



## ASX ANNOUNCEMENT

4 June 2024

### Completion of merger with CH2 Holdings Pty Limited

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Paragon Care Limited (ASX:PGC) (**Paragon**) is pleased to confirm that the merger with CH2 Holdings Pty Limited (**CH2**) (**Merger**) completed on 3 June 2024.

Under the Merger, Paragon has acquired all of the issued share capital of CH2. Paragon has also issued 943,524,072 ordinary shares to Peter Andre Lacaze and Dianne Maree Lacaze as trustees for the Lacaze Family Trust and David Keith Collins and Cherie Maria Millar as trustees for the Collins Millar Family Trust.

The Merger is a transformative transaction for Paragon and is expected to create a leading healthcare wholesaler, distributor and manufacturer operating across healthcare markets in the Asia Pacific region.

#### Changes to the board of directors

With effect from completion of the Merger:

- Shane Tanner, Geoffrey Sam and Brent Stewart have resigned as directors of Paragon; and
- David Collins, Carmen Riley and Peter Lacaze have been appointed as directors of Paragon.

John Walstab has resigned as managing director and will be replaced by David Collins.

Peter Lacaze will be appointed as the chairman of the board.

Alan McCarthy will remain on the board as Paragon's nominated independent director under the share sale agreement in respect of the Merger.

#### Appointment of new CEO

As previously foreshadowed in the ASX announcement on 1 March 2024 and the notice of meeting and explanatory memorandum announced on 2 May 2024, John Walstab will step down as CEO and will be replaced by David Collins.

Mr Collins is the CEO of CH2 and has been CH2's managing director since 2015. Mr Collins has over 20 years of experience in the healthcare industry across Australia and New Zealand. Under Mr Collins' leadership, CH2 has evolved into a more diversified leading independent wholesaler.

A summary of the material terms of Mr Collins' employment agreement is set out in Attachment 1.

Michael Peters will continue as Chief Financial Officer of the merged Group.

## **Further information**

For further information, please contact:

**John Walstab**

Director

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This announcement is authorised for release to the market by the Board of Directors of Paragon Care Limited.

# Attachment 1

## Summary of material terms of the CEO employment agreement

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Term	Details
<b>Commencement date</b>	Effective from completion of the Merger (3 June 2024)
<b>Term</b>	Mr Collins' employment will be on an ongoing basis, subject to termination by either party as described below.
<b>Role and duties</b>	<p>Chief Executive Officer and Group Managing Director</p> <p>Mr Collins will be responsible for overseeing the commercial and global operations of Paragon to achieve its business and growth objectives. Mr Collins' duties and responsibilities are consistent with those typically expected of a chief executive officer of a listed company.</p>
<b>Remuneration</b>	<ul style="list-style-type: none"><li>Mr Collins will receive a fixed remuneration package of \$800,000 per annum comprised of base salary and superannuation contributions (<b>Fixed Remuneration Package</b>).</li><li>Mr Collins is entitled to a maximum short term incentive (<b>STI</b>) of 50% of the Fixed Remuneration Package. The STI is subject to achieving agreed KPIs and is payable in cash following release of Paragon's audited results.</li><li>Mr Collins' long term incentive (<b>LTI</b>) is subject to agreement with the Paragon board. Any LTI will be granted in accordance with Paragon's employee incentive plan approved by shareholders (<b>EIP</b>).</li><li>Mr Collins is entitled to unlimited use of a fully maintained company vehicle.</li></ul>
<b>Leave entitlements</b>	<p>Mr Collins is entitled to:</p> <ul style="list-style-type: none"><li>4 weeks' paid annual leave for each year of service;</li><li>10 days' paid personal or carers' leave;</li><li>public holidays;</li><li>parental leave; and</li><li>other forms of leave conferred by the <i>Fair Work Act 2009</i> (Cth).</li></ul> <p>Paragon will recognise Mr Collins' prior service with Clifford Hallam Healthcare Pty Ltd for calculating service based entitlements.</p>

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<b>Change of control</b>	All issued but unvested LTI entitlements will automatically vest in accordance with the EIP if a change of control of Paragon occurs.
<b>Termination and notice</b>	<p>Either Paragon or Mr Collins may terminate Mr Collins' employment by giving 12 months' written notice.</p> <p>Paragon may terminate Mr Collins' employment by providing a cash payment for the salary and incentives which would have been payable for the 12 months' period in lieu of notice.</p> <p>Paragon may terminate Mr Collins' employment if Mr Collins engages in specified prohibited behaviour.</p>
<b>Restraint</b>	<p>Mr Collins must not conduct any business within the Asia Pacific region that competes with Paragon's business for a period of up to 6 months after the termination of his employment.</p> <p>Mr Collins must also not accept appointments with customers, solicit customers or suppliers or solicit employees of Paragon for up to 6 months after the termination of his employment.</p>