under IFRS, excluding Special Items
“Underwriters”	Barclays, Canaccord, Citi and HSBC
“Underwriting Agreement”	the underwriting and sponsor’s agreement dated 3 July 2019 between and among the Company and the Underwriters
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US GAAP”	Generally Accepted Accounting Principles of the United States
“USD Revolver”	OMNOVA’s senior secured revolving credit facility with a potential availability of US\$90.0 million, which can be further increased up to US\$140.0 million subject to additional borrowing base assets and lender approval, with JPMorgan Chase Bank, N.A. pursuant to an agreement dated as of 30 November 2016

NOTICE OF GENERAL MEETING



(Incorporated and registered in England and Wales with company number 00098381)

Registered Office:
Temple Fields
Harlow
Essex
CM20 2BH
Tel: +44 (0) 1279 436211
www.synthomer.com

NOTICE IS HEREBY GIVEN THAT A GENERAL MEETING of Synthomer plc (the "**Company**") will be held at 10:00 am on 31 July 2019 at the Company's offices at 45 Pall Mall, London, SW1Y 5JG, United Kingdom to consider and, if thought fit, to pass the following resolutions (the "**Resolutions**") as ordinary resolutions:

A. ORDINARY RESOLUTIONS

Resolution 1—Approval of the Acquisition

THAT

subject to and conditional upon the passing of resolution 2, the proposed merger of a subsidiary of the Company with OMNOVA Solutions Inc., with the effect that OMNOVA Solutions Inc. becomes a wholly owned subsidiary of the Company (the "**Acquisition**"), substantially in the manner and on the terms and subject to the conditions of the Merger Agreement (as defined in, and particulars of which are summarised in the circular of the Company, dated 10 July 2019 (the "**Circular**"), of which this notice convening the General Meeting (the "**Notice**") forms part), together with all other agreements and ancillary arrangements contemplated by the Merger Agreement, be and are hereby approved and that the directors of the Company (or any duly authorised committee thereof) be and are hereby authorised to make any such non-material amendments, variations, waivers or extensions to the terms of the Acquisition or the Merger Agreement which they in their absolute discretion consider necessary, appropriate or desirable and to take all such steps and to do all such things which they consider necessary, appropriate or desirable to implement, or in connection with, the Acquisition, including, without limitation, the waiver of any conditions to the Merger Agreement.

Resolution 2—Approval of increased borrowing power under the Articles of Association

THAT

the increase in the borrowing limit set out in Article 93.2 of the Articles of Association from £750,000,000 to £1,500,000,000 be and is hereby approved.

By Order of the Board

Richard Atkinson

Secretary
10 July 2019

Temple Fields
Harlow
Essex
CM20 2BH
United Kingdom

Registered in England and Wales No. 00098381

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by the Registrar by post at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE or at the electronic address provided in the proxy form, in each case no later than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of business on 6:00 pm on 29 July 2019 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. The Company's capital consists of 339,880,769 ordinary shares with voting rights.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for the receipt of proxy appointments specified in Note 2. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to

take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. Under Section 527 of the Companies Act members meeting the threshold requirements set out in that Section have the right to require the Company to publish on a website a statement setting out any matter relating to:
 - (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the General Meeting; or
 - (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act. Where the Company is required to place a statement on a website under Section 527 of the Companies Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act to publish on a website
14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this notice, and any other information required by Section 311A of the Companies Act, can be found at www.synthomer.com.

APPENDIX 1 PROFIT FORECAST

1. OMNOVA 2019 Guidance

As is market practice for US public companies, OMNOVA has historically provided full year earnings guidance as a standalone entity in its unaudited quarterly results press releases. The following statement (the “**2019 Guidance**”) was made by OMNOVA in its unaudited results announcement dated 27 March 2019 announcing its Q1 2019 earnings: *“We are optimistic as we head into the second quarter. [...] If these positive trends continue, we are optimistic that we can deliver Adjusted Diluted Earnings Per Share for 2019 that is higher than 2018’s result.”*

The 2019 Guidance constitutes a profit forecast for the purposes of the Listing Rules.

2. The 2019 Guidance is no longer valid for the purpose of deciding how to vote in respect of the Resolutions

For the reasons set out below, the Directors consider that the 2019 Guidance is no longer valid in the context of the Acquisition and does not represent information necessary for Shareholders to make an informed decision as to how to vote in respect of the Resolutions.

2.1 Purpose of preparation

The 2019 Guidance was provided by OMNOVA as part of its regular guidance to the US market, such guidance representing the best estimate, assumptions and existing strategy of OMNOVA as a standalone entity for the remainder of the financial year at the time it was made. The 2019 Guidance was prepared on the basis of OMNOVA’s view alone as to the future performance of the OMNOVA Group as a stand-alone business and therefore does not give effect to the Acquisition or any changes to OMNOVA’s operations or strategy that may be implemented after Completion. The Directors have reviewed the 2019 Guidance in the context of this document which has been prepared in accordance with a different legal and regulatory regime. The Directors have not relied upon the 2019 Guidance in entering into, and deciding to recommend the Acquisition and Shareholders should not rely upon the 2019 Guidance in deciding whether or not to approve the Acquisition. The 2019 Guidance does not represent the Directors’ views on the expected financial performance of OMNOVA under Synthomer’s ownership.

In addition, neither OMNOVA’s independent public accounting firm nor any other independent accountants, have audited, compiled, examined or performed any procedures with respect to the 2019 Guidance, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

2.2 Synthomer’s expected strategic, operational and cost-saving initiatives

The 2019 Guidance was prepared wholly independently of Synthomer and reflects the view of the OMNOVA management team only as to the future performance of OMNOVA as a stand-alone business. The Directors have relied on their own investigations, views and assessment of OMNOVA’s results of operations, financial and operating condition and future prospects in considering and evaluating the Acquisition and determining the price of the Acquisition.

The Directors consider that the performance of the OMNOVA business will be affected by initiatives that Synthomer will implement following Completion, including strategic and operational initiatives which the Directors expect will impact the operating model and the performance of OMNOVA.

The principal changes expected to affect the financial results of OMNOVA following Completion are summarised below.

2.2.1 Repayment of OMNOVA net debt

As noted in paragraph 7 of Part I (*Chairman’s Letter*) of this document, Synthomer will refinance OMNOVA’s net debt following Completion using drawings under the New Debt Facilities. The refinancing of OMNOVA’s net debt is not reflected in the 2019 Guidance, and is expected to have a material impact on them in the current and future financial years.

2.2.2 Change of end of financial year

Currently, the OMNOVA Group's financial year ends on 30 November. The Synthomer Group's financial year ends on 31 December. It is expected that the financial year for OMNOVA will be extended after the Completion, so that the end of financial year matches that of the rest of the Enlarged Group. Having a financial year which is 13 months long would impact the results of OMNOVA and thus the validity of the 2019 Guidance.

2.2.3 Ongoing strategic initiatives at OMNOVA

OMNOVA's management have been undertaking a number of strategic initiatives recently including exit from commodity paper coatings businesses and focus on growing the Specialty Solutions segment which has involved material re-organisation at OMNOVA. The Directors believe this strategic shift is still in progress and, while this is expected to have a positive impact on OMNOVA's revenues and earnings over time, OMNOVA is still a business in transition.

2.2.4 Raw material price volatility

While OMNOVA's management will have considered to some extent their views on raw material prices in arriving at the 2019 Guidance, the Directors believe that, given the inherent variability of raw material prices and the significant impact that any fluctuations in raw material prices can have on earnings, the 2019 Guidance is no longer valid.

2.2.5 Accounting policies used to prepare the 2019 Guidance

As part of the Enlarged Group, OMNOVA will report under IFRS, rather than US GAAP, as previously. This change is specifically expected to affect, among others, impairment of goodwill and long-lived assets, the method for calculating tax benefits for uncertain tax positions and deferred tax on undistributed earnings, pension accounting, inventory valuation policies and accounting for debt modification (please see Part III (*Historical financial information of the OMNOVA Group*) of this document).

3. Reassessment of the 2019 Guidance is not necessary

The Directors believe that Shareholders should only consider reliable information when making their assessment of the Acquisition and when considering how to vote at the General Meeting. The Directors do not consider the 2019 Guidance to constitute reliable information for those purposes, as they do not accurately reflect future performance of the OMNOVA Group as part of the Enlarged Group following Completion. The Directors have not relied on the 2019 Guidance in entering into the Merger Agreement or in deciding to recommend the Acquisition.

Further, the Directors do not consider projections of the OMNOVA Group's standalone performance, whether for the current financial year or longer, to represent information necessary for Shareholders to make an informed decision as to how to vote at the General Meeting in relation to the Acquisition. This is in part because, following Completion, OMNOVA will become a subsidiary of Synthomer and the OMNOVA Group will be integrated into, and managed as part of the Synthomer Group (resulting in numerous changes to the operating model of the OMNOVA business affecting its ongoing cost base and revenues streams).

The Directors consider the information included within, or incorporated by reference into, this document (namely information in relation to the Enlarged Group as well as historical financial performance) to represent all of the material information necessary for Shareholders to decide how to vote at the General Meeting. To the extent that Shareholders wish to evaluate the future potential performance of the Enlarged Group, Shareholders should refer to the detailed information included elsewhere in this document in respect of combination benefits, group structuring benefits and Synthomer's and OMNOVA's operations more generally.

For the reasons stated above, the Directors consider that the 2019 Guidance is no longer valid in the context of the Acquisition and does not represent information necessary for Shareholders to make an informed decision as to how to vote in respect of the Resolutions. Consequently, the Directors believe that reassessment of these projections for the purposes of the Listing Rules is not necessary.

None of Synthomer, the Directors or their respective advisers accept responsibility for the accuracy, reasonableness, validity or completeness of the 2019 Guidance or the estimates and assumptions that underlie it. No statement in this appendix, unless otherwise stated, is intended as a profit forecast or estimate for any period and no statement in this appendix should be interpreted to mean that earnings for OMNOVA for the current or future financial years would necessarily match or exceed the historical published earnings.

