

4 November 2016

Abano Healthcare Group Limited  
Level 16, West Plaza Building  
3-7 Albert Street  
Auckland  
New Zealand

**TAKEOVER NOTICE PURSUANT TO RULE 41 OF THE TAKEOVERS CODE**

Healthcare Partners Holdings Limited hereby gives notice pursuant to Rule 41(1) of the Takeovers Code of its intention to make a partial takeover offer under the Takeovers Code to acquire 30.99% of the fully paid ordinary shares on issue in Abano Healthcare Group Limited in order to take its total shareholding to 50.01%.

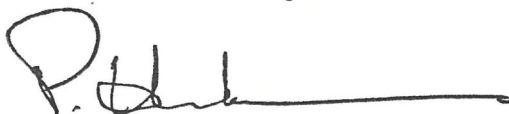
**Attached** to this notice are the terms of the proposed offer, including:

- the information specified in Schedule 1 to the Takeovers Code which is required to be contained in, or accompany, this notice (stated as at the date of this notice); and
- the signed certificate required under clause 19 of Schedule 1 to the Takeovers Code.

We look forward to receipt of the class notice in accordance with Rule 42A of the Takeovers Code.

In addition, given the offer is proposed to be a partial offer, please confirm that the Board of Abano Healthcare Group Limited will not decline to register an acceptance of the offer if that registration (together with any other registration then held by Abano Healthcare Group Limited and awaiting registration), would result in the proposed transferor holding shares less than a Minimum Holding (as defined in the constitution of Abano Healthcare Group Limited).

Yours faithfully  
Healthcare Partners Holdings Limited



Peter Lionel Hutson  
Director

cc **The Takeovers Panel**  
Level 3, Solnet House  
70 The Terrace  
PO Box 1171  
Wellington 6011  
By email: [takeovers.panel@takeovers.govt.nz](mailto:takeovers.panel@takeovers.govt.nz)

cc **NZX Limited**  
Level 1, NZX Centre  
11 Cable Street  
Wellington  
By email: [announce@nzx.com](mailto:announce@nzx.com)

**For any media enquiries:**  
**Michael Dunlop**  
**027 574 7587**

**PARTIAL TAKEOVER OFFER BY  
HEALTHCARE PARTNERS HOLDINGS  
LIMITED  
TO PURCHASE 30.99% OF THE  
ORDINARY SHARES IN  
ABANO HEALTHCARE GROUP  
LIMITED**

**IMPORTANT**

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Abano Healthcare Group Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (eg the broker) through whom the sale was made, to be passed to the purchaser.

Abano Healthcare Group Limited's target company statement, together with an independent adviser's report on the merits of this offer, either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

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[•] November 2016

Dear Abano shareholder

## **PARTIAL CASH TAKEOVER OFFER FOR ABANO HEALTHCARE GROUP LIMITED AT \$10.00 PER SHARE**

Healthcare Partners Holdings Limited ("**Healthcare Partners**") is delighted to present to you its partial cash takeover offer for 30.99% of the shares in Abano Healthcare Group Limited ("**Abano**", or the "**Company**").

The directors of Healthcare Partners ("**we**", "**our**", "**us**") encourage you to take this opportunity to realise an attractive gain on part of your investment and make possible a change in the direction of the Company that we believe will lead to better returns for shareholders.

The offer for 30.99%, combined with Healthcare Partners existing 19.02% shareholding, will take Healthcare Partners' holding in the Company to 50.01%.

The price offered for your shares is \$10.00. This price represents an attractive:

- 26.6% premium to the closing price on the NZX on 3 November 2016, being the last trading day prior to the announcement of our offer (\$7.90);
- 21.0% premium to the three month VWAP<sup>1</sup> of Abano's shares of \$8.27 on the NZX for the period up to and including 3 November 2016;
- 23.9% premium to the six month VWAP of Abano's shares of \$8.07 on the NZX for the period up to and including 3 November 2016
- 27.8% premium to the 12 month VWAP of Abano's shares of \$7.83 on the NZX for the period up to and including 3 November 2016.

The offer provides flexibility to sell a proportion of your shares and an opportunity to realise a significant premium on those shares.

### **We Think Abano Has Been Underperforming**

In our view, Abano has been financially underperforming in recent years:

- Abano has acquired dental practices over the past five years which have had an average EBITDA margin of 28.5%<sup>2</sup>. For the same period, the average EBITDA margin for all dental practices owned by the Company has been only 11.8%<sup>3</sup>;
- Abano's net debt<sup>4</sup> position more than tripled from the start of FY12 to FY16.

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<sup>1</sup> VWAP means the volume weighted average price at which Abano's shares have traded on the NZX Main Board for the relevant period. VWAP is calculated as the total dollar value of shares traded, divided by the total volume (or number) of shares traded during the period referred to. VWAPs have been calculated up to and including close as of 3 November 2016 (being the last trading day prior to the Notice Date).

<sup>2</sup> Calculated as acquired "annualised profit before tax excluding depreciation" / acquired "annualised revenue", as stated in Abano's Annual Reports from FY12 to FY16.

<sup>3</sup> Calculated as dental division underlying EBITDA (defined by Abano in its FY16 Results Presentation as Earnings Before Interest, Tax, Depreciation and Amortisation, before allocation of Abano group overheads and excludes gains/losses arising on sale of businesses, IFRS adjustments and impairments, including their tax effect) / dental division Gross Revenue (includes Australian dental revenues before payment of dentists' commissions, as defined by Abano in its FY16 Results Presentation).

<sup>4</sup> Net Debt calculated as Short Term Borrowings + Long Term Borrowings – Cash & Cash Equivalents, as stated in Abano's Annual Reports from FY12 to FY16.

As a consequence, we consider this to have been value destructive for shareholders. Pursuing further acquisitions will not remove this problem. We believe that this has been seen by the market, with Abano shareholders' total return (share price movement and dividends) for the last twelve months being 12.0% lower than the NZX50 gross index return.

In the attached Offer Document there is financial analysis to support this view.

## **About Us**

There are three directors of Healthcare Partners: Peter Hutson, Anya Hutson and James Reeves. We have been successful operators of healthcare businesses, as discussed below.

Anya and Peter are audiologists. They successfully developed Bay Audiology Limited, of which a 70% stake was acquired by Abano in 2005. Peter and Anya continued to lead and grow Bay Audiology Limited following this investment, and, upon its sale, Abano made a very successful financial return. Following the sale of Bay Audiology Limited, Bay International Limited was established by Peter and Anya with Abano under a joint venture structure. Initially this Australian-based business was loss-making, however alongside their skilled and committed team, they improved performance and brought the business into high growth and profitability. Abano offered its 50% stake to Peter and Anya at a price of \$32 million after receiving an expression of interest at that price. Peter and Anya purchased that stake at the price nominated by Abano, and now own Bay International Limited through an investment company with interests associated with fellow Healthcare Partners' Director James Reeves.

James also has a record as a successful New Zealand business developer and investor in his own right. James developed and eventually sold a sizable financial services business, and later founded a successful optometry group which is now part of the OPSM eyewear business in New Zealand.

Understanding how to make such businesses highly profitable, combined with a proven ability to build skilled and committed teams of people dedicated to patient care, has underpinned our success.

## **We Learned From Last Time**

We have had concerns about Abano's performance for a number of years. In 2013, when Peter was a director of Abano, we approached the Company to try to achieve change; but shareholders didn't agree with the way we approached it and asked us to make an offer for the Company. We have learnt from that and hence Healthcare Partners is making an offer this time of \$10.00 per share to take its holding to 50.01%.

If the offer is successful, we intend to sit down with the Board and management and discuss changes that will turn Abano's performance around. We intend that the three directors of Healthcare Partners join the Board of Abano. Furthermore, we are conscious of the ongoing interests of the minority shareholders. We believe that accepting this offer is in the best interest of all shareholders.

## **Time For A Positive Change - What We Will Do**

If you sell shares to Healthcare Partners to give it the 50.01% shareholding we seek, we will look to:

- stop further acquisitions for the medium term in order to reduce Company debt;
- improve the performance of the existing dental practices; and
- create and protect a rewarding team environment – as had at Bay Audiology Limited and which we enjoy currently at Bay International Limited.

## **What We Would Like You To Do**

The offer is for 30.99% of the Company (being 38.27% of the shares not already held or controlled by Healthcare Partners). When aggregated with the existing shareholding of 19.02%, Healthcare Partners' holding will be 50.01% of the Company.

You may elect the number of shares you accept into the offer – either a proportion or all. If acceptances are received for less than 6,651,092 shares, the offer will lapse and no shares will be acquired under it. However, if acceptances are received for more than that number of shares, scaling will apply in accordance with the Takeovers Code, as is set out in the accompanying Offer Document.

In our view, the offer price is a very attractive one. We believe this offer is good for you and will be good for the Company. We commend it to you, and encourage you to accept.

Signed  
Peter Hutson

On behalf of the Directors of Healthcare Partners Holdings Limited

## OVERVIEW OF THE OFFER

Healthcare Partners Holdings Limited ("**Healthcare Partners**") is offering to acquire 30.99% of the fully paid ordinary shares ("**Shares**") in Abano Healthcare Group Limited ("**Abano**") (being 38.27% of the Shares not already held or controlled by Healthcare Partners) ("**Offer**").

The key terms of the Offer are:

<b>OFFER PRICE</b>	<b>\$10.00 for each Share, payable in cash.</b>
<b>PARTIAL OFFER</b>	The Offer is a partial offer for 38.27% of the Shares (or 6,651,092 Shares) not already held or controlled by Healthcare Partners.
<b>HOW TO ACCEPT</b>	If you wish to <b>ACCEPT</b> the Offer, please refer to the section " <b>How to accept the Offer</b> " on pages [•] and [•] of this Offer Document and the Acceptance Form enclosed with this Offer Document.
<b>SCALING</b>	<p>If acceptances are received in respect of more than 6,651,092 Shares then:</p> <ul style="list-style-type: none"> <li>all shareholders who have accepted the Offer will be entitled to sell 38.27% of their Shares (or any lesser number in respect of which they accept the Offer); and</li> <li>any shareholders who accept the Offer for more than 38.27% of their Shares, will have their excess scaled proportionately (as more fully described in paragraph 6 of the Offer Terms and Conditions).</li> </ul>
<b>CONDITIONS</b>	<p>The Offer is conditional on:</p> <ul style="list-style-type: none"> <li>Healthcare Partners receiving acceptances of the Offer for 6,651,092 Shares (which will result in Healthcare Partners holding or controlling 50.01% of the Shares); and</li> <li>none of the events set out in paragraph 8.1 of the Offer Terms and Conditions occurring in the period between 4 November 2016 and [the Closing Date].</li> </ul>
<b>OFFER PERIOD</b>	The Offer is open for acceptance from [•] 2016 (" <b>Offer Date</b> ") and closes at [5:00 pm] on [•] 2016 (unless extended in accordance with the Takeovers Code).
<b>PAYMENT DATE</b>	If you accept the Offer you will be paid for your Shares taken up under the Offer no later than seven days after the later of the date on which Healthcare Partners declares that the Offer has become unconditional and the first specified closing date.
<b>BROKERAGE COSTS</b>	You will not pay any brokerage costs if you accept the Offer.
<b>IMPORTANT CONTACTS</b>	If you have any questions about the Offer or you require further copies of this Offer Document and its enclosures (including the Acceptance Form, Specified Holder Certificate and the reply paid envelope), you should contact the share registrar for the Offer, Computershare Investor Services Limited:

	Telephone:	NZ 0800 650 034 Overseas +64 9 488 8777
	Facsimile:	+64 9 488 8787
	Alternatively, you should contact your financial or legal adviser.	

**THIS IS ONLY A SUMMARY OF THE OFFER. DETAILED TERMS AND CONDITIONS OF THIS OFFER ARE SET OUT ON THE FOLLOWING PAGES. YOU SHOULD READ THOSE TERMS AND CONDITIONS CAREFULLY AND IN FULL.**

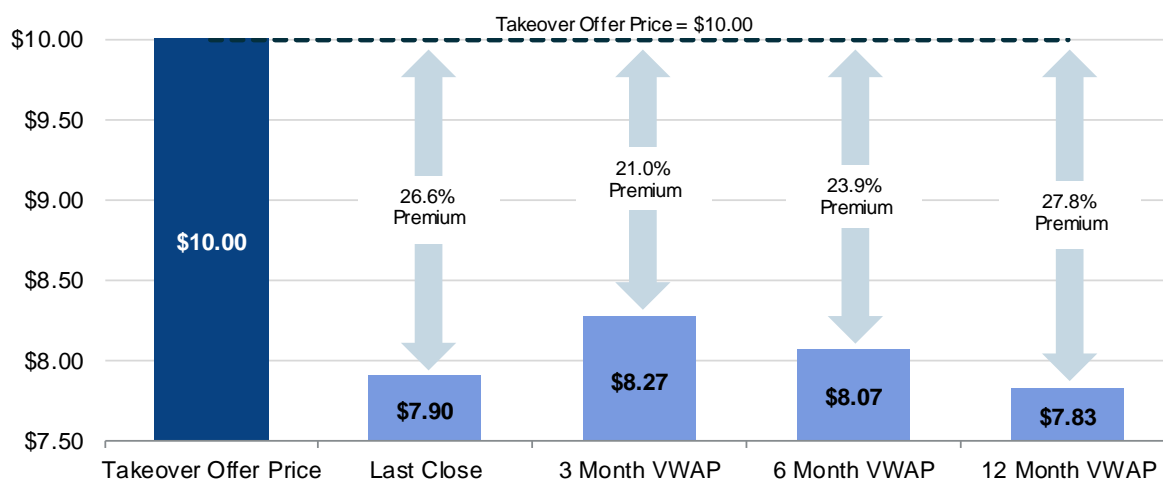


## WHY YOU SHOULD ACCEPT THIS OFFER

### 1. The Offer Price of \$10.00 is attractive

The Offer Price is a:

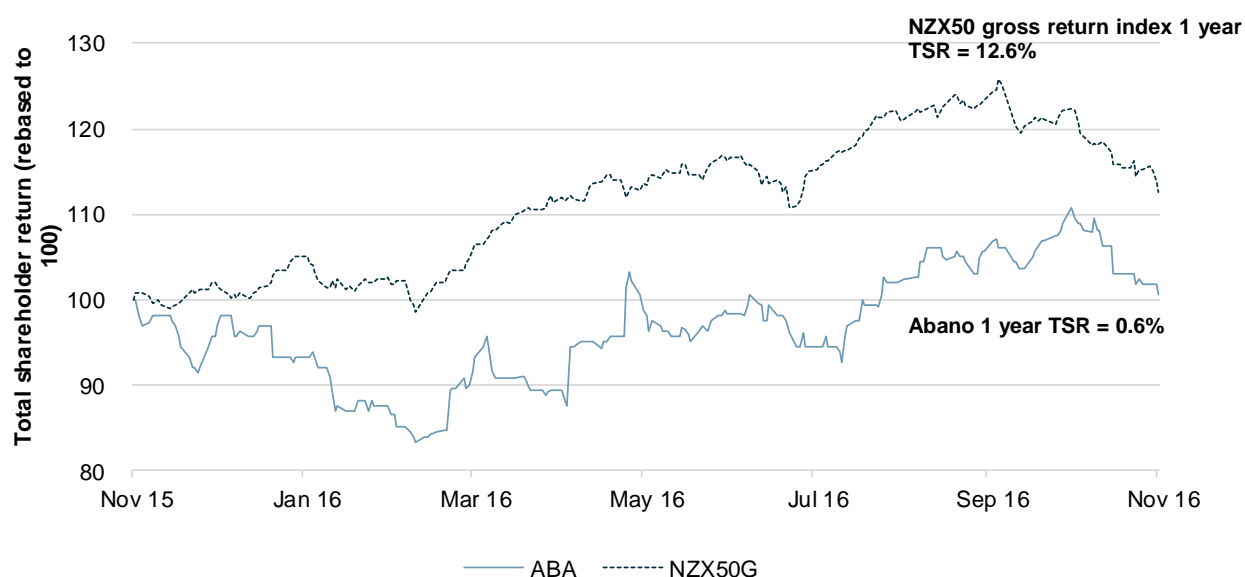
- (a) 26.6% premium to the last closing Share price of Abano's Shares on 3 November 2016, the trading day prior to the announcement of the Offer;
- (b) 21.0% premium to the three month VWAP<sup>5</sup> prior to the announcement of the Offer;
- (c) 23.9% premium to the six month VWAP prior to the announcement of the Offer; and
- (d) 27.8% premium to the 12 month VWAP prior to the announcement of the Offer.



Source: IRESS

<sup>5</sup> VWAP means the volume weighted average price at which Abano's shares have traded on the NZX Main Board for the relevant period. VWAP is calculated as the total dollar value of shares traded, divided by the total volume (or number) of shares traded during the period referred to. VWAPs have been calculated up to and including close as of 3 November 2016 (being the last trading day prior to the Notice Date).

**2. Abano Total Shareholder Return has Underperformed the NZX50 Gross Index Return in the Last Twelve Months by 12.0%**

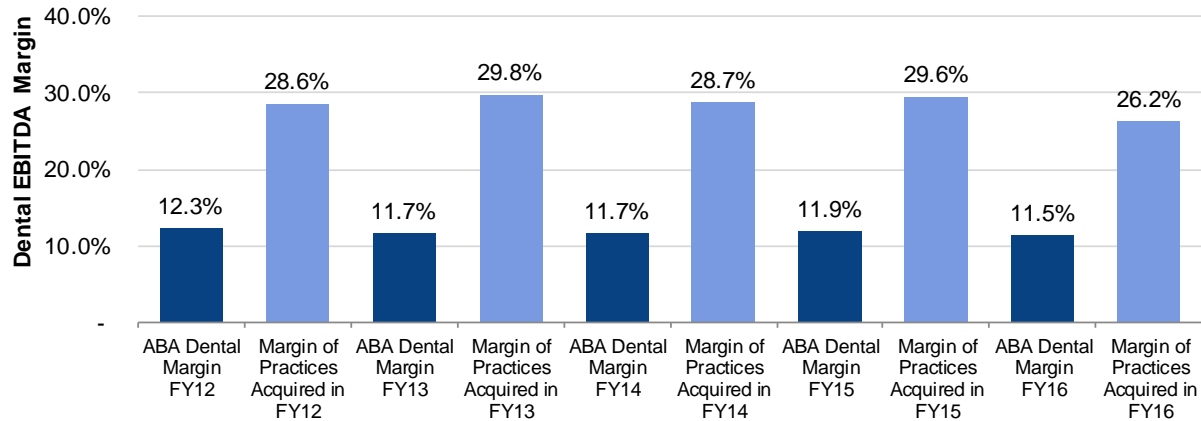


Source: IRESS (one year period up to and including close as of Thursday, 3 November 2016)

Note: Total shareholder return (TSR) incorporates returns from both share price movements and reinvested cash dividends. Consistent with the NZX50 gross return index calculation methodology, cash dividends are assumed to be reinvested after market close on the ex-dividend date (dividend imputation credits are not included in the gross return calculation)

### 3. Abano has financially underperformed

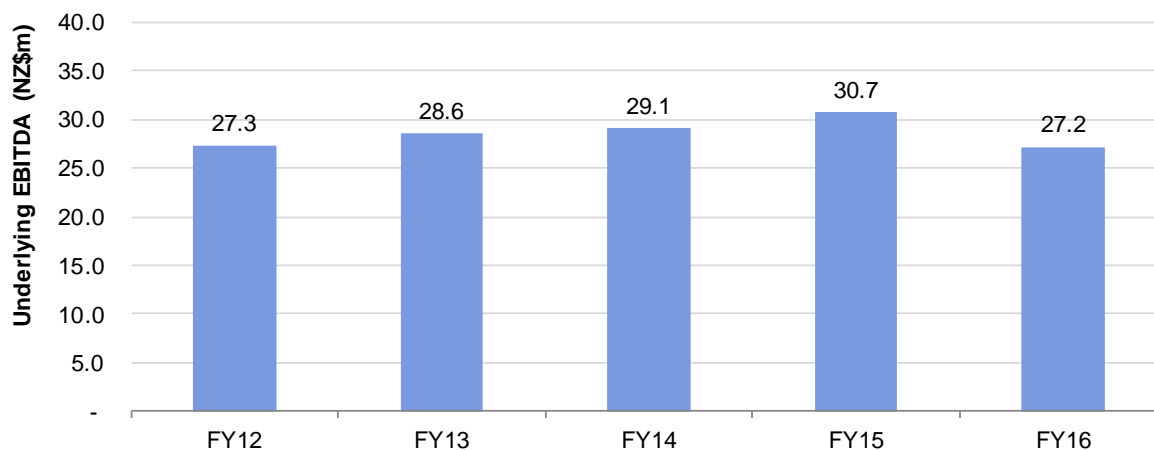
#### (A) AVERAGE ABANO GROUP DENTAL EBITDA MARGINS ARE SIGNIFICANTLY BELOW THE PRACTICES THEY HAVE ACQUIRED



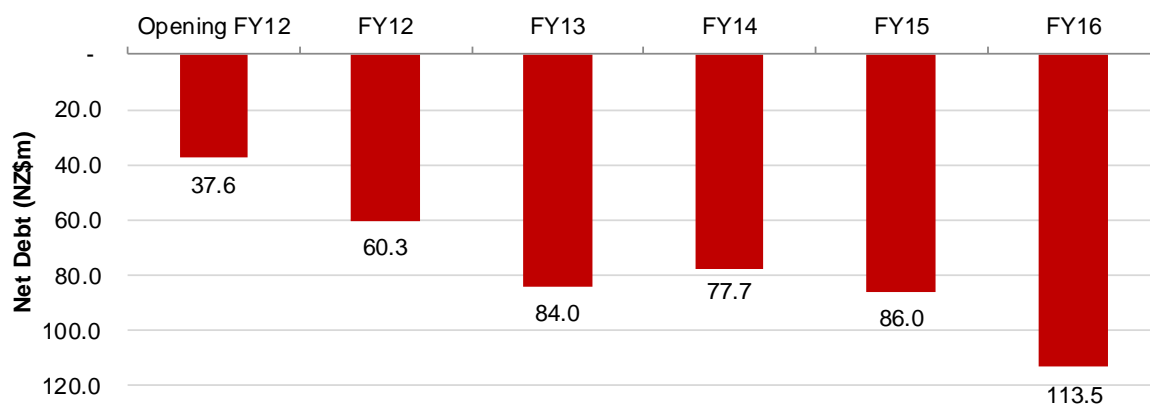
Total Dental Practices	FY12	FY13	FY14	FY15	FY16
	117	140	154	173	188

Source: Abano Annual Reports and investor presentations. "ABA Dental Margin" calculated as dental division Underlying EBITDA (defined by Abano in its FY16 Results Presentation as Earnings Before Interest, Tax, Depreciation and Amortisation, before allocation of Abano group overheads and excludes gains/losses arising on sale of businesses, IFRS adjustments and impairments, including their tax effect) / dental division Gross Revenue (includes Australian dental revenues before payment of dentists' commissions, as defined by Abano in its FY16 Results Presentation). "Margin of Practices Acquired" calculated as acquired "annualised profit before tax excluding depreciation" / acquired "annualised revenue", as stated in Abano's Annual Reports from FY12 to FY16.

**(B) ABANO HAS DELIVERED POOR EARNINGS PERFORMANCE WITH SIGNIFICANT DEBT GROWTH**



Source: Underlying EBITDA as presented in the Abano 2016 Annual Meeting presentation, defined as reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) excluding gains/losses arising on the sale of businesses, IFRS adjustments and impairments, including their tax effect.



Source: Abano Annual Reports from FY12 to FY16. Net Debt calculated as Short Term Borrowings + Long Term Borrowings – Cash & Cash Equivalents, as stated in Abano's Annual Reports from FY12 to FY16.

The above underlying EBITDA and debt analysis is presented on a group basis, without separate consideration for acquisitions, divestments and capital raisings.

**4. We are committed to improving the performance of the Abano business**

Healthcare Partners' proposed strategy is to refocus Abano's business in the near term through:

- stopping further acquisitions for the medium term in order to reduce Company debt;
- improving the performance of the existing dental practices in the Abano group; and
- ensuring that any changes protect a rewarding team environment for staff.

## HOW TO ACCEPT THIS OFFER

<b>CLOSING DATE</b>	<p>The Offer closes on [•] 2016 (unless extended in accordance with the Takeovers Code) ("<b>Closing Date</b>").</p> <p>If you wish to <b>ACCEPT</b> the Offer, you must ensure that your Acceptance Form and, if applicable, Specified Holder Certificate, is sent <b>AS SOON AS POSSIBLE</b>, but in any event so that it is received by Healthcare Partners on or before the Closing Date.</p>
<b>HOW TO ACCEPT</b>	<p>To <b>ACCEPT</b> the Offer, complete and sign the enclosed Acceptance Form in accordance with the instructions set out on that form and return the form in one of the ways described below prior to the Closing Date.</p>
<b>SPECIFIED HOLDERS</b>	<p>If you are a Specified Holder and wish to <b>ACCEPT</b> the Offer, you must also complete and sign the enclosed Specified Holder Certificate in accordance with the instructions set out on that form and return the form with your Acceptance Form in one of the ways described below prior to the Closing Date.</p>
<b>ADDRESS FOR ACCEPTANCE</b>	<p>You should post or deliver your completed and signed Acceptance Form and, if applicable, Specified Holder Certificate, in the enclosed reply paid envelope to Healthcare Partners at one of the following addresses (if mailing from overseas please affix the required postage stamp):</p> <p><b>By post</b>  Healthcare Partners Holdings Limited  c/- Computershare Investor Services Limited  Private Bag 92119  Auckland 1142  New Zealand</p> <p><b>By hand delivery</b>  Healthcare Partners Holdings Limited  c/- Computershare Investor Services Limited  Level 2, 159 Hurstmere Road, Takapuna  Auckland 0622  New Zealand</p> <p><b>By email</b>  healthcarepartners@computershare.co.nz (Please type "Healthcare Partners Acceptance" in the subject line for easy identification)</p> <p><b>By facsimile</b>  Healthcare Partners Holdings Limited  c/- Computershare Investor Services Limited  +64 9 488 8787</p>
<b>IF YOU HAVE SOLD ALL YOUR SHARES</b>	<p>If you have sold all of your Shares, please send this Offer Document and all enclosures (including the Acceptance Form and Specified Holder Certificate) immediately to the purchaser or agent (eg broker) through whom the sale was made, to be passed to the purchaser.</p>

<p><b>IF YOU HAVE SOLD SOME OF YOUR SHARES</b></p>	<p>If you have sold some of your Shares, please alter the total holding printed on the Acceptance Form and, if applicable, Specified Holder Certificate, to the number of Shares which you have retained, initial the change and return the amended Acceptance Form and, if applicable, Specified Holder Certificate, in the way instructed above.</p> <p>Upon receipt of your amended Acceptance Form and, if applicable, Specified Holder Certificate, Healthcare Partners will re-calculate the consideration to which you are entitled to reflect the number of Shares for which you have accepted the Offer.</p> <p>Please also advise the purchaser(s) of your Shares, or request the broker through whom you made the sale to advise the purchaser(s) of your Shares, of the Offer and that copies of this Offer Document are available from Computershare Investor Services Limited.</p>
<p><b>IF YOU HAVE LOST YOUR ACCEPTANCE FORM OR SPECIFIED HOLDER CERTIFICATE</b></p>	<p>If you have lost your Acceptance Form or Specified Holder Certificate, please contact Healthcare Partners' share registrar, Computershare Investor Services Limited, on +64 9 488 8777.</p>

## TERMS AND CONDITIONS OF THE OFFER

### PARTIAL TAKEOVER OFFER BY HEALTHCARE PARTNERS HOLDINGS LIMITED TO PURCHASE 30.99% OF THE SHARES OF ABANO HEALTHCARE GROUP LIMITED

#### 1. THIS OFFER

- 1.1 Healthcare Partners Holdings Limited ("**Healthcare Partners**") offers to purchase 30.99% of the fully paid ordinary shares ("**Shares**") in Abano Healthcare Group Limited ("**Abano**") (being 38.27% ("**Specified Percentage**") of the Shares not already held or controlled by Healthcare Partners) on the terms, and subject to the conditions, set out in this Offer Document ("**Offer**").
- 1.2 As at [•] 2016, the Specified Percentage represents 6,651,092 Shares. That number, or any greater or lesser number that may result from an issue or buyback of Shares, is the "**Specified Number**".
- 1.3 The Offer to purchase your Shares includes the purchase of all rights, benefits and entitlements (such as entitlements to dividends, bonuses and other payments and distributions of any nature) which attach to your Shares on, after, or by reference to [Date of Notice of Intention] 2016 ("**Entitlements**"). That date is the "**Notice Date**" for the purposes of the Offer.
- 1.4 The Offer is dated [•] 2016 ("**Offer Date**").
- 1.5 The Offer will remain open for acceptance by you until **5pm** on the "**Closing Date**", which is:
- (a) [Initial Closing Date] ("**Initial Closing Date**"); or
  - (b) if the Offer is extended to a later date in accordance with the Takeovers Code, that later date.
- 1.6 Healthcare Partners may extend the Offer and the Closing Date one or more times.

#### 2. CONSIDERATION

- 2.1 The consideration offered by Healthcare Partners for each Share is \$10.00 in cash.
- 2.2 The consideration paid for Shares may be adjusted by Healthcare Partners in accordance with paragraphs 11.1, 11.4 and 11.6. If Healthcare Partners adjusts the consideration, references to the consideration in paragraph 2.1 will be to the consideration as adjusted.

#### 3. PAYMENT

- 3.1 Healthcare Partners will pay you the consideration for your Shares taken up under the Offer no later than seven days after the later of:
- (a) the date on which the Offer becomes unconditional; and
  - (b) the Initial Closing Date.



- 3.2 If Healthcare Partners does not send you payment for your Shares within the period specified in paragraph 3.1, you may withdraw your acceptance of the Offer by notice in writing to Healthcare Partners, but only:
- (a) after the expiration of seven days written notice to Healthcare Partners of your intention to do so; and
  - (b) if you do not receive the price for your Shares during the seven day period referred to in paragraph (a).
- 3.3 Further information about how Healthcare Partners will pay you is set out in paragraph 9.

#### **4. HOW TO ACCEPT THIS OFFER**

4.1 This Offer Document is accompanied by an Acceptance Form for you to use to accept the Offer for your Shares.

4.2 To accept the Offer, you only need to:

- (a) complete the enclosed Acceptance Form for the Offer in accordance with the **instructions** on the Acceptance Form; and
- (b) **return** the completed Acceptance Form to Healthcare Partners by hand delivery, email, facsimile or post (in the reply-paid envelope which is enclosed with this Offer Document) **AS SOON AS POSSIBLE** after receipt of the Offer, but in any event so that it is received by Healthcare Partners by no later than 5pm on the Closing Date, to:

**By post**

Healthcare Partners Holdings Limited  
c/- Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
New Zealand

**By hand delivery**

Healthcare Partners Holdings Limited  
c/- Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road, Takapuna  
Auckland 0622  
New Zealand

**By email**

healthcarepartners@computershare.co.nz (Please type "Healthcare Partners Acceptance" in the subject line for easy identification)

**By facsimile**

Healthcare Partners Holdings Limited  
c/- Computershare Investor Services Limited  
+64 9 488 8787

Healthcare Partners will not provide you with any acknowledgement of receipt of your Acceptance Form or Specified Holder Certificate (if applicable).

4.3 If you hold your Shares on behalf of more than one person (eg as a trustee corporation, nominee company or bare trustee) then you are a "Specified Holder" and, if you wish to

accept the Offer, then you **MUST** complete the Specified Holder Certificate and return it to Healthcare Partners with your Acceptance Form in accordance with paragraph 4.2(b), so as to be received by Healthcare Partners by no later than 5pm on the Closing Date. If you fail to do so, your acceptance of the Offer is invalid (including for the purposes of paragraphs 6, 7 and 9).

4.4 Paragraph 4.3 applies regardless of:

- (a) whether the holdings are direct or indirect;
- (b) whether you are a custodian or not;
- (c) the particular arrangements between you and the persons on whose behalf you hold Shares.

For further information on whether you need to complete and return a Specified Holder Certificate see the "Questions and Answers" section of the Specified Holder Certificate.

4.5 You do not need to complete and return a Specified Holder Certificate if you hold Shares for yourself or on behalf of only one person.

4.6 If you lose or damage your Acceptance Form and/or Specified Holder Certificate, please request another one from Healthcare Partners' share registrar, Computershare Investor Services Limited, at the contact details set out above, or by calling +64 9 488 8777.

4.7 If Healthcare Partners receives an Acceptance Form and/or Specified Holder Certificate, after the Closing Date which bears a postmark or other evidence of postage or despatch on or prior to 5pm on the Closing Date, that Acceptance Form and/or Specified Holder Certificate, will be deemed to have been received prior to 5pm on the Closing Date (including for the purposes of the condition in paragraph 7).

4.8 Healthcare Partners may, in its discretion:

- (a) treat any Acceptance Form as valid even if that Acceptance Form is not accompanied by your relevant Common Shareholder Number, or does not comply with any instructions on the Acceptance Form;
- (b) rectify any errors in, or omissions from, any Acceptance Form to enable that form to constitute a valid acceptance of this Offer and to facilitate registration of the transfer of Shares to Healthcare Partners; and
- (c) subject to the Takeovers Code:
  - (i) treat any Specified Holder Certificate as valid even if that Specified Holder Certificate does not comply with any instructions on the Specified Holder Certificate; and
  - (ii) rectify any errors in, or omissions from, any Specified Holder Certificate to enable that certificate to comply with rules 14B and 14D of the Takeovers Code and to facilitate the taking up of Shares in accordance with rule 14E of the Takeovers Code and paragraph 6.

4.9 Healthcare Partners will determine, in its discretion, all questions about Acceptance Forms, Specified Holder Certificates and related documents, including the validity, eligibility, time of receipt, and effectiveness, of an acceptance of the Offer. Healthcare Partners' determination will be final and will bind you and all other persons. You may not challenge or appeal that determination.

## 5. KEY TERMS OF THIS OFFER

### Acceptance of this Offer and your agreement to sell your Shares

- 5.1 This Offer is made to all holders of Shares in Abano and is open for acceptance in accordance with its terms by each such person, whether or not you acquired Shares before, on or after the date of the Offer.
- 5.2 You may accept the Offer for some or all of your Shares. Your acceptance may be subject to scaling, as set out in paragraph 6. The number of Shares that you may sell to Healthcare Partners under the Offer will be determined by reference to the number of Shares that you hold at 5pm on the Closing Date, as recorded in Abano's share register.
- 5.3 If you accept the Offer you create a binding contract with Healthcare Partners. You agree to sell, and Healthcare Partners agrees to purchase, the Shares for which you accept the Offer and which can be taken up under the terms of the Offer and all Entitlements attaching to those Shares on the terms, and subject to the conditions, of the Offer and the provisions of the Takeovers Code.
- 5.4 Your acceptance of the Offer is irrevocable. You may not withdraw your acceptance, whether or not Healthcare Partners has varied the Offer in accordance with the Takeovers Code, except in accordance with paragraph 3.2 (which allows you to withdraw your acceptance in the event that Healthcare Partners does not pay you within a specified period). You may, however, be released from the obligations arising from acceptance of the Offer in the limited circumstances set out in paragraph 5.16.
- 5.5 Your acceptance of the Offer must be free of any and all amendments, restrictions, or conditions of any nature whatsoever ("**Condition of Acceptance**"). If you attempt or purport to impose any Condition of Acceptance, it will be void and of no effect and Healthcare Partners will be entitled to treat your acceptance as a valid and binding acceptance of the Offer free and clear of any Condition of Acceptance.

### Conditions of this Offer

- 5.6 The Offer is subject to the conditions set out in paragraphs 7 and 8.1.
- 5.7 The latest date on which Healthcare Partners can declare the Offer unconditional ("**Condition Date**") is [**•**], being 30 days after the Initial Closing Date, but this date may change if the Closing Date is extended in accordance with this Offer, in which case the latest date on which Healthcare Partners can declare the Offer unconditional will become the date that is 30 days after the extended Closing Date, provided that this Condition Date cannot be later than [**•**], being 120 days after the Offer Date.
- 5.8 Healthcare Partners may, subject to paragraph 8.5 and the Takeovers Code, invoke a condition of the Offer at any time prior to 5pm on the Condition Date. If this Offer is not declared unconditional, or the outstanding conditions to it are not waived by Healthcare Partners (to the extent waivable) by the Condition Date, then this Offer will lapse and Healthcare Partners and you will be released from obligations under this Offer (and any contract arising from acceptance of it).

### Your obligations on acceptance of this Offer

- 5.9 Legal and beneficial ownership of, and title to, the Shares for which you accept the Offer and the Entitlements attaching to those Shares will pass and transfer to Healthcare Partners, free of security interests, mortgages, options, liens, charges, encumbrances or other adverse interest of any nature ("**Encumbrances**") on payment of the price for your Shares in accordance with paragraphs 3.1 and 9.

- 5.10 You must, on request by Healthcare Partners, provide to Healthcare Partners or Abano's share registrar satisfactory evidence of your entitlement to Shares for which you have, or wish to, accept the Offer and/or the full and immediately effective release and discharge of any and all Encumbrances over those Shares. Healthcare Partners may treat your acceptance as invalid if you do not comply with your obligations under this paragraph, and Healthcare Partners is not obliged to notify you that Healthcare Partners has done so.
- 5.11 You will not, and will not attempt or agree to, sell, transfer, grant an Encumbrance over or otherwise dispose of any interest in or control over any or all of the Shares for which you accept the Offer, except for acceptance of the Offer.
- 5.12 You irrevocably authorise and instruct Abano and Abano's share registrar to refuse to register any transfer of any or all of the Shares for which you accept the Offer, except for transfers of Shares to Healthcare Partners in accordance with the terms of the Offer. You agree that Abano and Abano's share registrar may rely on the authorisation set out in this paragraph, even if you attempt to revoke your authorisation. This paragraph will cease to apply if you are released from your obligations under paragraph 5.16.

**Your warranties to Healthcare Partners**

- 5.13 You represent and warrant to Healthcare Partners that:
- (a) you are:
    - (i) the sole legal and beneficial owner of the Shares for which you accept the Offer; or
    - (ii) the sole legal owner of the Shares for which you accept the Offer and you are entitled to deal with those Shares,and, in either case, you have all necessary power, capacity and authority to sell those Shares and accept the Offer;
  - (b) the Acceptance Form has been duly completed and executed and is binding on you in accordance with its terms and the terms of the Offer; and
  - (c) legal and beneficial title and ownership of the Shares for which you accept the Offer will pass to Healthcare Partners in accordance with paragraph 5.9.
- 5.14 If you have:
- (a) completed and returned a Specified Holder Certificate, you represent and warrant to Healthcare Partners that the Specified Holder Certificate is true and correct and has been duly completed and executed; or
  - (b) not completed and returned a Specified Holder Certificate, you represent and warrant to Healthcare Partners that you do not hold your Shares on behalf of more than one person.
- 5.15 Despite anything to the contrary in the Acceptance Form or Specified Holder Certificate, if you are a joint holder of Shares (whether or not as a trustee of a trust) and the Acceptance Form and/or Specified Holder Certificate is signed by one or some, but not all, joint holders, then you represent and warrant to Healthcare Partners that:
- (a) the holder(s) who has/have signed the Acceptance Form and/or Specified Holder Certificate do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been

revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form and/or Specified Holder Certificate; and

- (b) if you hold the relevant Shares as a trustee of a trust, the instrument constituting the trust permits the execution of the Acceptance Form and/or Specified Holder Certificate in the manner in which it was executed.

#### **All obligations will be released in certain circumstances**

- 5.16 You will be, and Healthcare Partners will be, released from any and all obligations arising from the Offer and/or from your acceptance of the Offer if Healthcare Partners withdraws the Offer with the consent of the Takeovers Panel or if the Offer lapses as a result of any condition in paragraph 7 or 8.1 not being satisfied or waived (to the extent capable of waiver) by the Condition Date. If the Offer lapses, Healthcare Partners may destroy all Acceptance Forms and Specified Holder Certificates.

### **6. SCALING OF ACCEPTANCES**

- 6.1 If you accept the Offer for the Specified Percentage of your Shares, or a lesser number of Shares, and the Offer becomes unconditional, then Healthcare Partners will purchase all of the Shares for which you accepted the Offer. If you accept the Offer for more than the Specified Percentage of your Shares then your acceptance may be subject to scaling in accordance with this paragraph 6.

- 6.2 If Healthcare Partners receives acceptances to the Offer for a number of Shares in excess of the Specified Number, Healthcare Partners will have received acceptances from some or all Abano's shareholders who accepted the Offer for more than the Specified Percentage of their Shares (each a "**Surplus Acceptor**"), those Shares in excess being "**Surplus Shares**". If this occurs then in accordance with the Takeovers Code:

- (a) Healthcare Partners will take up from each Shareholder who accepted the Offer the lesser of:
  - (i) the number of Shares that represents the Specified Percentage of the Shares held by that Shareholder; or
  - (ii) the number of Shares in respect of which that Shareholder has accepted the Offer; and
- (b) if the number of Shares that Healthcare Partners acquires under paragraph (a) is less than the Specified Number, then Healthcare Partners will take up further Shares from each Surplus Acceptor. The further number of Shares to be taken up from each Surplus Acceptor is the number of Shares which bears the same proportion to that Surplus Acceptor's Surplus Shares, as the balance of the Shares that is required by Healthcare Partners to acquire the Specified Number bears to the total of all of the Surplus Acceptors' Surplus Shares.

- 6.3 In respect of any Specified Holder Certificates received by Healthcare Partners, Healthcare Partners will take up Shares subject to such Specified Holder Certificate(s) in accordance with rule 14E of the Takeovers Code and paragraph 6.2 will apply accordingly. Rule 14E provides that, where a Specified Holder holds Shares on behalf of more than one person (each such person being a "**Specified Person**"), for those Specified Persons who accept the Offer (through the Specified Holder) for more than the Specified Percentage of the Shares held by the Specified Holder on behalf of the Specified Person, Healthcare Partners must treat the Specified Person (and not the Specified Holder) as the Surplus Acceptor for the purposes of scaling calculations.

- 6.4 The Takeovers Code provides that an acceptance under the Offer by a Specified Holder who has not provided a Specified Holder Certificate in accordance with rule 14B of the Takeovers Code is invalid.

## **7. MINIMUM ACCEPTANCE CONDITION**

- 7.1 The Offer and any contract arising from acceptance of it are conditional on Healthcare Partners receiving acceptances by no later than the Closing Date in respect of such number of Shares that when taken together with the Shares already held or controlled by Healthcare Partners will, on the Offer being declared unconditional and the Shares being transferred to Healthcare Partners, result in Healthcare Partners holding or controlling 50.01% of the voting rights in Abano.

## **8. FURTHER CONDITIONS OF THIS OFFER**

- 8.1 The Offer and any contract arising from acceptance of it are also subject to the conditions that, except as otherwise agreed in writing by Healthcare Partners, during the period from the Notice Date until the Condition Date:

- (a) no dividends, bonuses or other payments or distributions (within the meaning of the Companies Act 1993) of any nature (including, without limitation, any Share buybacks, redemptions or other form of capital reduction) have been or will be authorised, declared, paid, or made, on or in respect of, any of the Shares or in respect of any of the shares in any subsidiary of Abano (Abano, together with its subsidiaries, the "**Group**") other than a dividend or distribution from wholly owned subsidiaries of Abano to Abano or to other wholly owned subsidiaries of Abano;
- (b) no shares, convertible securities, other securities or financial products of any nature (including warrants, options, entitlements, rights or interests in any ordinary shares) of the Group have been, or will be, issued, agreed to be issued or made the subject of any option or right to subscribe by any member of the Group other than between members of the Group;
- (c) there has not been and there will be no alteration of the rights, privileges, benefits, entitlements or restrictions attaching to any of the Shares or other securities or financial products (if any) of any member of the Group;
- (d) no action, claim, litigation, prosecution or other form of proceeding that, as at the Notice Date, was not publicly notified, is notified or commenced against, or by, any member of the Group involving a claim or claims together totalling in excess of \$500,000;
- (e) the businesses of each member of the Group are carried on in the normal and ordinary course, consistent with past practices, including without limitation:
  - (i) no unusual or abnormal payments, commitments or liabilities (including contingent liabilities) are made or incurred (or agreed to be made or incurred) by any of those entities, and no member of the Group makes any unusual payment of income tax, of more than \$500,000 otherwise than in the ordinary course of business;
  - (ii) no member of the Group disposes of, purchases, transfers, leases, grants or permits any Encumbrance over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in, an asset, business, operation, property or

subsidiary (or agrees, including agreeing to vary any agreement, to do any of these things), having a value of more than \$500,000 (either by a single act or a series of related acts) except in the ordinary course of business or pursuant to any transaction which has been publicly notified to NZX by Abano before the Notice Date;

- (iii) no member of the Group (separately or together), undertakes or commits to any capital expenditure or divestment having a value of more than \$500,000 (either by a single act or a series of related acts) except:
    - (aa) in the ordinary course of business; or
    - (bb) the completion or the entering into of which has, at the Notice Date, been publicly disclosed by Abano;
  - (iv) no major transactions (as defined in section 129(2) of the Companies Act 1993), are entered into, terminated or materially varied, by any member of the Group; and
  - (v) there is no announcement to do any of the actions set out in (i) to (iv) above;
- (f) no member of the Group enters into an agreement or arrangement, or completes or settles any agreement or arrangement, to which Listing Rule 9.1 and/or Listing Rule 9.2, of the NZX Main Board Listing Rules applies, or would apply but for the granting of a waiver or exemption;
- (g) there is no alteration to the constitutional documents of any member of the Group or to any agreement under which any securities or financial products have been issued by any member of the Group, other than amendments that are of a formal or technical, and not substantive, nature;
- (h) there is no change to the remuneration, or to any of the terms of employment or engagement, of any director, officer, employee or consultant of any member of the Group except for changes made in accordance with established review policies, or otherwise made in the ordinary course of business consistent with past practices, and there is no agreement to make any of those changes;
- (i) no liquidator, receiver, receiver and manager, statutory manager, voluntary administrator or similar official is appointed in respect of any member of the Group or any of its assets and no or other actions to appoint such a person is announced;
- (j) there not having occurred any events, circumstances or conditions of the nature referred to in paragraphs (a) to (i) (ignoring, for this purpose, any dollar thresholds, materiality or similar qualifications therein) which (while not causing a failure of any of the conditions set out in any such paragraphs), when aggregated with all other events, changes, circumstances or conditions of any of the nature referred to in such paragraphs (ignoring, for this purpose, any dollar thresholds, materiality or similar qualifications therein) that have occurred, mean that the overall impact of all such aggregated events, changes, circumstances or conditions taken as a whole is materially adverse, or could be materially adverse, to the Group, taken as a whole;
- (k) no board resolution or shareholders' resolution of any member of the Group is passed to do or authorise the doing of any act or matter referred to in any of paragraphs (a) to (i);

- (l) no resolution is passed for any amalgamation of any member of the Group, and none of them is involved in any merger or scheme of arrangement;
- (m) no member of the Group is, or will be, under any obligation to make any payment or provide any consideration to any of its employees or directors in the event of any member of the Group becoming a subsidiary of Healthcare Partners, or under Healthcare Partners' control, in aggregate in excess of \$250,000;
- (n) all licences, authorities, warrants, consents, approvals and permits from or issued by any authority including (without limitation) any government department, statutory or local body ("**Licences**") which are material (in the context of the Group taken as a whole) are in full force and effect;
- (o) no member of the Group is in breach of any terms of Licences where that breach has, or could reasonably be expected to have, a material adverse effect on the financial position, trading operations, assets or liabilities or prospects of the Group, taken as a whole;
- (p) there is no person exercising or purporting to exercise or stating an intention to exercise any rights or refusing to give any required waiver or consent under any provision of any agreement or other instrument to which any member of the Group is a party, or by or to which any member of the Group or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of the Group taken as a whole, in:
  - (i) any moneys borrowed by any member of the Group becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
  - (ii) any such agreement or other such instrument being terminated or modified or any action being taken or arising thereunder; or
  - (iii) the interest of any member of the Group in any firm, joint venture, trust corporation or other entity (or any arrangements relating to such interest) being terminated or modified or required to be transferred or offered for sale;
- (q) there not being or having occurred any event, change circumstance, or condition that has had, or could reasonably be expected to have, a material adverse effect on the business, financial or trading position, assets (including contractual rights) or liabilities, profitability or prospects of the Group taken as a whole (including without limitation as a result of any natural disaster, accident, change of law, regulation, act of terrorism or emergence of a material competitive threat);
- (r) nothing occurs or fails to occur that would entitle Healthcare Partners' bankers, under certain facilities entered into with Healthcare Partners for the purposes of providing funding to Healthcare Partners in respect of this Offer, not to make any or all of that funding available to Healthcare Partners (other than where the occurrence or failure is a result of an act or omission in the power, or under the control, of Healthcare Partners or an associate of Healthcare Partners); and
- (s) there is no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction in New Zealand or elsewhere or other legal restraint or prohibition making implementation of this Offer, or any aspect of it, void, unenforceable, or illegal.



## **Nature of the conditions of this Offer**

- 8.2 Each condition in paragraphs 7 and 8.1 is a separate and independent condition, and is solely for Healthcare Partners' benefit. Healthcare Partners may waive any or all of those conditions (other than the conditions in paragraph 7 which cannot be waived), in whole or in part, and on any terms, in its discretion. If Healthcare Partners waives a condition, in whole or in part, the waiver will apply only in accordance with its terms, and will not operate as a waiver of or consent to any similar matter or thing. No other person has any right to waive any condition.
- 8.3 To the extent required by the Takeovers Code, where any condition set out in paragraph 8.1 requires a determination as to whether a matter is or could reasonably be expected to be material or not, is adverse or not, is onerous or not, is long term or not, is normal or not, is in the ordinary course of business or not, is of a formal or technical (and not substantive) nature or not, before the condition may be invoked, such determination must be made by a suitably qualified expert nominated by Healthcare Partners who is independent of, and not an associate of, Healthcare Partners.

## **This Offer will only proceed if it becomes unconditional in all respects**

- 8.4 The Offer will only proceed, and you will only be paid for your Shares to be taken up under this Offer, if each of the conditions set out in paragraphs 7 and 8.1 is satisfied or waived by Healthcare Partners (to the extent capable of waiver) and Healthcare Partners declares the Offer unconditional. If this does not occur, the Offer will lapse and paragraph 5.16 will apply.

## **When Healthcare Partners will not rely on a condition**

- 8.5 Healthcare Partners will not allow the Offer to lapse:
- (a) in unreasonable reliance on a condition of the Offer; or
  - (b) in reliance on a condition of the Offer that restricts Abano's activities in the ordinary course of Abano's business during the period commencing on the Notice Date and ending on the Condition Date.

## **9. HOW HEALTHCARE PARTNERS WILL SETTLE THIS OFFER AND PAY YOU**

- 9.1 Healthcare Partners will pay you for your Shares taken up by it under this Offer in accordance with paragraph 3 and this paragraph 9 if:
- (a) Healthcare Partners declares the Offer unconditional;
  - (b) your Acceptance Form is in order (or Healthcare Partners rectifies any error or omissions from the Acceptance Form or otherwise accepts your Acceptance Form as valid under paragraph 4.8); and
  - (c) if applicable, your Specified Holder Certificate is received and is in order (or Healthcare Partners rectifies any error or omissions for the Specified Holder Certificate or otherwise accepts your Specified Holder Certificate as valid under paragraph 4.8).
- 9.2 Healthcare Partners will pay you for your Shares by sending you a cheque by ordinary post or, if you choose in your Application Form, by making an electronic funds transfer to a New Zealand dollar account with a New Zealand registered bank.
- 9.3 However, if:

- (a) you do not select a method of payment;
- (b) your desired account is not a New Zealand dollar account with a New Zealand registered bank; or
- (c) the details that you provide to us are not sufficient for us to make an electronic funds transfer to your desired account,

Healthcare Partners may choose to pay you by cheque or by electronic funds transfer to any existing New Zealand dollar account that you have advised to Abano's share registrar (such as for dividend payments) which is known by Healthcare Partners.

9.4 If Healthcare Partners chooses to make payment to you in accordance with paragraph 9.3:

- (a) Healthcare Partners is not obliged to notify you that Healthcare Partners has done so; and
- (b) Healthcare Partners will have no liability to you for its choice to do so.

9.5 In no circumstances will Healthcare Partners be liable to you for interest on any payment due to you.

## 10. HEALTHCARE PARTNERS MAY APPOINT BROKERS TO PROCURE ACCEPTANCE FORMS

10.1 Healthcare Partners may choose to engage the services of one or more Primary Market Participants (in terms of the NZX Participant Rules) or other financial advisory firms (together, "**Brokers**") to contact Shareholders and receive Acceptance Forms.

10.2 If Healthcare Partners chooses to do this, the key terms of the engagement of each Broker will be as follows:

- (a) for each completed and valid Acceptance Form procured by a Broker, Healthcare Partners may pay to that Broker a handling or procurement fee of up to 0.75% of the Offer price for the Shares the subject of that Acceptance Form which are transferred to Healthcare Partners ("**Procurement Fee**"), up to a maximum payment of \$750 per accepting Shareholder (inclusive of goods and services tax, if any). The maximum fee payable to all Brokers (in aggregate) will be \$200,000 (subject to scaling pro rata);
- (b) the Broker will be paid, and receive, the Procurement Fee solely in connection with its services to Healthcare Partners and must not, directly or indirectly, pass any or all of the Procurement Fee on to any Shareholder, or otherwise share the Procurement Fee with any Shareholder or a Specified Person;
- (c) the payment of a Procurement Fee to a Broker in respect of an Acceptance Form procured by that Broker is subject to the Offer being declared unconditional and is in respect of the Shares which are the subject of that Acceptance Form being validly transferred to Healthcare Partners. In addition, the Acceptance Form must be delivered to Healthcare Partners in accordance with paragraph 4.2 and must be stamped by the Broker and only that Broker;
- (d) Healthcare Partners may, in determining the Procurement Fee payable to a Broker, aggregate and/or disregard any acceptances of the Offer procured by that Broker if Healthcare Partners believes that a party has structured holdings

of Shares for the purpose or with the effect of enabling parties to take advantage of the arrangements summarised in this paragraph 10.2; and

- (e) Healthcare Partners may in its discretion determine any disputes regarding whether a Procurement Fee is payable.

## **11. CHANGE IN CIRCUMSTANCES**

### **Dividends and distributions**

11.1 If, on or after the Notice Date, Abano authorises, declares, makes, or pays any dividend or any distribution of any nature whatsoever and the condition in paragraph 8.1(a) is waived by Healthcare Partners and the Offer otherwise becomes unconditional, then, at the option of Healthcare Partners (and subject to the terms of any waiver), either:

- (a) you will be bound to pay to Healthcare Partners on demand an amount equivalent to the dividend or the value of the other distribution (in each case inclusive of withholding taxes deducted, if applicable) that is received by, or is properly payable to, you and relates to the Shares for which you accept or have accepted the Offer and which are transferred to Healthcare Partners; or
- (b) the consideration which would otherwise have been paid to you for the Shares for which you accept or have accepted the Offer and which are transferred to Healthcare Partners will be reduced by an amount equivalent to the dividend, payment or the value of the other distribution that is received by, or is properly payable to, you and relates to the Shares for which you accept or have accepted the Offer and which are transferred to Healthcare Partners.

11.2 If you are required to make a payment to Healthcare Partners under paragraph 11.1(a) you must make that payment:

- (a) immediately on demand, to the bank account stated in Healthcare Partners' demand;
- (b) in cleared and irreversible funds; and
- (c) free of deduction, set off, withholding or condition.

11.3 If a dividend or distribution referred to in paragraph 11.1 is not in cash in New Zealand dollars, then Healthcare Partners may determine the New Zealand dollar value of that dividend or distribution. Healthcare Partners' determination will be final and will bind you and all other persons. You may not challenge or appeal that determination.

### **Bonus issues of securities**

11.4 If, on or after the Notice Date, Abano authorises or makes any issue of shares or other securities or financial products of any nature (including warrants, options, convertible notes, entitlements, rights or interests in its ordinary shares) ("**Additional Securities**"), by way of bonus issue and the condition in paragraph 8.1(b) is waived by Healthcare Partners and the Offer otherwise becomes unconditional, then, at the option of Healthcare Partners (and subject to the terms of any waiver), either:

- (a) you must transfer to Healthcare Partners, in respect of the Shares for which you have accepted the Offer and which are transferred to Healthcare Partners, any Additional Securities, without any additional payment or consideration; or

- (b) if the Additional Securities are Shares in Abano, the Offer will extend to those Additional Securities, the consideration payable for each Share as set out in paragraph 2.1 will be proportionately reduced to take account of the bonus issue, such that the total aggregate consideration payable for all Shares in Abano under the Offer (including the Additional Securities), if accepted in full, remains the same as it would have had no bonus issue taken place.

### **Other issues of Shares**

- 11.5 If, on or after the Notice Date, Abano authorises or makes any issue of Shares to any person other than by way of bonus issue and the condition in paragraph 8.1(b) is waived by Healthcare Partners and the Offer otherwise becomes unconditional, then the Offer will be deemed to be extended to and include those Shares and the price payable for them will be the price set out in paragraph 2.1.

### **Subdivisions and consolidations**

- 11.6 If, on or after the Notice Date, all or any of the Shares are subdivided or consolidated by Abano then:
- (a) the Offer will be interpreted to take into account that subdivision or consolidation and will be deemed to be for the Shares resulting from that subdivision or consolidation;
  - (b) the consideration per Share offered under the Offer set out in paragraph 2.1 will be increased or reduced, as the case may require, in proportion to that subdivision or consolidation; and
  - (c) you must transfer those subdivided or consolidated Shares for which you have accepted the Offer to Healthcare Partners on the basis of the price so increased or reduced.

## **12. NOTICES**

- 12.1 Notices that Healthcare Partners gives to Abano, the Takeovers Panel and NZX:
- (a) declaring this Offer unconditional; or
  - (b) advising that the Offer is withdrawn in accordance with the Takeovers Code; or
  - (c) advising that the Offer has lapsed in accordance with its terms or the Takeovers Code,
- will, in each case, be deemed to be notice to you and all other offerees when so given.
- 12.2 Notice of any variation of the Offer will be sent to Abano, the Takeovers Panel, NZX and, except where not required in accordance with the Takeovers Code, to you and each other offeree under the Offer.

## **13. FURTHER INFORMATION, INTERPRETATION AND GENERAL TERMS**

### **Further information**

- 13.1 Further information relating to the Offer, as required by Schedule 1 to the Takeovers Code, is set out in Schedule 1 and forms part of this Offer Document.

## **Interpretation**

13.2 In this Offer Document:

- (a) any reference to the Takeovers Code means the takeovers code approved in the Takeovers Code Approval Order 2000 (SR 2000/210) as amended including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993;
- (b) except if expressly defined in this Offer Document, or where the context requires otherwise, terms defined in the Takeovers Code have the same meaning in this Offer document;
- (c) references to amounts of money are to New Zealand currency and to times are to New Zealand time;
- (d) headings are for convenience only and do not affect the interpretation of this Offer document or any Acceptance Form or Specified Holder Certificate;
- (e) the singular includes the plural and vice versa;
- (f) if you hold your Shares jointly, unless otherwise expressly stated, a reference to you is a reference to all joint holders together; and
- (g) all percentages are rounded to two decimal places.

13.3 If there is an inconsistency between the terms and conditions of the Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail to the extent of that inconsistency.

## **Cheques, documents and transfers are at your risk**

13.4 All cheques, electronic funds transfers, Acceptance Forms, Specified Holder Certificates and other documents to be delivered, sent or transferred by or to you will be delivered, sent or transferred at your own risk.

## **Variation of this Offer**

13.5 Healthcare Partners may vary the Offer in accordance with Rule 27 of the Takeovers Code.

## **Acceptance Form is part of this Offer**

13.6 The provisions set out in the Acceptance Form are part of the terms of the Offer.

## **Governing law and jurisdiction**

13.7 The Offer and any contract arising from acceptance of it are governed by, and must be construed in accordance, with the laws of New Zealand.

13.8 You submit to the non-exclusive jurisdiction of the Courts of New Zealand.

## SCHEDULE 1

### TAKEOVERS CODE INFORMATION

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer Document, is set out below. Where any information required by Schedule 1 is not applicable, no statement is made regarding that information. The following matters are stated as at [•] 2016 ("**Notice Date**").

#### 1. DATE

- 1.1 The Offer is dated [•] 2016.

#### 2. OFFEROR AND ITS DIRECTORS

- 2.1 The name of the offeror is Healthcare Partners Holdings Limited ("**Healthcare Partners**"), and its registered office is:

Deloitte  
80 Queen Street  
Auckland Central  
Auckland 1010

- 2.2 The directors of Healthcare Partners are:

Peter Lionel Hutson  
Anya Lee Hutson  
James Livingstone Reeves

#### 3. TARGET COMPANY

- 3.1 The name of the target company is Abano Healthcare Group Limited.

#### 4. PARTICULARS OF VOTING SECURITIES SOUGHT

- 4.1 The table below sets out the particulars of the Shares sought by Healthcare Partners under the Offer:

	Number	Percentage of all voting securities that the Number represents
Shares that Healthcare Partners would hold or control after successful completion of the Offer	10,734,780	50.01%
Shares that Healthcare Partners would hold or control if Healthcare Partners receives acceptances in respect of the minimum number of voting securities required to satisfy the minimum acceptance condition	10,734,780	50.01%
Shares that Healthcare Partners already holds or controls	4,083,688	19.02%

Shares sought by Healthcare Partners	6,651,092	38.27% <sup>6</sup>
Shares that Healthcare Partners would hold or control after successful completion of the Offer plus the number of Shares held or controlled by Healthcare Partners' associates	10,734,780	50.01%

4.2 The numbers and percentages in the table above are calculated based on the following assumptions:

- (a) Ordinary shares are the only class of voting security in Abano;
- (b) there are 21,465,266 Shares on issue;
- (c) there is no change in the number of Shares on issue in the period between the Notice Date and successful completion of the Offer.

## 5. OWNERSHIP OF EQUITY SECURITIES OF ABANO

5.1 The table below sets out the number, designation and percentage of equity securities of Abano of any class held or controlled by:

- (a) Healthcare Partners (as offeror);
- (b) any related company of Healthcare Partners;
- (c) any person acting jointly or in concert with Healthcare Partners;
- (d) any director of any of the persons described in paragraphs (a) to (c) above; and
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of Healthcare Partners.

Name	Description	Number of Equity Securities Held or Controlled	Type of Equity Security	Percentage of Class
Healthcare Partners Holdings Limited	Offeror and holder or controller of 5% or more of a class of Abano equity securities	4,083,688*	Ordinary Shares	19.02%
Healthcare Partners SPV2 Limited	Related company of Healthcare Partners	4,083,688*	Ordinary Shares	19.02%
Healthcare Partners SPV1 Limited	Related company of Healthcare Partners	4,083,688*	Ordinary Shares	19.02%

<sup>6</sup> This percentage is expressed as a percentage of the total number of Shares on issue not already held or controlled by Healthcare Partners (being the Specified Percentage as calculated in accordance with rule 9(6) of the Takeovers Code).

Name	Description	Number of Equity Securities Held or Controlled	Type of Equity Security	Percentage of Class
SF No. 2 Trust SPV2 Limited	Related Company of Healthcare Partners	4,083,688*	Ordinary Shares	19.02%
Steamboat Capital SPV2 Limited	Owns 24.95% of Healthcare Partners SPV1 Limited and is a party to a shareholders agreement with SF No. 2 Trust SPV2 Limited in respect of the control of Healthcare Partners SPV1 Limited	4,083,688*	Ordinary Shares	19.02%
Peter Hutson, Anya Hutson & James Reeves	Peter Hutson, Anya Hutson and James Reeves are directors of Healthcare Partners, Healthcare Partners SPV2 Limited and Healthcare Partners SPV2 Limited	4,083,688*	Ordinary Shares	19.02%
Peter Hutson, Anya Hutson & Lewis Grant	Peter Hutson, Anya Hutson and Lewis Grant are the trustees of the SF No. 2 Trust which controls SF No. 2 Trust SPV2 Limited	4,083,688*	Ordinary Shares	19.02%
James Livingstone Reeves	James Livingstone Reeves is a beneficial owner of shares in Steamboat Capital SPV2 Limited	4,083,688*	Ordinary Shares	19.02%
Field Nominees Limited, on behalf of the Reeves Border Trust	Field Nominees Limited is a beneficial owner of shares in Steamboat Capital SPV2 Limited	4,083,688*	Ordinary Shares	19.02%
James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust	James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited are beneficial owners of shares in Steamboat Capital SPV2 Limited	4,083,688*	Ordinary Shares	19.02%
Fisher Funds Management Limited	Holder or controller of 5% or more of a class of Abano equity securities	2,336,032	Ordinary Shares	10.88%
Forsyth Barr Custodians Limited	Holder or controller of 5% or more of a class of Abano equity securities	1,071,174	Ordinary Shares	5.04%

\*These relate to the same shares.

Notes:



- (1) The details shown above in respect of Fisher Funds Management and Forsyth Barr Custodians Limited have been obtained from Substantial Product Holder Notices filed by each of them respectively.
- (2) The information in the table above and in the table in paragraph 6 below is information known at 4 November 2016.
- (3) The percentage numbers are rounded to two decimal places.

Except as stated in the above table, no person referred to in paragraphs 5.1(a) to (d) holds or controls equity securities of Abano.

## **6. TRADING IN ABANO EQUITY SECURITIES**

- 6.1 The table set out below details acquisitions and dispositions of equity securities of Abano by the persons listed in the table under paragraph 5.1(a) to (d) during the 6 month period before the Notice Date.

Name	Number of Equity Securities	Type of Equity Security	Date of Transaction	Consideration per Equity Security	Acquisition or Disposal
James Livingstone Reeves*	213	Ordinary Shares	22 August 2016	\$8.09	Acquisition
Field Nominees Limited, on behalf of the Reeves Border Trust*	16,886	Ordinary Shares	22 August 2016	\$8.09	Acquisition
James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust*	3,040	Ordinary Shares	22 August 2016	\$8.09	Acquisition
James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust*	19,162	Ordinary Shares	4 November 2016	\$8.00	Disposal
Healthcare Industry Limited	19,162	Ordinary Shares	4 November 2016	\$8.00	Acquisition
James Livingstone Reeves*	10,979	Ordinary Shares	4 November 2016	\$8.00	Disposal
Field Nominees Limited, on behalf of the Reeves Border Trust*	870,362	Ordinary Shares	4 November 2016	\$8.00	Disposal
James Livingstone Reeves, Nicola Jane Reeves and Gary Chapman Trustees Limited as trustees of the Ballroom Trust*	137,539	Ordinary Shares	4 November 2016	\$8.00	Disposal
Healthcare Partners Holdings Limited	1,018,880	Ordinary Shares	4 November 2016	\$8.00	Acquisition
Healthcare Industry Limited	3,064,808	Ordinary Shares	4 November 2016	\$8.00	Disposal
Healthcare Partners Holdings Limited	3,064,808	Ordinary Shares	4 November 2016	\$8.00	Acquisition

\*These shares were held in the name of Steamboat Investments Limited.

6.2 Except as set out in paragraph 6.1, no person referred to in paragraphs 5.1(a) to (d) has, during the 6-month period before the Notice Date, acquired or disposed of any equity securities of Abano.

## **7. AGREEMENTS TO ACCEPT OFFER**

- 7.1 No person has agreed conditionally or unconditionally to accept the Offer as at the Notice Date.

## **8. ARRANGEMENTS TO PAY CONSIDERATION**

- 8.1 Healthcare Partners confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including the debts arising under rule 49 of the Takeovers Code).
- 8.2 A statement setting out the rights of each holder of Shares under rule 34 of the Takeovers Code is set out in paragraph 3.2 of the Offer Terms and Conditions.

## **9. ARRANGEMENTS BETWEEN HEALTHCARE PARTNERS AND ABANO**

- 9.1 No agreement or arrangement (whether legally enforceable or not) has been made or is proposed to be made between Healthcare Partners or any associate of Healthcare Partners and Abano or any related company of Abano in connection with, in anticipation of, or in response to, this Offer.

## **10. ARRANGEMENTS BETWEEN HEALTHCARE PARTNERS, AND DIRECTORS AND OFFICERS OF ABANO**

- 10.1 No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Healthcare Partners or any associate of Healthcare Partners and any of the directors or senior officers of Abano or any related company of Abano in connection with, or in anticipation of, or in response to, this Offer.

## **11. FINANCIAL ASSISTANCE**

- 11.1 No agreement or arrangement has been made, or is proposed to be made, under which Abano or any related company of Abano will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer.

## **12. INTENTIONS ABOUT MATERIAL CHANGES IN ABANO**

- 12.1 If the Offer is declared unconditional Healthcare Partners will become the majority shareholder in Abano. Healthcare Partners will seek appropriate representation on the board of Abano and will participate in decisions relating to Abano, and its future, through Abano's board.
- 12.2 Healthcare Partners' intentions about material changes to the business activities, material assets of Abano and its subsidiaries and material changes to the capital structure of Abano are:
- stopping further acquisitions by Abano for the medium term in order to reduce Abano's debt;
  - improving the performance of the existing dental practices in the Abano group; and

- ensuring that any changes protect a rewarding team environment for staff.

- 12.3 The foregoing statements of intention represent Healthcare Partners current intentions in relation to Abano's business based on information that has been publically released by Abano and is known to Healthcare Partners at the time of preparation of this Offer Document. Healthcare Partners reserves the right to take any other action or pursue any other strategy, in relation to Abano's business depending on the business and economic environment and any other relevant circumstances applicable post acquisition.
- 12.4 Healthcare Partners has not had the opportunity to conduct due diligence in relation to Abano and does not, at this time have access to the detailed information concerning Abano that would be required to make a final determination regarding its intentions for Abano. Only upon completion of the Offer and a detailed review of Abano, and in light of all material facts and circumstances, will Healthcare Partners finally determine its intentions for Abano and its subsidiaries and will take the action it considers desirable.
- 12.5 The statements in paragraphs 12.1 and 12.2 are consistent with the information that has been given by Healthcare Partners to any regulatory body (in New Zealand or in an overseas jurisdiction) in relation to the Offer.
- 12.6 The statement in paragraph 12.5 is required by the Takeovers Code. No information about Healthcare Partners' intentions for Abano has been provided to any regulatory body in New Zealand or in an overseas jurisdiction.

### **13. PRE-EMPTION CLAUSES IN ABANO'S CONSTITUTION**

- 13.1 There are no restrictions contained in the constitution of Abano on the right to transfer Shares which would have the effect of requiring holders of Shares to offer such Shares for purchase to members of Abano or another person before transferring the securities.

### **14. ESCALATION CLAUSES**

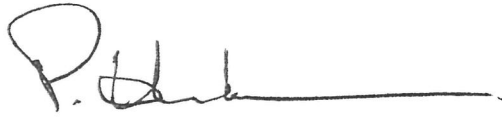
- 14.1 There is no agreement or arrangement (whether legally enforceable or not) to which Healthcare Partners or any of its related entities is a party, under which any existing holder of equity securities in Abano will or may receive in relation to, or as a consequence of, the Offer, any additional consideration or other benefit over and above the consideration set out in the Offer, or under which any prior holder of equity securities in Abano will or may receive any consideration or other benefit as a consequence of the Offer.

### **15. CLASSES OF SECURITIES**

- 15.1 No report is required under rule 22 of the Takeovers Code (which, if the offer is for more than one class of securities, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between the different classes of securities).

### **16. CERTIFICATE**

- 16.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the takeover notice is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by Healthcare Partners under the Takeovers Code.



**Peter Lionel Hutson**  
Director and person fulfilling the role of  
Chief Executive Officer of Healthcare Partners  
Holdings Limited  
for the purposes of the Offer



**James Livingstone Reeves**  
Director and person fulfilling the role of  
Chief Financial Officer of Healthcare Partners  
Holdings Limited  
for the purposes of the Offer



**Anya Lee Hutson**  
Director