

MARKET RELEASE

SILK ENTERS INTO BINDING IMPLEMENTATION DEED WITH AUSTRALIAN PHARMACEUTICAL INDUSTRIES

Adelaide, South Australia: 26 June 2023: SILK Laser Australia Limited (ASX:SLA) (**SILK**) is pleased to announce that it has entered into a Scheme Implementation Deed (**SID**) with Australian Pharmaceutical Industries Pty Ltd (**API**) (a wholly-owned subsidiary of Wesfarmers Limited), under which API will acquire 100% of the shares in SILK, by way of scheme of arrangement (**Scheme**), for cash consideration of \$3.35 cash per share (**API Binding Offer**).

Under the terms of the Scheme, SILK shareholders will be entitled to receive total cash consideration of \$3.35 per share subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

In addition, SILK will have the discretion to pay shareholders a fully franked dividend of up to a maximum of 10 cents per share (**Permitted Dividend**), with the cash consideration of \$3.35 to be reduced by the cash component of any such Permitted Dividend.

SILK's Board unanimously recommends the Scheme

The Board of SILK unanimously recommends that SILK shareholders vote in favour of the Scheme, and intend to vote SILK shares in their control in favour of the Scheme, in each case in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of SILK shareholders.

SILK Chairman Boris Bosnich said "Wesfarmers Health represents a logical, long-term owner for the SILK business, with the expertise and capacity to support continued growth for SILK and its franchise partners.

"The API offer provides certainty for shareholders, and we have been pleased with the alignment between the businesses seen through due diligence."

The Board of SILK recommends (in the absence of a superior proposal and subject to an Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of SILK shareholders) that SILK shareholders vote in favour of the Scheme for the following reasons:

- **Significant premium:** The cash consideration of \$3.35 per share represents an attractive premium of:
 - **38.4%** to the undisturbed closing price of \$2.42 per share on 19 April 2023, being the last trading day prior to the announcement that SILK received an indicative and non-binding proposal from API;
 - **65.0%** to the 30 day volume weighted average price to 19 April 2023 (**VWAP**) of \$2.03 per share; and
 - **78.3%** to the 60 day VWAP to 19 April 2023 of \$1.88 per share.
- **Certainty of value:** The API Binding Offer provides SILK shareholders with certainty of value and opportunity to realise in full their investment for cash.

SILK has appointed an Independent Expert to determine whether the Scheme is in the best interests of SILK shareholders. The Independent Expert's report will be included in a Scheme Booklet, which is expected to be distributed to shareholders in September 2023 (subject to the regulatory approval process).

API Binding Offer superior to EC Healthcare Indicative Proposal

As announced on 23 May 2023, EC Healthcare Limited (**EC Healthcare**) made a non-binding and indicative proposal for the acquisition of 100% of the shares in SILK at an indicative offer price of \$3.35 cash per share by way of a scheme of arrangement (**EC Indicative Proposal**).

SILK announced on 2 June 2023 the Board's intention to unanimously recommend that SILK shareholders vote in favour of the EC Indicative Proposal subject to:

- The parties entering into a binding scheme implementation agreement on terms no less favourable to SILK's shareholders than the EC Indicative Proposal;
- No superior proposal being received; and
- An independent expert concluding (and continuing to conclude) that the EC Indicative Proposal is in the best interests of SILK shareholders.

After careful consideration and having received advice from its legal and financial advisers, the Board of SILK has determined the API Binding Offer to be a superior proposal to the EC Indicative Proposal. The Board of SILK took into consideration a range of factors, including the certainty provided by the API Binding Offer and the ability to execute a binding SID with API on terms acceptable to the SILK Board.

Details of the Scheme Implementation Deed

The Scheme is conditional upon the satisfaction of certain conditions, including:

- SILK shareholder approval in accordance with the requirements of the Corporations Act 2001 (Cth);
- Court and regulatory approvals, including approval of the Australian Competition and Consumer Commission (ACCC) and the New Zealand Commerce Commission (NZCC);
- The Independent Expert's Report concluding that the Scheme is in the best interests of SILK shareholders and the Independent Expert not changing their conclusion; and
- Customary other conditions, including that no material adverse change occurs prior to implementation of the Scheme.

The SID contains customary exclusivity, no-shop, no-talk, no due diligence and matching right provisions. It also details the circumstances under which SILK may be required to pay a break fee to API, and those circumstances under which API may be required to pay a break fee to SILK.

Full details of the terms and conditions of the Scheme are set out in the SID, a copy of which is attached to this announcement.

Scheme timetable and next steps

SILK shareholders do not need to take any action at the current time.

A Scheme Booklet containing information relating to the Scheme, the Independent Expert's report on whether the Scheme is in the best interests of SILK's shareholders, reasons for the Directors' recommendation, and details of the Scheme meeting is expected to be mailed to SILK shareholders in September 2023. SILK shareholders will be given the opportunity to vote on the Scheme at a Scheme Meeting expected to be held in October 2023. Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented by the end of November 2023. These dates are indicative and subject to change.

Highbury Partnership is acting as financial adviser to SILK. Kain Lawyers is acting as legal adviser to SILK. Wilsons Corporate Finance Limited is acting as co-advisor.

—ENDS—

SILK

LASER CLINICS

SILK Laser Clinics Head Office
ACN: 645 400 399
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(08) 7225 6489

This announcement has been authorised for release by the Board of Directors of SILK Laser Australia Limited.

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About SILK Laser

Founded in 2009, SILK is one of Australia's largest specialist clinic networks, offering a range of non-surgical aesthetic products and services. SILK's five core offerings comprise laser hair removal, cosmetic injectables, skin treatments, body contouring and skincare products.
Visit: www.silk laser.com.au/investors.

Scheme implementation deed

Australian Pharmaceutical Industries Pty Ltd (**API**)

SILK Laser Australia Limited (**SLA**)

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Parties

- 1 **Australian Pharmaceutical Industries Pty Ltd** (ACN 000 004 320) of Level 14, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth WA 6000 (**API**)
 - 2 **SILK Laser Australia Limited** (ACN 645 400 399) of 1/137 The Parade, Norwood SA 5067 (**SLA**)
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Background

- A API and SLA have agreed that API will acquire all of the SLA Shares by means of a scheme of arrangement under Part 5.1 of the Corporations Act between SLA and Scheme Shareholders.
- B API and SLA have agreed to implement the Scheme on and subject to the terms and conditions of this document.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression starting with a capital letter which is defined in the dictionary in Schedule 1 (and those other terms defined in the dictionary in Schedule 1) has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this document.

2 Agreement to proceed with Transaction

2.1 Scheme

- (a) SLA agrees to propose the Scheme on and subject to the terms and conditions of this document.
- (b) SLA must not consent to any modification of, or amendment to, the Scheme, or the making or imposition by the Court of any condition in respect of the Scheme, without the prior written consent of API.
- (c) API agrees to assist SLA in proposing and implementing the Scheme on and subject to the terms of this document.

2.2 Scheme Consideration

- (a) Each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder, on and subject to the terms of the Scheme and this document.

- (b) Subject to the Scheme becoming Effective, API agrees with SLA that in consideration of the transfer to API of all Scheme Shares pursuant to the terms of the Scheme, API will:
 - (i) accept that transfer on the Implementation Date; and
 - (ii) pay, or procure the payment of, an amount equal to the Aggregate Scheme Consideration, without any deduction or withholding (subject to clause 18), in cleared funds into a trust account operated by or on behalf of SLA as trustee for the Scheme Shareholders before 12 noon on the Business Day immediately before the Implementation Date.

2.3 SLA Board recommendation

- (a) SLA represents and warrants to API that each SLA Director has confirmed that:
 - (i) his or her recommendation in respect of the Scheme is that SLA Shareholders vote in favour of the Scheme at the Scheme Meeting; and
 - (ii) he or she intends to vote, or cause to be voted, all SLA Shares held or controlled by that SLA Director (if any), in favour of the Scheme at the Scheme Meeting,in each case subject to:
 - (iii) no Superior Proposal emerging; and
 - (iv) the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of SLA Shareholders.
- (b) SLA must procure that no SLA Director withdraws, qualifies, or adversely changes his or her recommendation or voting intention as set out in clause 2.3(a), unless:
 - (i) SLA has received a Competing Proposal and the SLA Board has determined (after all of API's rights under clause 9.7 have been exhausted and without the SLA Board having determined that it has received a Matching Counterproposal) that the Competing Proposal constitutes a Superior Proposal; or
 - (ii) the Independent Expert concludes that the Scheme is not in the best interests of SLA Shareholders or, having previously concluded that the Scheme is in the best interests of SLA Shareholders, changes that conclusion,

and provided that a statement made by SLA or the SLA Board to the effect that no action should be taken by SLA Shareholders pending the assessment of a Competing Proposal by the SLA Board or the completion of the matching right process set out in clause 9.7, and any other statement referred to in clause 9.7(c), does not constitute a change, qualification or withdrawal of any SLA Director's recommendation or voting intention.

- (c) Subject to a SLA Director withdrawing, modifying or changing their recommendation or voting intention in accordance with clause 2.3(b), SLA must, in relation to each SLA Director:
 - (i) ensure that the Scheme Booklet includes statements to the effect that that SLA Director gives the recommendation and has the voting intention as set out in clause 2.3(a); and
 - (ii) ensure that no public announcement is made by SLA, and no public statement is made by that SLA Director, which is inconsistent with that SLA Director giving the recommendation and having the voting intention,subject in each case to clause 9.7(c).
 - (d) Without limiting clause 9, if SLA becomes aware that a SLA Director proposes to withdraw, adversely change or modify his or her recommendation in accordance with clause 2.3, SLA must notify API in writing as soon as practicable.
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3 Conditions Precedent

3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective until and unless each of the following Conditions Precedent is satisfied or waived in accordance with clause 3.4.

- (a) **Regulatory Approvals:** By 8.00am on the Second Court Date:
 - (i) **NZCC:** API has received notice in writing from the NZCC stating, or stating to the effect, that either:
 - (A) it does not intend to undertake further inquiries in relation to; or
 - (B) it has no objection to, and does not intend to take any action to prevent or oppose,the acquisition by API of all of the Scheme Shares under the Scheme unconditionally or subject to conditions acceptable to API (in its sole discretion) and such notice has not been withdrawn, suspended or revoked before 8.00am on the Second Court Date, or API has received clearance from the NZCC pursuant to section 66 of the *Commerce Act 1986* (NZ) in respect of the acquisition by API of all of the Scheme Shares under the Scheme before 8.00am on the Second Court Date.
 - (ii) **ACCC:** API has received notice in writing from the ACCC stating, or stating to the effect, that either:
 - (A) it does not intend to undertake public inquiry in respect of; or
 - (B) it has no objection to, and does not intend to take any action to prevent or oppose,the acquisition by API of all of the Scheme Shares under the Scheme unconditionally or subject to conditions acceptable to API (in its sole discretion) and such notice has not been withdrawn, suspended or revoked before 8.00am on the Second Court Date.

- (iii) **Other regulatory approvals:** all other approvals of a Government Agency which API and SLA agree in writing are necessary or desirable to implement the Scheme are obtained and those approvals are not subject to conditions that are unacceptable to API and have not been withdrawn or revoked.
- (b) **Independent Expert's Report:** the Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of SLA Shareholders (and does not change that conclusion by 8.00am on the Second Court Date).
- (c) **Shareholder approval:** SLA Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.
- (d) **No Material Adverse Change:** No Material Adverse Change occurs or is announced or becomes known to API between the date of this document and 8.00am on the Second Court Date.

For the purposes of this clause 3.1(d), **Material Adverse Change**, means:

- (i) a matter, event or circumstance (including a one-off or non-recurring event) that occurs, is announced or becomes known to API after the execution of this document (**Specified Event**) where that matter, event or circumstance has, has had, or is reasonably likely to have, either individually, or when aggregated with any other Specified Events, the effect (net of all insurance proceeds received by the SLA Group) of:
 - (A) diminishing the consolidated EBITDA of SLA Group taken as a whole for any financial year by at least \$1,750,000 against what it would reasonably be expected to have been but for that Specified Event; or
 - (B) diminishing the consolidated net assets of the SLA Group, taken as a whole (calculated in accordance with the accounting policies and practices applied by SLA as at the date of this document) by an amount of \$10,000,000 or more;

in each case other than matters, events or circumstances:

- (ii) expressly required or expressly permitted by this document or the Scheme;
- (iii) Fairly Disclosed in the Disclosure Materials or the Disclosure Letter;
- (iv) Fairly Disclosed by SLA in any document lodged with ASX by SLA in the 24 months prior to the date of this document;
- (v) that occur with the written consent, or at the written request, of API or any of its Related Bodies Corporate;
- (vi) relating to payment of any Transaction Costs or GST in respect of any Transaction Costs in respect of which a reasonable estimate of, a copy of any engagement letter or the basis for charging was Fairly Disclosed in the Disclosure Materials or the Disclosure Letter;
- (vii) resulting or arising from or in connection with:
 - (A) any actual or proposed change in any law, regulation or policy, or in any accounting principle or standard, or in the interpretation or

application of any of the foregoing (provided such change does not have a materially disproportionate effect on SLA relative to other participants in the industry); or

- (B) general economic, trading or political conditions or changes in any such conditions including disruptions to, or fluctuations in, financial markets or consumer demand, or changes in interest rates, foreign currency exchange rates or commodity prices (provided that any such conditions or changes in any such conditions does not have a materially disproportionate effect on SLA relative to other participants in the industry);
 - (C) any act of terrorism, war (whether or not declared, and including without limitation the current conflict in Ukraine) natural disaster or the like; or
 - (D) the announcement of, or the entry into or performance of, this document or the Scheme or the transactions contemplated by either.
- (e) **No Prescribed Occurrence:** No Prescribed Occurrence occurs between the date of this document and 8.00am on the Second Court Date.
 - (f) **SLA Rights:** SLA has taken all necessary steps by 8.00am on the Second Court Date to ensure that all SLA Rights will vest, lapse, be cancelled or will otherwise be dealt with in accordance with clause 8 (excluding the actual vesting, lapsing or cancellation pursuant to that clause).
 - (g) **SLA Representations and Warranties:** Each SLA Representation and Warranty is true and correct in all material respects as at the time or times it is given or made.
 - (h) **API Representations and Warranties:** Each API Representation and Warranty is true and correct in all material respects as at the time or times it is given or made.
 - (i) **No restraints:** By 8.00am on the Second Court Date, there is not in effect any temporary, preliminary or final order, decision or decree issued by any court of competent jurisdiction or Government Agency which restrains or prohibits the Scheme.
 - (j) **Court approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
 - (k) **ASIC and ASX:** By 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which API and SLA agree in writing are reasonably necessary or desirable to implement the Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time.

3.2 Reasonable endeavours

- (a) Each of API and SLA must use reasonable endeavours to procure that:
 - (i) The Conditions Precedent in clauses 3.1(a)(iii), 3.1(i), 3.1(j) and 3.1(k) are satisfied; and

- (ii) there is no occurrence within its control or the control of any of its Related Bodies Corporate that prevents, or would be reasonably likely to prevent, the satisfaction of any Condition Precedent.
- (b) API must use reasonable endeavours to procure that the Conditions Precedent in clauses 3.1(a)(i) and 3.1(a)(ii) are satisfied as soon as practicable after the date of this document and that the Condition Precedent in clause 3.1(h) is satisfied.
- (c) SLA must use reasonable endeavours to procure that the Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(d), 3.1(e), 3.1(f) and 3.1(g) are satisfied.
- (d) Each of API and SLA, in respect of matters within its knowledge, must keep the other reasonably informed of the progress towards satisfying the Conditions Precedent.

3.3 Regulatory Approvals

- (a) Without limiting clause 3.2, but subject to clause 3.3(d), API must:
 - (i) give SLA a copy of an advanced draft of each application for a Regulatory Approval at least 5 Business Days prior to the date on which it is intended to be lodged, and must consider in good faith any reasonable comments provided by or on behalf of SLA at least 2 Business Days prior to the date on which it is intended to be lodged;
 - (ii) unless otherwise agreed by the parties in writing, apply for each Regulatory Approval as soon as reasonably practicable (and, in any event, within 10 Business Days) after the date of this document and give SLA a final copy of each such application;
 - (iii) take all steps reasonably required to obtain each Regulatory Approval as soon as practicable, including responding to requests for information at the earliest practicable time (such steps for the avoidance of doubt do not include accepting any conditions or undertakings imposed on any member of the API Group, requested or required by or on behalf of the ACCC, NZCC or any Government Agency in respect of a Regulatory Approval);
 - (iv) keep SLA reasonably informed of the progress towards obtaining each Regulatory Approval, including promptly notifying SLA of any material issues or matters raised, or any conditions or other arrangements proposed, by a relevant Government Agency;
 - (v) not do, and must ensure that its Related Entities and Representatives do not do, any of the following:
 - (A) apply to any Government Agency for any approval, consent, clearance, waiver, concession or similar in connection with the Transaction; or
 - (B) send any submission, notification or communication to, or otherwise contact, any Government Agency in connection with the Transaction, in each case other than:
 - (C) in respect of a Regulatory Approval and in accordance with this clause 3.3(a); or
 - (D) with the prior written consent of SLA (not to be unreasonably withheld where necessary or desirable for the purposes of the Transaction);

- (vi) give SLA a reasonable opportunity to review an advanced draft of each material submission or communication proposed to be sent to a Government Agency by or on behalf of API (or any of its Related Entities or Representatives) in connection with the Transaction, and consider in good faith any reasonable comments provided by or on behalf of SLA; and
 - (vii) promptly notify SLA and provide reasonable details of all material communications or discussions between API (or any of its Related Bodies Corporate or Representatives) and any Government Agency in connection with the applications made under clause 3.1(a).
- (b) SLA must:
- (i) cooperate with, and promptly provide any assistance or information (subject to the Protocols) reasonably requested by API or its Representatives, in connection with an application for a Regulatory Approval and must use its best endeavours to assist API to obtain such Regulatory Approvals as soon as practicable after the date of this document;
 - (ii) not, and must ensure that its Related Bodies Corporate and Representatives do not:
 - (A) apply to the ACCC, NZCC or any other Government Agency for any approval, consent, clearance, waiver, concession or similar in connection with the Transaction; or
 - (B) send any submission, notification or communication to, or otherwise contact, the ACCC, NZCC or any other Government Agency in connection with a Regulatory Approval,

in each case other than:

 - (C) in respect of a Regulatory Approval and in accordance with clause 3.3(c); or
 - (D) with the prior written consent of API (not to be unreasonably withheld where necessary or desirable for the purposes of the Transaction).
- (c) To the extent SLA :
- (i) is required to submit an application for a Regulatory Approval in accordance with clause 3.1(a)(iii); or
 - (ii) has received an unsolicited written request (or is required) to:
 - (A) meet with the ACCC or the NZCC; or
 - (B) provide the ACCC or the NZCC with a material submission or communication, in respect of a Regulatory Approval,

SLA must comply with clause 3.3(a) as if references to “SLA” were to “API” and references to “API” were to “SLA”.

- (d) Before a party provides the other party with any document or information under this clause 3.3, the disclosing party may redact or exclude such part of that document or information that constitutes confidential information of:
 - (i) the disclosing party or any of its Related Entities where disclosure to the other party is reasonably likely to materially prejudice the commercial interests of the disclosing party or any of its Related Entities; or
 - (ii) a director or executive of the disclosing party or any of its Related Entities,unless such part of that document or information is reasonably required by any party for the preparation, lodgement and/or submission of a Regulatory Approval.

3.4 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(c) and 3.1(j), cannot be waived.
- (b) The Conditions Precedent in clauses 3.1(a)(iii), 3.1(i) and 3.1(k) are for the benefit of both API and SLA and any breach or non-fulfilment of these Conditions Precedent may only be waived by written agreement between API and SLA.
- (c) The Conditions Precedent in clauses 3.1(a)(i), 3.1(a)(ii), 3.1(d), 3.1(e), 3.1(f) and 3.1(g) are for the sole benefit of API and any breach or non-fulfilment of any of these Conditions Precedent may only be waived by API (in its absolute discretion) in writing.
- (d) The Conditions Precedent in clause 3.1(b) and 3.1(h) are for the sole benefit of SLA and any breach or non-fulfilment of such Conditions Precedent may only be waived by SLA (in its absolute discretion) in writing.
- (e) If API or SLA waives the breach or non-fulfilment of a Condition Precedent, that waiver precludes the relevant party from suing the other for any breach of this document that resulted in such breach or non-fulfilment.
- (f) Waiver of a breach or non-fulfilment of a Condition Precedent does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event.

3.5 Failure of Condition Precedent

- (a) If:
 - (i) there is a breach or non-fulfilment of a Condition Precedent that has not been waived in accordance with clause 3.4 by the time or date specified in this document for satisfaction of that Condition Precedent;
 - (ii) a Condition Precedent becomes incapable of satisfaction and the breach or non-fulfilment of that Condition Precedent that has occurred, or would otherwise occur, has not been waived in accordance with clause 3.4; or
 - (iii) the Scheme has not become Effective by 11.59pm on the End Date,then either API or SLA may give the other party written notice (**Consultation Notice**) within 10 Business Days after it becomes aware of the relevant event

(Potential Termination Event), which notice must require the parties to consult in good faith to determine whether they can reach agreement with respect to:

- (iv) extending the time for satisfaction of the relevant Condition Precedent or the End Date (as the case may be);
 - (v) changing the date on which an application is made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application to a date agreed between API and SLA (as applicable);
 - (vi) the Transaction proceeding by way of alternative means or methods; or
 - (vii) any combination of the matters listed in clauses 3.5(a)(iv) to 3.5(a)(vi).
- (b) Subject to clause 4.5(b) (if applicable), if API and SLA are unable to reach agreement under clause 3.5(a) by the earlier of:
- (i) 10 Business Days after a Consultation Notice is given; and
 - (ii) 5.00pm on the Business Day before the Second Court Date,
- either API or SLA (in this clause 3.5, the **Terminating Party**) may terminate this document by giving written notice (**Termination Notice**) to the other, provided that:
- (iii) if the basis upon which the Terminating Party is seeking to terminate this document is the occurrence of an event described in clause 3.5(a)(i) or 3.5(a)(ii), the Terminating Party has the benefit of the relevant Condition Precedent or the Condition Precedent is referred to in clause 3.4(a); and
 - (iv) there has been no material breach by the Terminating Party of its obligations under this document, where that material breach has caused or materially contributed to the occurrence of the Potential Termination Event (provided that this clause does not limit either party's right to terminate under clause 13.1(a)(ii)).
- (c) Where a Termination Notice is validly given under clause 3.5(b), this document will terminate with immediate effect and clause 13.4 will apply.

3.6 Certain notices

Each of API and SLA must promptly notify the other in writing if it becomes aware:

- (a) that a Condition Precedent has been satisfied or breached; or
- (b) of any fact, matter or circumstance that has resulted or is reasonably likely to result in:
 - (i) a Condition Precedent becoming incapable of satisfaction or otherwise not being satisfied in accordance with its terms;
 - (ii) a Representation and Warranty provided by that party under this document ceasing to be true and correct in all material respects; or
 - (iii) a material breach of this document by that party,

and each party must keep the other party informed of any material development of which it becomes aware that may lead to non-fulfilment of a Condition Precedent.

4 Implementation

4.1 SLA obligations

Subject to any change of recommendation by the SLA Board that is permitted by clause 2.3, SLA must, acting at all times in good faith, take all steps reasonably necessary to implement the Scheme as soon as is reasonably practicable (and use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step, subject to the timing of receipt of regulatory approvals for those dates marked with an asterix) and on the terms and conditions of this document, and must consult with API on a regular basis about its progress towards satisfying its obligations under this clause 4.1, and without limiting the foregoing, SLA must do the following:

- (a) **Independent Expert:** as soon as reasonably practicable after the date of this document, appoint the Independent Expert and provide such assistance and information as is reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (b) **Promotion of Transaction:** provide all reasonable cooperation in the promotion of the Transaction to SLA Shareholders, including, if requested by API, procuring that senior SLA Group employees meet with key SLA Shareholders and communicate with employees and other stakeholders in a manner which is supportive of the Scheme;
- (c) **Preparation of Scheme Booklet:**
 - (i) prepare the Scheme Booklet (other than API Information and the Independent Expert's Report) in accordance with applicable laws, including the Corporations Act, Corporations Regulations, RG 60, Takeovers Panel policy and guidance notes and the Listing Rules; and
 - (ii) provide API with a reasonable opportunity to review drafts of the Scheme Booklet and a factual accuracy draft of Independent Expert's Report in a timely manner (including a final draft Scheme Booklet no later than three Business Days prior to lodgement of the draft provided in accordance with clause 4.1(d)) and (in the case of the Scheme Booklet) promptly consider in good faith any reasonable comments provided by or on behalf of API in a timely manner;
- (d) **Lodgement of Scheme Booklet:**
 - (i) provide an advanced draft of the Scheme Booklet to ASIC for its review for the purposes of section 411(2) of the Corporations Act, provided that such draft must not be provided to ASIC without API's prior written consent in respect of API Information (such consent not to be unreasonably withheld or delayed); and
 - (ii) keep API reasonably informed of any material issues raised by ASIC in relation to the Scheme Booklet and any steps taken to address such issues (provided that, where such issues relate to API Information, SLA must not propose any resolution of those issues to ASIC without API's prior written consent, not to be unreasonably withheld or delayed);

- (e) **No objection statement:** apply to ASIC for:
 - (i) a letter stating that ASIC does not intend to appear at the First Court Hearing; and
 - (ii) a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (f) **First Court Hearing:** apply to the Court for an order under section 411(1) of the Corporations Act directing SLA to convene the Scheme Meeting;
- (g) **Approval and registration of Scheme Booklet:**
 - (i) procure that the SLA Board authorises the registration with ASIC and despatch of the Scheme Booklet to SLA Shareholders (which authorisation may be given subject to the order referred to in clause 4.1(f) being granted); and
 - (ii) subject to receipt from API of the written confirmation referred to in clause 4.2(d), request that, in accordance with section 412(6) of the Corporations Act, ASIC register the explanatory statement in relation to the Scheme, as contained in the Scheme Booklet;
- (h) **Scheme Meeting:** as soon as reasonably practicable following registration of the Scheme Booklet by ASIC, despatch the Scheme Booklet to SLA Shareholders and convene and hold the Scheme Meeting in accordance with the orders made by the Court at the First Court Hearing;
- (i) **Director's voting:** use its reasonable endeavours to procure that each SLA Director votes any SLA Shares which that SLA Director holds or controls in favour of the Scheme in each case subject to:
 - (i) no Superior Proposal emerging; and
 - (ii) the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of SLA Shareholders;
- (j) **Supplementary disclosure:** if, after despatch of the Scheme Booklet, SLA becomes aware:
 - (i) that information included in the Scheme Booklet is or has become false or misleading in any material respect (whether by omission or otherwise); or
 - (ii) of information that is required to be disclosed to SLA Shareholders under any applicable law, RG 60, Takeovers panel policy and guidance notes and the Listing Rules,

it must promptly consult with API as to the need for, and form of, any supplementary disclosure to SLA Shareholders, and make any such disclosure as SLA considers reasonably necessary as soon as reasonably practicable and having regard to applicable laws, RG 60, Takeovers panel policy and guidance notes and the Listing Rules;

- (k) **Conditions Precedent certificate:** at the Second Court Hearing, provide to the Court (through its counsel):
 - (i) a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent (other than the Condition Precedent in clause 3.1(j)) included for its benefit have been satisfied or waived in accordance with clause 3, a draft of which certificate must be provided to API by 5:00pm on the Business Day before the Second Court Date; and
 - (ii) any certificate provided to it by API pursuant to clause 4.2(f);
- (l) **Second Court Hearing:** subject to the Conditions Precedent (other than the Condition Precedent in clause 3.1(j)) being satisfied or waived in accordance with clause 3, apply to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme;
- (m) **Court Documents:**
 - (i) prepare the Court Documents; and
 - (ii) provide drafts of the material documents required for the purposes of the Court Hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating processes, material affidavits, submissions and draft minutes of Court orders) to API within a reasonable period of time (having regard to the scheduled dates for the First Court Hearing and the Second Court Hearing (as applicable)), and consider in good faith any reasonable comments promptly provided by or on behalf of API;
- (n) **API representation at Court Hearings:** allow, and not oppose, any application by API for leave of the Court to be represented by counsel at a Court Hearing;
- (o) **Lodgement of Court order:** if the Court approves the Scheme under section 411(4) of the Corporations Act, for the purposes of section 411(10) of the Corporations Act, lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving the Scheme before 5:00pm on the Business Day following the day on which such office copy is received;
- (p) **SLA Register:** procure that the SLA Register as at the Scheme Record Date is closed to determine the identity of the Scheme Shareholders and their entitlements to Scheme Consideration;
- (q) **Proxy reports:** keep API reasonably informed:
 - (i) on the status of proxy forms received for the Scheme Meeting, including over the period commencing 10 Business Days before the Scheme Meeting and ending on the deadline for receipt of proxy forms; and
 - (ii) about such other information as SLA or its Representatives may receive concerning the voting intentions of SLA Shareholders;
- (r) **Instruments of transfer:** subject to API satisfying its obligations under clause 4.2, on the Implementation Date:
 - (i) execute proper instruments of transfer and effect the transfer of SLA Shares to API in accordance with the Scheme; and

- (ii) register all transfers of SLA Shares held by Scheme Shareholders to API;
- (s) **Quotation of SLA Shares and ASX listing:** apply to ASX to have:
 - (i) trading in SLA Shares suspended from the close of trading on the Effective Date; and
 - (ii) SLA removed from the official list of ASX from the close of trading on the Business Day immediately following the Implementation Date,

and not do anything to cause any of these things to happen before the relevant dates specified in this clause 4.1(s) without the prior consent of API (not to be unreasonably withheld or delayed);

- (t) **Provision of information to API:**
 - (i) provide reasonable information about the Scheme and the SLA Shareholders to API, which API requests and requires in order to:
 - (A) understand the legal and beneficial ownership of SLA Shares;
 - (B) facilitate the provision by, or on behalf of, API of the Scheme Consideration; or
 - (C) review the proxy appointments and directions received by SLA before the Scheme Meeting (and a summary of such matters);
 - (ii) within 5 Business Days after the date of this document, provide API with:
 - (A) a copy of the SLA Register as at the date of this document; and
 - (B) the most recently available information in SLA's possession regarding the beneficial ownership of SLA Shares including a copy of the most recent beneficial ownership analysis report received by SLA;
 - (iii) provide to API:
 - (A) on a monthly basis, a copy of the latest SLA Register; and
 - (B) on a monthly basis, the most recently available information in SLA's possession regarding the beneficial ownership of SLA Shares including a copy of the most recent beneficial ownership analysis report received by SLA, provided that if the SLA Register or any beneficial ownership analysis report is received by SLA more frequently than on a monthly basis SLA must provide API with a copy of each such report after it is received by SLA,

provided that API must not use that information provided under clauses 4.1(t)(i) to 4.1(t)(iii) (inclusive) to contact SLA Shareholders in relation to the Scheme without the prior written consent of SLA (such consent not to be unreasonably withheld or delayed);

- (u) **Compliance with laws:** subject to the Conditions Precedent being satisfied, do everything reasonably within its power to ensure that the Scheme is effected in accordance with the terms of this document and applicable laws; and

- (v) **Implementation:** if the Scheme becomes Effective, do all things contemplated of it under the Scheme and all other things (if any) reasonably necessary to lawfully give effect to the Scheme.

4.2 API obligations

API must, acting at all times in good faith, take all steps reasonably necessary to implement the Scheme as soon as is reasonably practicable (and use reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step) and on the terms and conditions of this document, and must consult with SLA on a regular basis about its progress towards satisfying its obligations under this clause 4.2, and without limiting the foregoing, API must do the following:

- (a) **Prepare API Information:** as soon as practicable after the date of this document:
 - (i) prepare API Information for inclusion in the Scheme Booklet in accordance with applicable laws, including the Corporations Act, Corporations Regulations, RG 60, Takeovers Panel policy and guidance notes and the Listing Rules;
 - (ii) provide SLA with drafts of API Information and consider in good faith any reasonable comments provided by or on behalf of SLA; and
 - (iii) provide SLA the final form of the API Information for inclusion in the Scheme Booklet;
- (b) **Assistance with Scheme Booklet and Court Documents:** provide any assistance or information reasonably requested by SLA or its Representatives in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to SLA Shareholders) or any Court Documents, including reviewing drafts of the Scheme Booklet and Court Documents provided by or on behalf of SLA and promptly providing comments in good faith;
- (c) **Independent Expert's Report:** subject to the Independent Expert agreeing to reasonable confidentiality restrictions, promptly provide any assistance or information reasonably requested by SLA or its Representative, or by the Independent Expert, in connection with the preparation of the Independent Expert's Report;
- (d) **Confirmation of API Information:** promptly after API Information has been finalised and SLA has provided API with the final draft Scheme Booklet to be provided to the Court at the First Court Date), provide confirmation in writing to SLA that:
 - (i) it consents to the inclusion of API Information in the Scheme Booklet, in the form and context in which API Information appears; and
 - (ii) the API Information, in that form and context, is not false or misleading in any material respect (whether by omission or otherwise) and otherwise complies with all applicable laws, including the Corporations Act, Corporations Regulations, RG 60, Takeovers Panel policy and guidance notes and the Listing Rules;

- (e) **Update API Information:** promptly notify SLA in writing if it becomes aware:
 - (i) of information which should have been, but was not, included in any API Information previously provided to SLA, and promptly provide all such information; or
 - (ii) that any API Information previously provided to SLA is or has become false or misleading in any material respect (whether by omission or otherwise) or otherwise does not comply with applicable laws and promptly provide SLA with all information necessary to ensure API Information complies with applicable laws and is not false or misleading in any material respect (whether by omission or otherwise);
- (f) **Conditions Precedent certificate:** before 8:00am on the Second Court Date, give to SLA, for provision to the Court at the Second Court Hearing, a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent (other than the Condition Precedent in clause 3.1(j)) included for its benefit have been satisfied or waived in accordance with clause 3, a draft of which certificate must be provided to SLA by 5:00pm on the date that is two Business Days before the Second Court Date;
- (g) **Representation at Court Hearings:** ensure that it is represented by counsel at each Court Hearing for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act approving the Scheme;
- (h) **Deed Poll:** before 5:00pm on the date that is two Business Days before the First Court Date, execute the Deed Poll, and deliver the fully executed Deed Poll to SLA and, if the Scheme becomes Effective, fully comply with the Deed Poll;
- (i) **Share transfer:** if the Scheme becomes Effective, accept a transfer of the SLA Shares as contemplated by clause 2.2(b)(i) and the terms of the Scheme and execute instruments of transfer in respect of the Scheme Shares;
- (j) **Scheme Consideration:** if the Scheme becomes Effective, pay or procure the payment of the Scheme Consideration in the manner and amount contemplated by clause 2.2(b)(ii) and the terms of the Scheme and in accordance with the Deed Poll;
- (k) **Compliance with laws:** subject to the Conditions Precedent being satisfied, do everything reasonably within its power to ensure that the Scheme is effected in accordance with all applicable laws;
- (l) **Implementation:** if the Scheme becomes Effective, do all things contemplated of it under the Scheme in accordance with the Deed Poll; and
- (m) **Promotion of Transaction:** participate in efforts reasonably requested by SLA to promote the merits of the Transaction, including:
 - (i) meeting with key SLA Shareholders where reasonably requested by SLA; and
 - (ii) providing SLA with such information and assistance as SLA reasonably requests to enable it to promote the merits of the Transaction.

4.3 Scheme Booklet

- (a) If API and SLA are unable to agree (acting in good faith) on the form or content of a particular part of the Scheme Booklet, then:
 - (i) if the relevant part of the Scheme Booklet is API Information, SLA will make such amendments to that part of the Scheme Booklet as required by API (acting reasonably and in good faith) (unless the information relates to API in the Independent Expert's Report, in which case SLA will communicate the request for amendment to the Independent Expert); and
 - (ii) in any other case, SLA (acting reasonably and in good faith) will decide the form and content of that part of the Scheme Booklet.
- (b) API and SLA agree that the Scheme Booklet will contain a responsibility statement in a form to be agreed between the parties (acting reasonably) to the effect that:
 - (i) SLA has prepared and is responsible for the SLA Information contained in the Scheme Booklet and none of API or its Related Entities or their respective directors, officers or employees assumes any responsibility or liability for the accuracy or completeness of the SLA Information; and
 - (ii) API has prepared and is responsible for API Information contained in the Scheme Booklet and none of SLA or its Related Entities or their respective directors, officers or employees assumes any responsibility or liability for the accuracy or completeness of API Information; and
 - (i) the Independent Expert is responsible for the Independent Expert's Report, and none of API or its Related Entities or their respective directors, officers or employees, nor SLA or its Related Entities or their respective directors, officers or employees, assumes any responsibility or liability for the accuracy or completeness of the Independent Expert's Report.

4.4 Verification

SLA must undertake appropriate verification processes in relation to the SLA Information included in the Scheme Booklet and API must undertake appropriate verification processes in relation to API Information included in the Scheme Booklet.

4.5 Conduct of Court proceedings

- (a) SLA and API are entitled to separate representation at all Court proceedings relating to the Scheme. This document does not give SLA or API any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent. SLA and API must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this document.
- (b) If SLA Shareholder approval is not obtained at the Scheme Meeting as required by clause 3.1(c) by reason only of the non-satisfaction of the Headcount Test and either party forms the view (acting reasonably and in good faith) that there is a reasonable prospect of the Court exercising its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test (**Order**) if an application was made for the Order, that party may give written notice to the other within three Business Days after the Scheme Meeting setting out those grounds, and if such notice is given:

- (i) SLA must, promptly after such notice is given, apply to the Court for the Order by making such submissions to the Court and filing such evidence as counsel engaged by SLA to represent it in Court proceedings related to the Scheme, in consultation with API, considers is reasonably required to persuade the Court to exercise its discretion;
 - (ii) API must support SLA's application for the Order, including by making such submissions to the Court and filing such evidence as counsel engaged by API to represent it in Court proceedings related to the Scheme, in consultation with SLA, considers is reasonably required to persuade the Court to exercise its discretion;
 - (iii) the cost of the application for the Order is to be borne equally between the parties; and
 - (iv) if the Order is given, the Condition in clause 3.1(c) is deemed to be satisfied for all purposes.
- (c) If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, SLA must consult with API in good faith as to whether to appeal the Court's decision and API and SLA must appeal the Court's decision to the fullest extent possible except to the extent that:
- (i) following consultation, the parties agree otherwise; or
 - (ii) an independent senior counsel of the Victorian bar or New South Wales bar (agreed by the parties) advises that, in their opinion, an appeal would have no reasonable prospect of success before the End Date,

in which case either party may terminate this document in accordance with clause 3.5.

5 Special Dividend

- (a) Notwithstanding any other provision of this document but subject to the requirements of this clause 5, SLA may (in its absolute discretion) declare and pay to SLA Shareholders a dividend of up to \$0.10 in aggregate per SLA Share on or prior to the Implementation Date (**Special Dividend**) provided that the payment of the Special Dividend must comply with the Corporations Act and that:
 - (i) the franking account of SLA must not be in deficit at any time after the payment of the Special Dividend due to the payment of the Special Dividend and/or tax refunds received by SLA, nor prior to the declaration of, or resolution to pay, the Special Dividend; and
 - (ii) SLA must provide a copy of the SLA franking account to API, for information purposes only, on the following dates:
 - (A) 15 Business Days before the declaration or resolution to pay the Special Dividend is passed; and
 - (B) 5 Business Days prior to the Implementation Date.
- (b) The record date for the Special Dividend must be at least 1 day before the Scheme Record Date.

- (c) If SLA announces, declares and pays the Special Dividend in accordance with clause 5(a), the Special Dividend is to be paid from accumulated profits, retained earnings or distributable reserves (or a combination of all or some of them) of the SLA Group existing immediately prior to the declaration of that dividend.
- (d) SLA will seek a class ruling from the ATO which seeks to confirm:
 - (i) whether SLA Shareholders are prima facie entitled to the franking credits and associated tax offsets attached to the Special Dividend; and
 - (ii) that the Commissioner of Taxation will not make a determination under section 204-30(3) of the Tax Act or section 177EA(5) of the Tax Act in respect of the Special Dividend,

in a customary form.
- (e) In respect of the Special Dividend contemplated by this clause 5, SLA must:
 - (i) if the draft law (currently contained in *Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 (Draft Law)* (which will (among other things) prevent certain distributions that are funded by capital raising from being frankable) is passed into law on or before the date that is 30 Business Days before the Implementation Date, use reasonable endeavours to seek a binding ruling from the ATO that the Draft Law (as passed into law) will have no application to SLA's Special Dividend; and
 - (ii) obtain an opinion before declaring the Special Dividend from an external tax adviser to the reasonable satisfaction of the parties acting reasonably that the Draft Law has no application to SLA's Special Dividend once passed into law.
- (f) In respect of any class ruling or ruling referred to in clause 5(d) or clause 5(e):
 - (i) SLA:
 - (A) must provide to API a draft of the relevant request to the ATO within a reasonable time before submission with the ATO for the purpose of enabling API to comment on the request; and
 - (B) must consider in good faith, for the purpose of amending the draft request, any reasonable comments from API on the draft request, which API must provide on a timely basis; and
 - (ii) each party must provide the other party with such assistance and information as may reasonably be requested by the other party in relation to obtaining the class ruling or ruling.
- (g) For the avoidance of doubt, neither the payment of the Special Dividend nor the franking of the Special Dividend is contingent on SLA receiving any class ruling, ruling, confirmation or comfort from the ATO.
- (h) The Scheme Consideration will be reduced by the aggregate cash amount per Scheme Share of the Special Dividend (but will not be reduced by the amount of the franking credits attached to any Special Dividend).

6 Conduct of business

6.1 Protocols

SLA and API acknowledge that they have agreed the Protocols, which set out principles and procedures that must be followed by API and SLA in relation to their compliance with clause 6.2(a) and otherwise.

6.2 Conduct of business

- (a) Subject to clause 6.3, the Protocols and applicable competition laws, from the date of this document up to and including the Implementation Date (both dates inclusive), SLA must:
- (i) conduct, and cause each member of the SLA Group to conduct, its business:
 - (A) in the ordinary course;
 - (B) in a manner generally consistent with the manner in which such business has been conducted during the period beginning on the date that is 12 months prior to the date of this document and ending on the date of this document;
 - (C) in accordance with all applicable laws; and
 - (D) in accordance with all regulatory permits, licences and authorisations that are binding on the SLA Group;
 - (ii) keep API reasonably and promptly informed of, and reasonably consider API's views about, material developments in the business of the SLA Group;
 - (iii) promptly notify API in writing of any of the following matters of which SLA becomes aware, and such written notification must include a reasonable summary of the relevant:
 - (A) events, facts, matters or circumstances which would or would be reasonably be expected to constitute a Material Adverse Change or have a material adverse effect on the financial or operational performance, or the reputation, of the SLA or the SLA Group's relationship with Government Agencies, franchisees, joint venture partners, financiers or key customers or suppliers;
 - (B) events, facts, matters or circumstances which result in an incident being logged on SLA's complaints register;
 - (C) new products offerings and new procedures or service offerings offered by the SLA Group; and
 - (D) any breach of, or default under, any law, contract, arrangement, permit, licence or authorisation that is binding on any member of the SLA Group and which is reasonably likely to result in a material liability for any member of the SLA Group (save that SLA is not obliged to provide any information to the extent that doing so would breach any existing obligations of confidence to which a member of the SLA Group is subject or result in the loss of legal privilege); and

- (iv) make reasonable efforts to:
 - (A) keep available the services of the current officers and employees of the SLA Group, other than in respect of staff turnover in the ordinary course;
 - (B) maintain and preserve the SLA Group's relationships with its franchisees, joint venture partners, financiers, partners, customers, suppliers, Government Agencies, licensors, licensees and others with whom it has business dealings, other than in respect of actions arising out of the enforcement or termination of such arrangements in the ordinary course;
 - (C) comply in all material respects with all material contracts to which any member of the SLA Group is a party; and
 - (D) maintain and preserve the value of its business and assets, including maintaining (and, where necessary, use reasonable efforts to renew) the Insurance Policies and licences held by the SLA Group.

- (b) Without limiting clause 6.2(a) but subject to clause 6.3, from the date of this document up to and including the Implementation Date, subject to applicable competition laws, SLA must ensure that no member of the SLA Group:
 - (i) takes or fails to take any action that constitutes, or that could reasonably be expected to result in or otherwise give rise to, a Prescribed Occurrence;
 - (ii) incurs or commits to, or brings forward the time for incurring or committing to, or grant to another person a right the exercise of which could be reasonably expected to involve or result in any member of the SLA Group incurring or committing to, any capital expenditure, financial indebtedness (including borrowings, loans and advances) or liability (whether actual or contingent), or foregoing any revenue, for more than \$500,000 (individually) or \$2,000,000 (in aggregate);
 - (iii) incurs or commits to, any expenditure or liability (whether actual or contingent) in relation to IT systems for one or more related items or amounts of in aggregate more than \$250,000 or enters into, materially amends or terminates, or agrees to enter into or materially amend or terminate, any contract in relation to IT systems for a term of more than 1 year (excluding any such contract for amounts of less than \$20,000 per year);
 - (iv) enters into a new employment contract with a potential employee of the SLA Group, or enters into a new employment contract or materially amends (including by amending the notice period) or terminates an existing employment contract with an existing employee of the SLA Group, where
 - (A) the total employment costs payable to that potential or existing employee exceed or would exceed \$200,000 per annum (as applicable) (individually); or
 - (B) the employee is a member of SLA's executive leadership team;
 - (v) enters into new employment contracts with potential or existing employees of the SLA Group (or varies the annual remuneration payable to such employees (other than any variation to the extent required to comply with

applicable awards)) where the total employment costs payable to those potential or existing employees exceeds or would exceed \$800,000 per annum (in aggregate);

- (vi) accelerates the rights of any director or employee to compensation or benefits of any kind, or amend in any material respect the terms of the Equity Incentive Plan Rules (in each case otherwise than as disclosed in writing in the Disclosure Materials or as permitted by clause 8);
- (vii) pays or agrees to pay any of its directors or employees a bonus, termination payment or any other increase in fees or benefits (otherwise than in accordance with an existing contract in place at the date of this document or as disclosed in writing in the Disclosure Materials);
- (viii) enters into any enterprise bargaining agreement;
- (ix) makes any loans, advances or capital contributions to, or investments in, any other person, other than in connection with the terms of joint venture or franchise arrangements disclosed in the Disclosure Materials or joint venture or franchise agreements entered after the date of this document entered into in the ordinary course and in accordance with this document;
- (x) enters into or resolves to enter into a transaction with any related party of SLA (other than a related party which is a member of the SLA Group) as defined in section 228 of the Corporations Act (otherwise than in accordance with an existing contract in place at the date of this document or as disclosed in writing in the Disclosure Materials);
- (xi) commits any material default under an agreement or arrangement which is material in the context of the SLA Group taken as a whole;
- (xii) settles or offers to settle any legal proceedings, Claim, investigation arbitration or other like proceeding where the settlement amount exceeds \$750,000;
- (xiii) accepts as a compromise of a matter less than the full compensation due to it or any other member(s) of the SLA Group where the compromise is more than \$750,000 or waives any material Third Party default where the financial impact upon the SLA Group would be in excess of \$750,000;
- (xiv) materially changes any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards;
- (xv) obtains or applies for any new regulatory authorisations, licences or permissions, other than in connection with any new clinic opening or any joint venture or franchise arrangements entered into in accordance with the disclosures in the Disclosure Letter;
- (xvi) takes actions, or omits to take any reasonable actions, which result in or are reasonably likely to result in any regulatory authorisations, licences or permissions held by any member of the SLA Group being suspended, modified, revoked or not renewed in circumstances where such suspension, modification, revocation or non-renewal would materially impact the ability to carry on the business of the relevant member of the SLA Group in the manner in which it is carried on at, or has been carried on in the 12 months prior to, the date of this document;

- (xvii) disposes of shares held in any other member of the SLA Group;
- (xviii) entering into, or materially altering the material terms of, any franchise agreement so that the new or amended terms of the franchise agreement are materially inconsistent with those entered into by the member of the SLA Group prior to the date of this document and as disclosed in the Disclosure Materials;
- (xix) changes the ownership (or changes the ownership structure) of more than 5 clinic owners or clinics operated by the SLA Group (or which the SLA Group has an investment in);
- (xx) enters into a contract or commitment restraining a member of the SLA Group from competing with any person or conducting activities in any market, other than in the ordinary course, or enters into or materially amends or terminates, or agrees to enter into or materially amend or terminate, any contract with a person other than another member of the SLA Group that:
 - (A) could reasonably be expected to generate revenue for the SLA Group, or that contemplates expenditure by the SLA Group, in excess of \$750,000 in any 12 month period; or
 - (B) has a term of more than 1 year;
- (xxi) incurs, or agrees to incur, any additional Indebtedness or trade credit, other than trade credit in the ordinary course of business and Indebtedness to another member of the SLA Group, or enters into, or amends, any agreements in respect of Indebtedness;
- (xxii) acquires, disposes of, agrees to acquire or agrees to dispose of, any securities, business, asset, entity or undertaking having a value exceeding \$1,000,000 (individually) or \$2,000,000 (in aggregate), to any person other than another member of the SLA Group;
- (xxiii) writes down any of its material assets by an amount more than \$100,000 per individual asset or more than \$500,000 in aggregate, other than as required by applicable accounting standards or law;
- (xxiv) does anything that would result in a change to the membership of the SLA Consolidated Tax Group (other than changes to membership of the SLA Consolidated Tax Group which arise from actions expressly permitted by clause 6.3(d));
- (xxv) authorises, procures, commits or agrees to do any of the things expressly referred to in the paragraphs (i) to (xxiv) above.

6.3 Exception

Nothing in clause 6.2 restricts the ability of a member of the SLA Group to take any action which:

- (a) is expressly required by this document or the Scheme;
- (b) has been Fairly Disclosed in the Disclosure Materials or the Disclosure Letter or in any document lodged with ASX by SLA in the 24 months prior to the date of this document;

- (c) is required by any applicable law, regulation, generally accepted accounting standards or generally accepted accounting principles, contract (but only to the extent such contract was entered into, and a copy of which was Fairly Disclosed in the Disclosure Materials, before the date of this document or otherwise in accordance with this document) or by a Government Agency;
- (d) is in connection with:
 - (i) any new clinic opening (including any corporate, joint venture or traditional franchise clinics);
 - (ii) any changes to the ownership (or changes the ownership structure) of any clinic (including in connection with the conversion of a clinic from one ownership model used by the SLA Group (corporate clinic, joint venture franchise or traditional franchise) to another); or
 - (iii) the relocation or renewal (including under any corporate, joint venture or traditional franchise arrangements) of any clinics;
 - (iv) providing temporary fee relief to any clinic based on that clinic's circumstances,

in each case to the extent it is in the ordinary course of the Business and substantially consistent with past practice of the SLA Group;
- (e) is within the Actual Knowledge of API before the date of this document;
- (f) is required to pay any Tax when due;
- (g) is required to pay any Transaction Costs or GST in respect of any Transaction Costs in respect of which a reasonable estimate of, a copy of any engagement letter or the basis for charging was Fairly Disclosed in the Disclosure Materials or the Disclosure Letter, provided that no Indebtedness is incurred to pay the Transaction Costs or GST in respect of any Transaction Costs;
- (h) has been consented to in writing by API (such consent not to be unreasonably withheld or delayed);
- (i) is to reasonably respond to any emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property, or a disease epidemic or pandemic, including the outbreak, escalation or any impact of, or recovery from, such epidemic or pandemic) affecting the business of the SLA Group to a material extent and provided that, to the extent reasonably practicable, SLA has consulted in good faith with API in respect of the proposal to take such action or not take such action (as applicable) and consider any reasonable comments or requests of API in relation to such proposal in good faith;
- (j) is in connection with an actual, proposed or potential Competing Proposal as permitted by clause 9.6; or
- (k) increases Indebtedness as a result of any member of the SLA Group drawing down funds pursuant to the Working Capital Facility where such draw down is in connection with any member of the SLA Group making any payment required or contemplated by this document or the Scheme (other than the payment of Transaction Costs) and the aggregate of all funds drawn pursuant to the Working Capital Facility does not exceed \$3 million.

6.4 Deemed consent

If SLA requests API's consent for the purposes of clause 6.3(h) and API does not notify SLA within 5 Business Days of the request being made then API will be deemed to have consented to the relevant matters the subject of the request.

6.5 Data room access

Subject to the Protocols and applicable competition laws, between the date of this document and the Implementation Date (both dates inclusive), SLA must make available to the API Group and each of their Representatives access to the Data Room, including all materials in the Data Room and written responses provided by or on behalf of SLA to requests for information made on or behalf of API disclosed prior to the date of this document, on the basis that such materials can be printed and downloaded, and in the case of Microsoft Excel Workbook files and similar file formats, edited once downloaded.

6.6 Access

Subject to clauses 6.6(e), 6.6(f) and 6.6(g), the Protocols and applicable competition laws, between the date of this document and the Implementation Date (both dates inclusive), SLA must use reasonable endeavours to procure that, subject to API providing reasonable notice, API is provided with reasonable access during normal business hours to information, documents, records, premises and senior executives, of any member of the SLA Group, where API reasonably requests such access for the purposes of:

- (a) implementation of the Transaction;
- (b) obtaining an understanding, or furthering its understanding, of the SLA Group or its business, financial position, prospects or assets in order to allow API to develop, finalise and implement its plans for the SLA Group following implementation of the Transaction;
- (c) keeping API informed of material developments relating to the SLA Group; or
- (d) any other purpose agreed between API and SLA,

provided that:

- (e) compliance with any such request would not, in the reasonable opinion of SLA (acting in good faith), result in undue disruption to the SLA Group's business;
- (f) nothing in this document (except as expressly required by clause 9) requires SLA to provide any information concerning its directors' or management's consideration of the Scheme or any Competing Proposal; and
- (g) any information provided by SLA pursuant to this clause 6.6 will be subject to the Confidentiality Agreement.

6.7 Implementation and integration planning

- (a) Subject to the Protocols and applicable competition law:
 - (i) the parties must work together in good faith from the date of this document up to and including the Implementation Date to commence planning for the merger and integration of SLA and the API Group following the Implementation Date;

- (ii) as soon as practicable after the date of this document, the parties will constitute a transition committee which will consist of an equal number of members of the management team of each of SLA and the API Group and such other persons as API and SLA may agree from time to time (**Transition Committee**); and
 - (iii) the role of the Transition Committee will be to act as a forum for discussion and planning, but not decision making, in relation to overseeing the progress of the Transaction in accordance with this document, sharing of information, and assisting with the eventual transition of the control of SLA to API upon the Scheme becoming Effective.
- (b) The Transition Committee will meet fortnightly for the first 2 months following the date of this document and then weekly thereafter or otherwise as reasonably required by either party in order to discuss matters relevant to integration of the merged businesses.
 - (c) At each Transition Committee meeting immediately following SLA senior management reporting to the SLA Board on the financial and operational performance of the business of the SLA Group for the prior month, SLA must provide API with information on the SLA Group's financial and operational performance for the prior month (including any material developments in the SLA Group business), provided that this will not require SLA to prepare any information that has not already been provided to the SLA Board or change the form of presentation of such information.
 - (d) The parties acknowledge and agree that:
 - (i) nothing in this clause 6.7:
 - (A) requires a party to act at the direction of the other party or imposes any obligation on any party to conduct its business in accordance with any direction or representation made by the other party;
 - (B) in any way, or to any extent, limits SLA's conduct of the business of the SLA Group; or
 - (C) requires any party to act or participate in any forum to the extent that doing so is contrary to law or the requirements of any Government Agency;
 - (ii) the respective businesses of the API Group and the SLA Group are to continue to operate independently until the Implementation Date; and
 - (iii) nothing in this document is intended to constitute or create the relationship of partnership, joint venture or similar.

6.8 Appointment of directors

- (a) API will:
 - (i) nominate in writing persons to be appointed as new directors of SLA and other officers of SLA; and
 - (ii) obtain consents to act signed by such persons before the Scheme Record Date; and

upon receipt of such, SLA undertakes, subject to the implementation of the Scheme in accordance with its terms including the Scheme Consideration having been provided to Scheme Shareholders, that it will with effect on and from the Implementation Date:

- (iii) take all actions necessary to appoint the persons nominated by API as new directors of SLA and each other member of the SLA Group with effect from (and subject to) implementation of the Scheme;
- (iv) procure that:
 - (A) all directors of SLA;
 - (B) all directors of each other member of the SLA Group which is wholly owned by SLA; and
 - (C) any director appointed by SLA to a member of the SLA Group which is not wholly owned by SLA (but excluding any director appointed by another third party equity-holder in that member of the SLA Group),

(in each case, other than directors appointed pursuant to clause 6.8(a)(i) or any other existing directors which API has agreed in writing will continue to be directors) resign as directors with effect from and subject to implementation of the Scheme and provide written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against SLA or any other member of the SLA Group (other than in their capacity as an employee of, or consultant to, a member of the SLA Group, if applicable); and

- (v) procure that:
 - (A) all company secretaries and public officers of SLA;
 - (B) all company secretaries and public officers of each other member of the SLA Group which is wholly owned by SLA; and
 - (C) any company secretary or public officer appointed by SLA to a member of the SLA Group which is not wholly owned by SLA (but excluding any company secretary or public officer appointed by another third party equity-holder in that member of the SLA Group),

(in each case, other than company secretaries or public officers appointed pursuant to clause 6.8(a)(i) or any other existing company secretaries or public officers which API has agreed in writing will continue to be company secretaries or public officers (as applicable)) resign as company secretaries or public officers (as applicable) with effect from and subject to implementation of the Scheme and provide written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against SLA or any other member of the SLA Group (other than in their capacity as an employee of, or consultant to, a member of the SLA Group, if applicable),

in each case in accordance with the constitution of the relevant member of the SLA Group, the Corporations Act and the Listing Rules.

6.9 Deeds of indemnity and insurance

- (a) Subject to the Scheme becoming Effective and to clause 6.9(b), API undertakes in favour of SLA and each SLA Indemnified Party that it will:
- (i) procure that SLA and each member of the SLA Group complies with any deeds of indemnity, access and insurance (or equivalent) made by them in favour of their respective directors and officers who were in office prior to the Scheme becoming Effective;
 - (ii) for a period of 7 years from the Implementation Date, ensure that the constitutions of SLA and each other member of the SLA Group continue to contain rules which are no less favourable overall than the rules contained in those constitutions at the date of this document that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the SLA Group;
 - (iii) without limiting clause 6.9(a)(i), ensure that:
 - (A) it will arrange for SLA to put in place directors' and officers' run-off insurance cover agreed to in writing between API and SLA for the current and former directors and officers of the SLA Group with the same, or substantially the same, scope and terms as existing applicable insurance policies in place, prior to the Implementation Date for a period of no less than 7 years following the Implementation Date (such cover for the avoidance of doubt to be limited to actions, events, omissions, matters, circumstances or otherwise in respect of current and former directors and officers of the SLA Group, in each case on and from 11 December 2020);
 - (B) API consults with SLA prior to arranging for the final terms of the cover referred to in clause 6.9(a)(iii)(A); and
 - (C) It will confirm in writing once the cover referred to in clause 6.9(a)(iii)(A) is ready to be put in place (having previously provided a draft of such cover and its terms to SLA),

and SLA undertakes in favour of API that it will promptly put in place the cover referred to in clause 6.9(a)(iii)(A) on receipt of the written confirmation from API in accordance with clause 6.9(a)(iii)(C) and SLA will provide written confirmation to API once the cover is put in place; and
 - (iv) not cancel or materially amend the SLA Group directors' and officers' run-off insurance cover in place (and paid for) for the period prior to 11 December 2020 as disclosed in the Disclosure Materials.
- (b) The undertaking in clause 6.9(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) SLA receives and holds the benefit of clause 6.9(a) on behalf of all SLA Indemnified Parties.
- (d) The undertakings contained in clause 6.9(a) are given until the earlier of the relevant period specified in clause 6.9(a) or the relevant SLA Group member ceasing to be part of the API Group.

6.10 D&O insurance

Each party acknowledges that, notwithstanding any other provision of this document, if API has not confirmed in writing that it has arranged for SLA to put in place cover in accordance with clause 6.9 by the Scheme Record Date (or such other date that the parties agree in writing), SLA may, unless otherwise agreed with API in writing, prior to the Implementation Date, enter into arrangements to secure and place a directors' and officers' run-off insurance policy in respect of any current or former director or officer of any member of the SLA Group that applies for no less than a 7 year period following the Implementation Date.

7 Change of Control Rights

- (a) As soon as reasonably practicable after the date of this document, API and SLA must seek to identify any change of control or similar provisions, unilateral termination rights in contracts (including leases) and licences of the SLA Group which the parties agree, acting reasonably, are material to the business of the SLA Group taken as a whole and which may be triggered by the implementation of the Scheme or exercised in response to the implementation of the Transaction (**Change of Control Rights**). The parties must also seek to identify any expired contracts, leases or licences (**Expired Contracts**) of the SLA Group under which the SLA Group continues to operate.
- (b) API and SLA must cooperate with each other in good faith, and will take all actions reasonably required by API, to seek to obtain any consents or waivers required in accordance with the Change of Control Rights (or renewal of Expired Contracts on substantially similar terms) as soon as practicable after the date of this document and in any event before the Second Court Date and on terms reasonably acceptable to API.
- (c) API and SLA must use all reasonable endeavours to agree a proposed course of action (which, among other things, will have due regard to applicable legal restrictions) for notification to be made to, or consent or waiver to be sought from, all counterparties to contracts, or issuers of licences, with Change of Control Rights (and renewal of Expired Contracts), which may include joint discussions if required or requested by API.
- (d) SLA must use, and must procure that its respective directors and employees use, all reasonable endeavours to diligently procure consents or waivers from counterparties to contracts, or issuers to licences with Change of Control Rights, in the manner contemplated by the terms of the relevant contract or licence as well as renewal of Expired Contracts where API requests.
- (e) SLA must cooperate with, and provide reasonable assistance to, API to obtain such consents or confirmations in respect of the Change of Control Rights (or renewal of the Expired Contracts) as expeditiously as possible, including by promptly providing any information reasonably required by counterparties or issuers in relation to Change of Control Rights (and Expired Contracts) and making representatives available, where necessary and reasonable, to meet with counterparties to deal with issues arising in relation to the matter.
- (f) API must not, and must procure that its Related Bodies Corporate and Representatives do not, contact or hold discussions with any party from whom contract renewal, consent or confirmation is required without the prior written consent of SLA.

- (g) Nothing in this clause 7 or any other provision of this document requires API to agree to any new conditions or to provide any new guarantees or security to a contract counterparty or licence issuer which are not reasonably acceptable to API.
- (h) Neither:
 - (i) the failure to obtain any consent under this clause 7; or
 - (ii) in respect of any SLA Group lease, the requirement to repay fit out costs or make similar payments due to the failure to obtain any consent under this clause 7,

will constitute or contribute to a breach of this document by SLA nor a breach of any Condition Precedent, provided that SLA has acted in good faith in seeking to obtain the relevant consents or contract renewals under this clause 7. Any such failure, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this document.

8 SLA Rights and SLA Employee Loans

SLA represents and warrants to API that as at the date of this document, there are 638,348 outstanding SLA Rights.

- (a) SLA must take such action (including the exercise of any relevant discretion by the SLA Board and, if required, entering into any agreement with the holder of SLA Rights) as is necessary to ensure that, subject to the Scheme becoming Effective:
 - (i) all of the SLA Rights vest and convert into SLA Shares prior to the Scheme Record Date;
 - (ii) SLA makes a cash payment to the holders of the SLA Rights for an amount that does not exceed the amount equal to the Scheme Consideration less any amounts payable on exercise of the relevant SLA Rights for the number of SLA Shares to which those SLA Rights relate (and such payment to be made at the same time as payment is made to the Scheme Shareholders under the Scheme), and ensures that all such SLA Rights are cancelled after the Effective Date but on or before the Implementation Date; or
 - (iii) SLA takes any action as may otherwise be necessary to cancel the SLA Rights in respect of which API consents in writing (such consent not to be unreasonably withheld or delayed),

and must otherwise ensure that, as at the Implementation Date, there are no outstanding SLA Rights.

- (b) Without limiting clause 8(a), SLA agrees to:
 - (i) provide API with all reasonably requested information in relation to SLA Rights or holders of SLA Rights;
 - (ii) facilitate discussions and negotiations between API and holders of SLA Rights, where reasonably requested by API; and
 - (iii) seek any waivers or confirmations from ASX and take such other steps that API considers are reasonably necessary in order to ensure an outcome whereby, following implementation of the Transaction, the only issued

securities of SLA are the Scheme Shares transferred to API under the Scheme.

- (c) For the avoidance of doubt, API acknowledges and agrees that, notwithstanding any other provision of this document the SLA Board can exercise such discretions and authorise such actions under the terms of SLA's long term incentive plan provided in the Disclosure Materials as it considers necessary or desirable to give effect to the arrangements contemplated by this clause 8 (including, for the avoidance of doubt, acquiring or procuring the acquisition of SLA Shares on-market for the purpose of satisfying entitlements to SLA Shares on vesting of any SLA Rights) provided that the amounts paid to a holder of SLA Rights in respect of such rights does not exceed the amount equal to the Scheme Consideration less any amounts payable on exercise of the relevant SLA Rights for the number of SLA Shares to which those SLA Rights relate.
- (d) The parties agree that:
 - (i) each SLA Employee Loan will be repaid in full, which repayment may be made out of the Scheme Consideration in respect of the SLA Employee Loan Shares to which such SLA Employee Loan relates; and
 - (ii) API may in accordance with the terms of the Scheme transfer that part of the Aggregate Scheme Consideration equal to the SLA Employee Loan Amount in respect of each SLA Employee Loan to SLA in repayment of each outstanding SLA Employee Loan and such payment will be in part satisfaction of the obligation to pay that part of the Aggregate Scheme Consideration,

and SLA represents and warrants to API that all SLA Employee Loan Shares and Employee Loan Amounts are accurately set out in the Disclosure Letter (by reference to the relevant SLA employee).

9 Exclusivity

9.1 Termination of existing discussions

SLA represents and warrants to API that, as at the date of this document:

- (a) neither SLA nor any of its Representatives is in any negotiations or discussions; and
- (b) SLA and its Representatives have ceased any existing negotiations or discussions, with any person in relation to, or which could reasonably be expected to lead to, an actual, proposed or potential Competing Proposal (other than, for the avoidance of doubt, the discussions with API and its Representatives in respect of the Transaction) and with respect to any such person:
- (c) SLA and its Representatives have terminated any due diligence access granted to such person which, for the avoidance of doubt, will be satisfied by closing any data room established by SLA or its Representatives and ceasing the access of that person and its Representatives; and
- (d) SLA and its Representatives have required the return or destruction by that person of any non-public information in accordance with the terms of any confidentiality

agreement executed with such person (and will use reasonable endeavours to ensure compliance with the terms of such agreement).

9.2 No-shop

During the Exclusivity Period, SLA must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) solicit, encourage, initiate or invite any enquiries, expressions of interest, offers, discussions, negotiations or proposals in relation to, or which may reasonably be expected to encourage or lead to, an actual, proposed or potential Competing Proposal (or which may otherwise lead to the Transaction not being completed);
- (b) solicit, initiate or invite approaches, enquiries, expressions of interests, offers, discussions or proposals with a view to obtaining any offer, proposal or expression of interest from any person in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal; or
- (c) solicit, initiate or encourage any party (other than API or its Representatives) to undertake due diligence on SLA or any member of the SLA Group, or any of their business and operations, in connection with or with a view to formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal,

or communicate to any person any intention to do any of the things referred to in clause 9.2(a) or 9.2(b).

9.3 No-talk

- (a) Subject to clause 9.6, during the Exclusivity Period, SLA must not, and must ensure that its Representatives do not:
 - (i) negotiate, accept or enter into or offer or agree to negotiate, accept or enter into or facilitate or participate in or continue any negotiations or discussions with any other person regarding an actual, proposed or potential Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to encourage or lead to an actual, proposed or potential Competing Proposal or which may otherwise lead to the Transaction not being completed, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by SLA or any of its Representatives or the person has publicly announced the Competing Proposal; or
 - (ii) communicate to any person any intention to do any of the things referred to in clause 9.3(a)(i).
- (b) For the avoidance of doubt, nothing in this clause 9.3 prohibits SLA or its Representatives from communicating with another person for the purpose of informing that person that SLA and its Representatives will not enter into any discussions or negotiations in relation to a Competing Proposal to the extent prohibited by this document.

9.4 No due diligence

- (a) Without limiting clause 9.3, but subject to clause 9.6, during the Exclusivity Period, SLA must not, and must ensure that none of its Representatives, directly or indirectly, make available to any other person (other than API or its

Representatives) or permit such person to receive any Non-public Information, in connection with or with a view to obtaining or which may reasonably be expected to encourage or lead to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

- (b) This clause 9.4 does not prevent SLA from providing information to ASX or SLA's auditors and advisers in the ordinary course of business or to otherwise effect the negotiation and entry into this document.

9.5 Notification obligation

During the Exclusivity Period, SLA must promptly notify API in writing as soon as reasonably practicable and in any event within 24 hours if it or any of its Representatives:

- (a) are approached, by any person in relation to an actual, proposed or potential Competing Proposal (including, for the avoidance of doubt, any request or proposal to which clauses 9.2, 9.3 and/or 9.4 may apply), and that notice must include all material details of the Competing Proposal, including (in each case to the extent known by SLA or any of its employees, officers or Advisers):
 - (i) the key terms of any Competing Proposal (including, if specified, the price, consideration, conditions precedent, structure, timing, break fee (if any), financing and due diligence requirements); and
 - (ii) the identity of the proponent(s) of any Competing Proposal;
- (b) receives any request for information relating to SLA or any of its Related Entities or any of their businesses or operations or any request for access to the books or records of SLA or any of its Related Entities, which SLA has reasonable grounds to suspect may relate to an actual, proposed or potential Competing Proposal and must disclose to API the identity of the party making the request and details of the request;
- (c) provides any Non-public Information relating to SLA or any of its Related Entities or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Proposal; and
- (d) become aware of any material developments in relation to any actual, proposed or potential Competing Proposal, including in respect of any of the information previously notified to API under this clause 9.5.

9.6 Fiduciary exception

Each of clauses 9.3 and 9.4 do not apply to the extent that the relevant clause restricts SLA or the SLA Board (or SLA's Representatives) from taking or refusing to take any action with respect to an actual, proposed or potential Competing Proposal (which was not solicited, encouraged, initiated or invited by SLA or its Representatives in breach of clause 9.2) provided that the SLA Board determines, acting in good faith:

- (a) after consulting with its financial advisers that the actual, proposed or potential Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal; and
- (b) after receiving written advice from its external legal advisers that compliance with clause 9.3 and/or 9.4 (as applicable), or failure to respond to the actual, proposed or potential Competing Proposal, would (or may be reasonably likely to) be contrary to the fiduciary or statutory duties or obligations of the SLA Directors.

9.7 Matching right

- (a) Without limiting any other part of this clause 9, during the Exclusivity Period, SLA:
- (i) must procure that no SLA Director withdraws, changes, or qualifies his/her recommendation of the Scheme in accordance with clause 2.3(a) and that no SLA Director publicly recommends a Competing Proposal; and
 - (ii) must not enter into any agreement, arrangement or understanding (whether or not in writing, but excluding a confidentiality agreement) pursuant to which a Third Party, SLA or both proposes or propose to undertake or give effect to a Competing Proposal,
- unless:
- (iii) the SLA Board determines after consultation with its legal and financial advisers, that the Competing Proposal is, or following the taking of reasonable steps would likely be, a Superior Proposal;
 - (iv) SLA has given API written notice (**Matching Right Notice**) of the key terms of the Competing Proposal (including the identity of the person(s) who made the Competing Proposal, and the material terms and conditions of the Competing Proposal, including price (or implied value), consideration, conditions precedent, timing, break fee provisions (if any)), in each case to the extent known by SLA; and
 - (v) API does not, within 5 Business Days after SLA gives the Matching Right Notice, make an irrevocable written offer to SLA to increase the Scheme Consideration or otherwise improve the terms of the Transaction (**API Counterproposal**) that the SLA Board determines (acting in good faith, and after consultation with its legal and financial advisers) would produce an outcome for SLA Shareholders that is at least as favourable to them as the outcome that would be produced by the Competing Proposal.
- (b) SLA acknowledges and agrees that each successive material modification of any actual, proposed or potential Competing Proposal will constitute a new actual, proposed or potential Competing Proposal for the purposes of the requirements under this clause 9.7 and accordingly SLA must comply with clause 9.7(a) in respect of any new actual, proposed or potential Competing Proposal.
- (c) Despite any other provision of this document, a statement by SLA or the SLA Board to the effect that:
- (i) the SLA Board has determined that a Competing Proposal is, or following the taking of reasonable steps would likely be, or may reasonably be expected to lead to, a Superior Proposal; or
 - (ii) SLA has commenced the matching rights process in this clause 9.7;
 - (iii) SLA Shareholders should take no action pending the completion of the matching rights process in this clause 9.7; or
 - (iv) SLA has taken any steps permitted by clause 9.6 in relation to a Competing Proposal,

does not of itself:

- (v) constitute a change, withdrawal, modification or qualification of any recommendation by the SLA Board or any SLA Director or an endorsement of a Competing Proposal;
- (vi) contravene this document;
- (vii) give rise to an obligation to pay the Break Fee under clause 10.2; or
- (viii) give rise to a termination right under clause 13.

9.8 API Counterproposal

- (a) If, following receipt of a Matching Right Notice, API makes an API Counterproposal before the expiry of the 5 Business Day period referred to in clause 9.7(a)(v), SLA must procure that the SLA Board promptly considers the API Counterproposal, to determine whether, acting in good faith, the API Counterproposal would produce an outcome for SLA Shareholders that is at least as favourable to them as the outcome that would be produced by the Competing Proposal (**Matching Counterproposal**). Following that determination, SLA must:
 - (i) procure that the SLA Board promptly, and in any event within 1 Business Day, notifies API of the determination in writing, stating reasons for that determination; and
 - (ii) if the determination is that the API Counterproposal is a Matching Counterproposal, then for a period of 3 Business Days after SLA delivers to API the notice referred to in clause 9.8(a)(i):
 - (A) SLA must not provide any due diligence information to the person making the Competing Proposal (or to their representatives);
 - (B) API and SLA must promptly agree such matters (including, if applicable, amendments to this document and the Scheme) as are reasonably necessary to give effect to the Matching Counterproposal; and
 - (C) subject to the parties reaching agreement as contemplated by clause 9.8(a)(ii)(B), SLA must use all reasonable endeavours to procure that each of the SLA Directors continues to recommend the Scheme (as modified by the API Counterproposal) to SLA Shareholders (subject to the occurrence of one or more of the events referred to in clause 2.3(b)).

9.9 Normal provision of information

Nothing in this clause 9 will prevent SLA or a Representative of SLA from (directly or indirectly):

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency that the Government Agency has requested in writing or is otherwise required to be provided by law (including to satisfy its obligations under the rules of any stock exchange);

- (c) providing information to its auditors, customers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law (including to satisfy its obligations under the rules of any stock exchange);
- (e) making normal presentations or providing information to, or responding to enquiries from, or engaging with, SLA Shareholders, brokers, portfolio investors and analysts in the ordinary course of business (provided that such action does not result in a breach of clause 9.2, 9.3, and/or 9.4); or
- (f) responding to any person in relation to any offer, inquiry, expression of interest or proposal by that person to make, or that may reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal strictly for the purpose of:
 - (i) acknowledging receipt; or
 - (ii) advising that person that SLA is bound by the provisions of this clause 9 and is only able to engage in negotiations or discussions if the fiduciary exception in clause 9.6 applies,

and provided no further information is provided or discussions or negotiations are entered into.

10 Break Fees

10.1 Background

This clause 10 has been agreed to in circumstances where:

- (a) each of API and SLA believes it and its shareholders and investors will derive significant benefits from the implementation of the Scheme;
- (b) each party has incurred and will further incur, significant costs in connection with the Scheme, which will include significant opportunity costs if the Scheme is not implemented;
- (c) each party has requested that provision be made for the payment outlined in clause 10.2 or 10.3 (as applicable), and would not have entered into this document had such provision not been made;
- (d) SLA believes that it is appropriate to agree to pay the Break Fee to secure API's entry into this document;
- (e) API believes that it is appropriate to agree to pay the Reverse Break Fee to secure SLA's entry into this document; and
- (f) each of API and SLA has received legal advice in relation to this document and the operation of this clause 10.

API and SLA acknowledge and agree that the costs referred to in clause 10.1(b) are of such a nature that they cannot be precisely quantified, but that the Break Fee and the Reverse Break Fee are each a genuine and reasonable pre-estimate of those costs.

10.2 Payment of Break Fee

Subject to clauses 10.4 and 10.6, and provided that SLA has not terminated this document in accordance with clause 13.1(a)(ii), SLA must pay API the Break Fee, without set-off or withholding and within 10 Business Days after receipt of a written demand from API, if any of the following events occur:

- (a) at any time after the date of this document and before the termination of this document under clause 13, a Competing Proposal of the type referred to in paragraph (a)(i) or paragraph (a)(iii) of the definition of "Competing Proposal" is made or announced by a Third Party (**Relevant Competing Proposal**), and, within 12 months thereafter:
 - (i) the Relevant Competing Proposal or another Competing Proposal of the type referred to in paragraph (a)(i) or paragraph (a)(iii) of the definition of "Competing Proposal" is completed, implemented or consummated;
 - (ii) a Third Party acquires Control of, or merges with, SLA; or
 - (iii) a Third Party acquires Voting Power of (or an economic interest in) 50% or more of SLA Shares or acquires or obtains an economic interest in all or a substantial part of the assets of the SLA Group,other than:
 - (iv) where the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of SLA Shareholders or withdraws its Independent Expert's Report prior to 5.00pm on the Business Day before the Second Court Date, except where the reason for that conclusion or withdrawal is a Competing Proposal;
 - (v) in circumstances where SLA has validly terminated this document under clause 13.1(a)(ii); or
 - (vi) where neither of the following occurs in respect of any Relevant Competing Proposal made or announced by a Third Party after the date of this document and before the termination of this document under clause 13:
 - (A) the SLA Board makes the determinations referred to in clauses 9.6(a) and 9.6(b) in respect of that Relevant Competing Proposal, and SLA takes actions which, but for clause 9.6, would have been prohibited by clause 9.3 and/or 9.4 in respect of that Relevant Competing Proposal, in each case after the date of this document and before the termination of this document under clause 13; or
 - (B) the Relevant Competing Proposal is completed, implemented or consummated within the 12 months after the termination of this document under clause 13.
- (b) at any time before the termination of this document, SLA enters into any agreement with a Third Party in respect of a Competing Proposal (excluding a confidentiality agreement) under which that Third Party and SLA agree to undertake or give effect to such Competing Proposal;
- (c) API terminates this document under clause 13.1(a)(ii), 13.2(a) or 13.2(c);

- (d) prior to the End Date, any SLA Director publicly:
 - (i) withdraws or adversely changes his or her recommendation or voting intention as set out in clause 2.3(a); or
 - (ii) makes any public statement to the effect that the Scheme is not, or is no longer, recommended,
other than:
 - (iii) where the Independent Expert concludes in the Independent Expert's Report that the Scheme is not in the best interests of SLA Shareholders prior to 5.00pm on the Business Day before the Second Court Date, except where the reason for that conclusion is a Competing Proposal; or
 - (iv) in circumstances where SLA has validly terminated this document under clause 13.1,

provided that statement made by SLA or the SLA Board to the effect that no action should be taken by SLA Shareholders pending the assessment of a Competing Proposal by the SLA Board or the completion of the matching right process set out in clause 9.7, and any other statement referred to in clause 9.7(c), will not of itself require SLA to pay the Break Fee.

10.3 Payment of Reverse Break Fee

Subject to clauses 10.4 and 10.6, and provided that API has not terminated this document in accordance with clause 13.1(a)(ii) or clause 13.2, API must pay SLA the Reverse Break Fee, without set-off or withholding and within 10 Business Days after receipt of a written demand from SLA, if SLA validly terminates this document in accordance with clause 13.1(a)(ii).

10.4 Payment conditions

- (a) Notwithstanding the occurrence of any event described in clauses 10.2 or 10.3, neither the Break Fee nor the Reverse Break Fee will be payable under the relevant clause if the Scheme (including with any agreed amendments to the Scheme) becomes Effective. If the Break Fee has been paid and then the Scheme (including with any agreed amendments to the Scheme) subsequently becomes Effective, the Break Fee must be immediately refunded to SLA by API. If the Reverse Break Fee has been paid and then the Scheme (including with any agreed amendments to the Scheme) subsequently becomes Effective, the Reverse Break Fee must be immediately refunded to API by SLA.
- (b) SLA can only ever be liable to pay the Break Fee once.
- (c) API can only ever be liable to pay the Reverse Break Fee once.

10.5 Nature of payment

- (a) The Break Fee payable by SLA under clause 10.2 is an amount to compensate API for the following costs and expenses:
 - (i) external advisory costs (excluding success fees);
 - (ii) internal costs such as costs of management and directors' time, risk management costs and capital costs;

- (iii) out-of-pocket expenses; and
 - (iv) opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which otherwise could have been developed.
- (b) The Reverse Break Fee payable by API under clause 10.3 is an amount to compensate SLA for the following costs and expenses:
 - (i) external advisory costs (excluding success fees);
 - (ii) internal costs such as costs of management and directors' time, risk management costs and capital costs;
 - (iii) out-of-pocket expenses; and
 - (iv) opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative strategic initiatives which otherwise could have been developed.
- (c) Subject to clause 10.5(f), but notwithstanding any other clause in this document:
 - (i) the maximum aggregate amount that SLA is required to pay in relation to this document (including any breach of this document) is the Break Fee and in no event will the aggregate liability of SLA in connection with this document exceed the Break Fee; and
 - (ii) if an amount is paid by SLA under clause 10.2, that amount is received by API in complete settlement of any and all Claims that API may have against SLA in respect of the Scheme or in connection with this document other than in the case of fraud.
- (d) Subject to clause 10.5(e) and 10.5(f), but notwithstanding any other clause in this document:
 - (i) the maximum aggregate amount that API is required to pay in relation to this document (including any breach of this document) is the Reverse Break Fee and in no event will the aggregate liability of API in connection with this document exceed the Reverse Break Fee; and
 - (ii) if an amount is paid by API under clause 10.3, that amount is received by SLA in complete settlement of any and all Claims that SLA may have against API in respect of the Scheme or in connection with this document, other than in the case of fraud.
- (e) Nothing in this clause 10 limits the liability of API in connection with the Deed Poll or the obligations under clause 2.2(b). For the avoidance of doubt, any amounts paid or payable by API in respect of any such obligation shall be disregarded for the purposes of clause 10.5(d).
- (f) The parties acknowledge that specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach of this document by any party or for a breach of the Deed Poll, notwithstanding the ability of the parties to demand payment of the Break Fee or Reverse Break Fee (as the case may be).

10.6 Compliance with law

- (a) This clause 10 imposes obligations on SLA and API to pay the Break Fee or Reverse Break Fee (as applicable) only to the extent that the performance of those obligations:
- (i) does not constitute unacceptable circumstances as declared by the Takeovers Panel;
 - (ii) does not breach the fiduciary or statutory duties of any SLA Director or API director (as applicable); and
 - (iii) is not otherwise unlawful or held to be unenforceable by a court,
- provided that, in the cases of clauses 10.6(a)(i) or 10.6(a)(iii):
- (iv) all lawful avenues of appeal and review have been exhausted;
 - (v) the period for lodging an appeal or commencing review proceedings has expired without an appeal having been lodged or review proceedings commenced; or
 - (vi) API and SLA agree in writing not to appeal or seek review of the decision to impose that requirement.
- (b) If any of clause 10.6(a)(i), 10.6(a)(ii) or 10.6(a)(iii) applies, the Break Fee or Reverse Break Fee (as applicable) will be deemed to be reduced by the relevant amount for the purposes of this clause 10 (which may be up to all of the Break Fee or Reverse Break Fee (as applicable)) so that none of clause 10.6(a)(i), 10.6(a)(ii) or 10.6(a)(iii) continues to apply.
- (c) If the Break Fee has already been paid by SLA and clause 10.6(a) applies, API must immediately reimburse SLA for all or the relevant part of the Break Fee (as the case may be) within 10 Business Days after receipt of a written demand for reimbursement from SLA.
- (d) If the Reverse Break Fee has already been paid by API and clause 10.6(a) applies, SLA must immediately reimburse API for all or the relevant part of the Break Fee (as the case may be) within 10 Business Days after receipt of a written demand for reimbursement from API.
- (e) The parties must not make, or cause to be made, any application to the Takeovers Panel or a court for, or in relation to, a declaration or determination referred to in clause 10.6(a).

11 Representations and Warranties

11.1 SLA Representations and Warranties

SLA represents and warrants to API that each SLA Representation and Warranty is true and correct as at the date of this document and as at 8.00am on the Second Court Date (unless such SLA Representation and Warranty is expressed to be given at a particular time, in which case it is given at that time).

11.2 API Representations and Warranties

API represents and warrants to SLA that each API Representation and Warranty is true and correct as at the date of this document and as at 8:00am on the Second Court Date (unless such API Representation and Warranty is expressed to be given at a particular time, in which case it is given at that time).

11.3 Indemnities

- (a) SLA indemnifies each member of the API Group against all Losses incurred directly or indirectly as a result of any breach of the SLA Representations and Warranties or any SLA Representation and Warranty not being true and correct.
- (b) API indemnifies each member of the SLA Group against all Losses incurred directly or indirectly as a result of any breach of the API Representations and Warranties or any API Representation and Warranty not being true and correct.

11.4 Qualifications on the SLA Representations and Warranties

- (a) The SLA Representations and Warranties and the indemnity in clause 11.3(a) are each subject to, and no SLA Representation or Warranty is breached by reason of, matters that:
 - (i) are required or expressly permitted by this document or the Scheme;
 - (ii) have been Fairly Disclosed in the Disclosure Materials or Disclosure Letter;
 - (iii) have been Fairly Disclosed in any documents lodged with ASX and ASIC by SLA no later than 2 Business Days prior to the date of this document and which can be identified by a search of the PPSR 5 Business Days before the date of this document; or
 - (iv) are within the Actual Knowledge of API as at the date of this document.
- (b) Any matters in this document that are subject to the awareness, knowledge or belief of SLA are given solely by reference to the actual knowledge of the following individuals as at the date of this document:
 - (i) Martin Perelman;
 - (ii) Ivan Jacques;
 - (iii) Boris Bosnich;
 - (iv) Richard Wilson;
 - (v) Darryl Cotter;
 - (vi) Joshua Lawson;
 - (vii) Sheena Everingham;
 - (viii) Adel Farhat;
 - (ix) Cherie Cleland;
 - (x) Nicola Kropach;

- (xi) Emma Rahe;
- (xii) Samantha Starke; and
- (xiii) Michelle Alexander.

11.5 Qualifications on API Representations and Warranties

The API Representations and Warranties and the indemnity in clause 11.3(b) are each subject to, and no API Representation or Warranty is breached by reason of, matters that are required or permitted by this document or the Scheme or any transaction contemplated by either.

11.6 No representations made on economic or future matters

Each party acknowledges and agrees that:

- (a) the other party makes no representation or warranty other than as given or made in this document, the Scheme and the Deed Poll; and
- (b) other than API in respect of the API Representations and Warranties in paragraphs (l) and (m) of Schedule 4, at no time has the other party given or made any representation or warranty in relation to the achievability of:
 - (i) any economic, fiscal or other interpretations or evaluations by it; or
 - (ii) future matters, including future or forecast costs, prices, revenues or profits.

11.7 Survival of Representations and Warranties

Each Representation and Warranty:

- (a) is severable;
- (b) survives termination of this document; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this document.

12 Releases

12.1 Release of SLA Indemnified Parties

- (a) Subject to clause 12.1(b), API releases any and all rights that it has or may have or that may otherwise accrue to it after the date of this document, and agrees with SLA that it will not make any Claim, against any SLA Indemnified Party (excluding SLA and its Related Bodies Corporate) as at the date of this document in connection with:
 - (i) any breach of any covenant, representation or warranty given by SLA under this document;
 - (ii) any disclosures or information provided in connection with this document or the Scheme containing any statement which is false or misleading (whether by omission or otherwise); or

- (iii) any failure to provide information in connection with this document or the Scheme,

except where a SLA Indemnified Party has engaged in wilful misconduct or fraud. To avoid doubt, nothing in this clause 12 limits the rights of SLA to terminate this document under clause 13.

- (b) The release in clause 12.1(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) SLA receives and holds the benefit of clause 12.1(a) on behalf of the SLA Indemnified Parties.

12.2 Release of API Indemnified Parties

- (a) Subject to clause 12.2(b), SLA releases any and all rights that it has or may have or that may otherwise accrue to it after the date of this document, and agrees with API that it will not make any Claim, against any API Indemnified Party (excluding API and any of its Related Entities) as at the date of this document in connection with:

- (i) any breach of any covenant, representation or warranty given by API under this document;
- (ii) any disclosures or information provided in connection with this document or the Scheme containing any statement which is false or misleading (whether by omission or otherwise); or
- (iii) any failure to provide information in connection with this document or the Scheme,

except where a API Indemnified Party has engaged in wilful misconduct or fraud. To avoid doubt, nothing in this clause 12.2 limits the rights of SLA to terminate this document under clause 13.

- (b) The release in clause 12.2(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) API receives and holds the benefit of clause 12.2(a) on behalf of the API Indemnified Parties.

12.3 SLA Indemnified Parties and API Indemnified Parties

The parties acknowledge and agree that:

- (a) in the case of SLA Indemnified Parties, SLA enters into this document for itself and on behalf of each of the SLA Indemnified Parties, each of whom may also rely on and enforce any clause of this document that is expressed to confer a right or benefit on a SLA Indemnified Party; and
- (b) in the case of API Indemnified Parties, API enters into this document for itself and on behalf of each of the API Indemnified Parties, each of whom may also rely on and enforce any clause of this document that is expressed to confer a right or benefit on an API Indemnified Party.

13 Termination

13.1 Termination by API or SLA

- (a) API or SLA may terminate this document:
 - (i) in accordance with clause 3.5; or
 - (ii) at any time before 8:00am on the Second Court Date if the other party commits a breach of this document (including a Representation and Warranty) and:
 - (A) the breach is material in the context of this document and the Scheme taken as a whole;
 - (B) the terminating party has given written notice to the other party setting out the relevant circumstances and stating an intention to terminate this document; and
 - (C) the relevant circumstances are not remedied to the terminating party's reasonable satisfaction and have continued to exist for 20 Business Days from the time such notice is given (or any shorter period ending at 8:00am on the Second Court Date).

For the purposes of this clause 13.1, a breach of clauses 2.3 and 9 by SLA will be taken to be a material breach of this document.

- (b) Termination under clause 13.1(a)(ii) will be deemed to take effect at the expiry of the 20 Business Day period referred to in clause 13.1(a)(ii)(C) (or any shorter period ending at 8:00am on the Second Court Date).

13.2 Termination by API

API may terminate this document, with immediate effect, at any time before 8:00am on the Second Court Date by notice in writing to SLA if:

- (a) SLA enters into any agreement with a Third Party in respect of a Competing Proposal (excluding a confidentiality agreement) under which that Third Party and SLA agree to undertake or give effect to such Competing Proposal; or
- (b) a person (other than API or its associates) and any of its associates acquires a Relevant Interest in more than 20% of the SLA Shares and states publicly that it does not intend to vote in favour of the Transaction;
- (c) any SLA Director:
 - (i) withdraws or adversely changes his or her recommendation or voting intention as set out in clause 2.3(a);
 - (ii) makes any public statement that he or she no longer recommends the Scheme; or
 - (iii) recommends, endorses or supports any Competing Proposal,

in each case:

- (iv) in any circumstances (including following the occurrence of one of the events referred to in clause 2.3(b)),

provided that a statement made by SLA or the SLA Board to the effect that no action should be taken by SLA Shareholders pending the assessment of a Competing Proposal by the SLA Board or the completion of the matching right process set out in clause 9.7, and any other statement referred to in clause 9.7(c), will not of itself give rise to a termination rights under this clause.

13.3 Termination by SLA

SLA may terminate this document, with immediate effect, at any time before 8:00am on the Second Court Date by notice in writing to API if:

- (a) a majority of SLA Directors wishes to (or does) publicly:
 - (i) withdraw or adversely change their Recommendation; or
 - (ii) recommend a Competing Proposal,

in each case provided that one of the events referred to in clause 2.3(b) has occurred; or

- (b) the Independent Expert concludes that the Scheme is not in the best interests of SLA Shareholders or, having previously concluded that the Scheme is in the best interests of SLA Shareholders, changes that conclusion.

13.4 Effect of termination

If this document is terminated in accordance with this clause 13, this document will cease to have force and effect without any liability or obligation on the part of any party, except that:

- (a) this clause 13 and clauses 1, 10, 12, 15, 16, 17, 18 and 19 (other than clause 19.8) and Schedule 1, will survive termination; and
- (b) each party shall retain any rights and remedies that accrued prior to termination, including any rights and remedies in respect of any past breach of this document or (if applicable) in respect of the breach giving rise to termination.

14 Public announcements

14.1 Public announcements on execution

Immediately after execution of this document (or as otherwise agreed between API and SLA), SLA must issue a written public announcement in a form agreed by API and SLA.

14.2 Further public announcements

- (a) SLA must not refer to API, any member of the API Group or the Transaction in any subsequent public announcement or other public statement made by it without the prior written consent of API (not to be unreasonably withheld or delayed), except where:
- (i) required by the terms of this document, applicable law or the Listing Rules;
 - (ii) SLA repeats any material in relation to API or any other member of the API Group which was included in a written public announcement previously made by SLA with the prior written consent of API; or
 - (iii) to the extent that the board of directors of SLA reasonably considers such information should be disclosed to shareholders on the basis that its disclosure would reasonably be expected (by those shareholders) or is otherwise appropriate, having regard to (among other things) the conduct of the parties to date, market practice, the market's expectations as a result and generally,

and provided that, to the extent reasonably practicable in all the circumstances, SLA consults with API prior to making any such announcement and takes into account, in good faith, any reasonable comments of API.

- (b) API must ensure that neither API nor Wesfarmers Limited nor any other member of the API Group refers to SLA, any member of the SLA Group or the Transaction in any subsequent public announcement or other public statement made by it without the prior written consent of SLA (not to be unreasonably withheld or delayed), except where:
- (i) required by the terms of this document, applicable law or the ASX Listing Rules;
 - (ii) Wesfarmers Limited repeats any material in relation to SLA or any other member of the SLA Group which was included in a written public announcement previously made by Wesfarmers Limited with the prior written consent of SLA; or
 - (iii) to the extent that the board of directors of Wesfarmers Limited reasonably considers such information should be disclosed to shareholders on the basis that its disclosure would reasonably be expected (by those shareholders) or is otherwise appropriate, having regard to (among other things) the conduct of the parties to date, Wesfarmers Limited's market practice, the market's expectations as a result and generally,

and provided that, to the extent reasonably practicable in all the circumstances, API consults with SLA prior to making any such announcement and takes into account, in good faith, any reasonable comments of SLA.

- (c) Nothing in this clause 14.2 requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable law or the Listing Rules.
- (d) This clause 14.2 does not apply to any announcement relating to:
- (i) an actual, proposed or potential Competing Proposal; or

- (ii) the termination of this document in accordance with its terms.
-

15 Confidentiality Agreement and Protocols

- (a) Except as otherwise expressly specified in this document, each party acknowledges and agrees that nothing in this document derogates from or limits the provisions of the Confidentiality Agreement or the Protocols.
 - (b) Except as otherwise expressly specified in this document, all information provided under or in connection with this document is subject to the terms of the Confidentiality Agreement and the Protocols.
-

16 Duty, costs, and expenses

16.1 Stamp duty

API:

- (a) must pay all stamp duties and any related fines, interest and penalties in respect of this document, the performance of this document and each transaction contemplated by this document; and
- (b) indemnifies SLA against any liability arising from or in connection with any failure by it to comply with clause 16.1(a).

16.2 Costs and expenses

Except as otherwise provided in this document, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this document and the proposed, attempted or actual implementation of the Transaction.

17 GST

17.1 Interpretation

In this clause 17, a word or expression defined in the GST Act has the meaning given to it in that legislation.

17.2 GST gross up

- (a) Subject to clauses 17.2(b) and 17.4, if a party makes a supply under or in connection with this document in respect of which GST is payable, the consideration for the supply but for the application of this clause 17.2 (**GST exclusive consideration**) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 17.2(a) does not apply to any consideration that is expressed in this document to be inclusive of GST.

17.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other

party (or any representative member of a GST group which that party is a member) is entitled to for the loss, cost or expense, and then increased in accordance with clause 17.2.

17.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this document until it receives a tax invoice for the supply to which the payment relates.

18 Foreign resident CGT withholding

- (a) For the purposes of this clause 18:
 - (i) **Commissioner** means the Federal Commissioner of Taxation;
 - (ii) **Subdivision 14-D** means Subdivision 14-D of Schedule 1 of the Tax Act;
 - (iii) **Variation Notice** means a notice issued by the Commissioner under section 14-235 of Schedule 1 to the Tax Act varying API's liability under section 14-200 of Schedule 1 to the Tax Act and which contains:
 - (A) the name of the relevant Scheme Shareholder which matches the name of the same Scheme Shareholder on the SLA Register; and
 - (B) an expiry date which is on or after the date API becomes the owner of the Scheme Shares.
 - (iv) **Withholding Amount** means an amount that API is required to pay to the Commissioner, determined in accordance with section 14-200 of Schedule 1 to the Tax Act.
 - (v) **Withholding Declaration** means a declaration provided by a Scheme Shareholder that either they are an Australian resident or their Scheme Shares are not "indirect Australian real property interests" (as defined under the Tax Act) under section 14-225 of Schedule 1 to the Tax Act in respect of the acquisition of any Scheme Shares from a Scheme Shareholder.
- (b) SLA agrees that API may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide such information and assistance that API reasonably requires for the purpose of deciding whether to make such an approach or in making such an approach.
- (c) If API determines (acting reasonably) that it must pay an amount to the Commissioner under Subdivision 14-D in relation to the acquisition of any Scheme Shares from any Scheme Shareholder, API will:
 - (i) determine the Withholding Amount to be paid to the Commissioner in respect of the acquisition of the Scheme Shares from such Scheme Shareholder;
 - (ii) notify SLA of the Withholding Amount in respect of the acquisition of SLA Shares from such Scheme Shareholder;
 - (iii) pay the Withholding Amount to the Commissioner within the timeframe required under the Tax Act; and

- (iv) if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of payment of the Withholding Amount to the Commissioner (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.
 - (d) The parties agree to:
 - (i) consult in good faith as to the application of Subdivision 14-D to the Scheme; and
 - (ii) use reasonable endeavours to take all actions that are necessary or desirable in relation to Subdivision 14-D, which may include, without limitation, promptly communicating to any Scheme Shareholder to obtain a valid Variation Notice or Withholding Declaration contemplated by Subdivision 14-D so as to reduce or eliminate the Withholding Amount payable to the Commissioner in respect of any Scheme Shareholder.
-

19 General

19.1 Notices

- (a) Any notice, demand, consent, approval, waiver or other communication under this document (**Notice**) must be:
 - (i) in writing, in English and signed by a person duly authorised by the sender;
 - (ii) marked for the attention of the relevant person named below; and
 - (iii) hand delivered or sent by prepaid post or email to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender:

For SLA:

Post: 1/137 The Parade, Norwood SA 5067
Email: [REDACTED]
Attention: Martin Perelman, Managing Director

With a copy (for information purposes only) to Gerry Cawson, Kain Lawyers by email at Gerry.Cawson@kainlawyers.com.au and James Burchnall, Kain Lawyers by email at James.Burchnall@kainlawyers.com.au

For API:

Post: Level 14, Brookfield Place Tower 2, 123 St Georges Terrace, Perth WA 6000
Email: [REDACTED]
Attention: Christian Bauer

With a copy (for information purposes only) to Karen Evans-Cullen, Gilbert + Tobin by email at KEvans-Cullen@gtlaw.com.au

- (b) A Notice given in accordance with clause 19.1(a) takes effect when taken to be (or at a later time specified in it), and is taken to be received:
 - (i) if hand delivered, on delivery;

(ii) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia); and

(iii) if sent by email, immediately unless the sender receives a message indicating that the email has not been received by the intended recipient,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

19.2 Governing law and jurisdiction

(a) This document is governed by the laws of New South Wales.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and courts competent to hear appeals from those courts.

19.3 No representation or reliance

(a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, except for representations or inducements expressly set out in this document and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this document, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

(b) Each party confirms that it does not enter into this document in reliance on any representation or other inducement by or on behalf of any other person, except for any representation or inducement expressly set out in this document.

19.4 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

19.5 Waivers, consents and approvals

(a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this document.

(b) Any waiver or consent given by a party under this document is only effective and binding on that party if it is given or confirmed in writing by that party.

(c) No waiver of a breach of any term of this document operates as a waiver of another breach of that term or of a breach of any other term of this document.

(d) Except where this document expressly provides otherwise, where the consent or approval of a party is required under this document, such consent or approval may be given or withheld in that party's absolute discretion.

19.6 Variation

- (a) This document may only be varied by a document signed by or on behalf of each of the parties.
- (b) On and from the Implementation Date, the parties may not amend or vary this document in a manner that adversely affects any right or benefit conferred on a SLA Indemnified Party under this document without the prior written consent of the majority of the persons who are directors of SLA at the date of this document.

19.7 Assignment

- (a) Subject to clause 19.7(b), a party may not assign, novate or otherwise transfer any of its rights or obligations under this document without the prior written consent of the other party.
- (b) API may assign, grant a security interest over, novate or otherwise transfer by way of security, any of its rights or obligations under this document to a financier or financiers (or a security agent or security trustee thereof) without the prior written consent of SLA solely for the purpose of obtaining finance or providing security in connection with the Transaction.

19.8 Further action

Each party will do all things and execute all further documents necessary to give full effect to this document.

19.9 Entire agreement

Subject to clause 15, this document supersedes all previous agreements, understandings, negotiations or deeds in respect of its subject matter and embodies the entire agreement between the parties.

19.10 Severability

- (a) If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction but only to the extent that it is void, unenforceable or illegal and provided that it will have full force and effect in any other jurisdiction. Where a provision (or any part thereof) is severed in a jurisdiction, the remainder of this document shall have full force and effect in that (and any other) jurisdiction.
- (b) This clause 19.10 does not apply to any severance that alters the basic nature of this document or is contrary to public policy.

19.11 Counterparts

This document may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

19.12 No limitation of cover under Insurance Policies

It is expressly understood and agreed that nothing in this document shall be understood to affect or limit the obligations of any insurer for any loss, damage, cost, expense or liability under any Insurance Policy issued to or covering any member of the SLA Group and, if and to the extent that any contrary and final, non-appealable ruling is made by any court or body, any such provision shall be invalidated and severed to the extent, but only

to the extent, necessary to eliminate its impact in affecting or limiting such insurer obligations.

Schedule 1 Dictionary and interpretation

1 Dictionary

ACCC means the Australian Competition & Consumer Commission.

Actual Knowledge of API means the actual knowledge of any of Emily Amos, Bertrand Philippe, Lauren Rule, Rebecca Oakley, Christian Bauer or Ed Bostock.

Adviser means, in relation to an entity, a financial, corporate, legal, or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Transaction by the entity.

Aggregate Scheme Consideration means the Scheme Consideration multiplied by the total number of Scheme Shares.

API Counterproposal has the meaning given in clause 9.7.

API Group means, collectively, API and each of its Related Bodies Corporate.

API Indemnified Party means a current or former director, officer or employee or Adviser of a member of the API Group.

API Information means information regarding the API Group provided by API to SLA in writing for inclusion in the Scheme Booklet, which must include information in relation to:

- (a) API (including the risk factors to be disclosed in the Scheme Booklet regarding API);
- (b) the funding of the Aggregate Scheme Consideration; and
- (c) API's intentions in relation to the SLA Group and its business (including the SLA Group's employees and assets),

and includes any information contained in the Scheme Booklet that is solely based on any information so provided by API.

API Representations and Warranties means the representations and warranties set out in Schedule 4.

ASIC means the Australian Securities and Investments Commission.

associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it known as the "Australian Securities Exchange".

ATO means the Australian Taxation Office.

Break Fee means \$1,779,559.43, being approximately 1% of the Aggregate Scheme Consideration payable to all Scheme Shareholders.

Business Day has the meaning given in the Listing Rules.

Change of Control Rights has the meaning in clause 7(a).

Claim means any allegation, cause of action, claim or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Competing Proposal means any expression of interest or intent, proposal, offer from a Third Party in respect of any actual, proposed, or potential transaction, agreement or arrangement which, if entered into or completed substantially in accordance with its terms:

- (a) would mean or result in a Third Party (either alone or together with one or more other parties) directly or indirectly:
 - (i) acquiring Control of, or merging with, SLA or any member of the SLA Group which holds all or a substantial part of a material part of the SLA Group;
 - (ii) acquiring or having a right to acquire a legal, beneficial or economic interest (including an economic interest by way of an equity swap, contract for difference or similar transaction or arrangement) or a Relevant Interest or Voting Power in 10% or more of the SLA Shares (and where that Third Party already has Voting Power or legal or economic interest of more than 10%, that party acquires a further 1% or more); or
 - (iii) acquiring, becoming the holder of or having a right to acquire or an economic interest in all or a substantial part of the property or assets of the SLA Group taken as a whole,

whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction or distribution, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement; or

- (b) that otherwise requires SLA to abandon, or otherwise fail to proceed with the Transaction on the basis set out in this document.

Condition Precedent means a condition precedent set out in clause 3.1.

Confidentiality Agreement means the confidentiality agreement between SLA and API dated 19 April 2023.

Consultation Notice has the meaning given in clause 3.5(a).

Control means, in relation to a corporation:

- (a) the ability to control, directly or indirectly, the composition of the board of directors of the corporation;
- (b) the ability to exercise or control the exercise of the rights to vote in relation to more than 50% of the voting shares or other form of voting equity in the corporation;
- (c) the ability to dispose or exercise control over the disposal of more than 50% of the shares or other form of equity in the corporation; or

- (d) the capacity to determine, directly or indirectly, the outcome of decisions about the financial and operating policies of the corporation.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia (New South Wales Registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing by SLA and API.

Court Documents means the documents which the SLA determines (acting reasonably) are required for the purposes of a Court Hearing, which may include originating process, affidavits, submissions and draft minutes of Court orders.

Court Hearing means the First Court Hearing or Second Court Hearing (as applicable), and **Court Hearings** means both of them.

Data Room means the online data room established by SLA in connection with the Scheme titled "Project Keeley".

Deed Poll means the deed poll, in the form of Attachment B, to be entered into by API pursuant to clause 4.2(h), under which (among other things) API covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme.

Disclosure Letter means the letter so titled from SLA provided to API before the execution of this document.

Disclosure Materials means:

- (a) the documents and information contained in the Data Room as included on the USB (and an index of which) has been provided by SLA's legal Advisers to API's legal Advisers prior to execution of this document; and
- (b) the written responses provided by or on behalf of SLA to requests for information made by or on behalf of API, as included on the USB referred to in paragraph (a).

Draft Law has the meaning given in clause 5(e)(i).

EBITDA means earnings of the SLA Group before interest, tax, depreciation and amortisation (before the application of Accounting Standard AASB16 which, for clarity, results in rental expenses under relevant leases being included within EBITDA) calculated in accordance with the accounting policies and practices applied by SLA as at the date of this document. For the avoidance of doubt, for the purposes of this document, EBITDA represents Adjusted EBITDA (as defined in SLA's FY2022 Annual Report and financial disclosure presentation materials, which includes income from franchise revenue, and share of associates) less the IFRS16 Adjustment required for rent expenses.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, power or title retention or flawed

deposit arrangement as defined in sections 12(1) or 12(2) of the PPSA, but excluding a Permitted Encumbrance.

End Date means 1 April 2024, or such later date as SLA and API agree in writing

Equity Incentive Plan Rules means SLA's equity incentive plan rules adopted by the Board on 15 December 2020.

Exclusivity Period means the period from the date of this document until the earlier of:

- (a) the termination of this document under clause 13; and
- (b) the End Date.

Fairly Disclosed means, in relation to a matter, such matter being disclosed in sufficient detail to enable a reasonable person experienced in M&A transactions to identify the nature and scope of the relevant matter.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act directing SLA to convene the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **First Court Hearing**.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

GST means goods and services tax, or similar value added tax levied or imposed in Australia under the GST Law.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST exclusive consideration has the meaning given in clause 17.2(a).

GST Law has the meaning given in the GST Act.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme is passed by a majority in number of each class of SLA Shareholders present and voting, either in person or by proxy at the Scheme Meeting.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other day as API and SLA agree in writing.

Indebtedness means any indebtedness in respect of financial accommodation provided by, or money borrowed or raised from, a bank, financial institution or other credit provider (including bank guarantees other than bank guarantees relating to property leases in the ordinary course) and excludes trade debts, debts represented by hire purchase and operating lease contracts, insurance premium funding and similar operational arrangements.

Independent Expert means the independent expert to be appointed by SLA to prepare the Independent Expert's Report in accordance with clause 4.1(a) and ASIC Regulatory Guide 111 *Content of expert reports*.

Independent Expert's Report means the report to be prepared and issued by the Independent Expert in connection with the Scheme for inclusion in the Scheme Booklet, and includes an update or supplement to that report.

Insolvency Event means the occurrence of any one or more of the following events in relation to any person:

- (a) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver and manager be appointed, and the application is not withdrawn, struck out or dismissed within 20 Business Days of it being made;
- (b) a liquidator or provisional liquidator is appointed to it or the whole, or a substantial part, of its assets;
- (c) an administrator is appointed to it under sections 436A, 436B or 436C of the Corporations Act;
- (d) a Controller (as defined in section 9 of the Corporations Act) is appointed to it or the whole, or a substantial part, of its assets;
- (e) a receiver is appointed to it or the whole, or a substantial part of its assets;
- (f) it enters into a deed of company arrangement with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it proposes a winding up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more creditors;
- (h) it is unable to pay all its debts as and when they become due and payable;
- (i) a deregistration notice is issued under sections 601AA or 601AB of the Corporations Act;
- (j) a writ of execution is levied against it or the whole, or a substantial part, of its property; or
- (k) anything occurs under the law of any jurisdiction outside Australia which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

Insurance Policy means any insurance contract, policy, agreement, cover notes or similar or mutual-insurance arrangement that insures any member of the SLA Group.

Listing Rules means the official listing rules of ASX.

Loss includes losses, liabilities, damages, costs, charges, expenses, fines, penalties, taxes and duties.

Matching Counterproposal has the meaning given in clause 9.8(a).

Matching Right Notice has the meaning given in clause 9.7(a)(iv).

Material Adverse Change has the meaning set out in clause 3.1(d).

Material Contract means a contract or commitment, or a group of related contracts with the same party or group of related parties, under which the SLA Group may receive revenue or incur expenditure over the term of the contract in excess of \$500,000.

Non-public Information means non-public information about the business or affairs of, or any other matters to, the SLA Group.

Notice has the meaning given in clause 19.1(a).

NZCC means the New Zealand Commerce Commission.

Permitted Encumbrance means:

- (a) any bankers' lien or netting or set off arrangement entered into by a member of the SLA Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (b) any interest which would be an 'Encumbrance' only by virtue of the operation of section 12(3) of the PPSA;
- (c) any lien arising by operation of law or by a contract having an equivalent effect and in the ordinary course of business either securing amounts not yet due or, if due, that are being contested in good faith;
- (d) any lien for money payable for work performed by suppliers, mechanics, workmen, repairmen or employees and, in each case, arising in the ordinary course of business either not yet due or, if due, that are being contested in good faith; and
- (e) any lien for rates, Taxes or fees of any kind payable to a Government Agency, where such amounts are either not yet due or are being contested in good faith by appropriate proceedings.

PPSA means the *Personal Property Securities Act 2009* (Cth).

PPSR means the register maintained for the purposes of the PPSA.

Prescribed Occurrence means the occurrence of any of the events listed in Schedule 5.

Protocols means the information sharing protocols agreed between SLA and API, and signed by API on 19 April 2023, as they may be amended or supplemented by agreement between SLA and API.

Regulatory Approval means an approval, consent or notification required to satisfy the Condition Precedent in clause 3.1(a).

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Related Entity means, in relation to a party:

- (a) a Related Body Corporate of a party; and
- (b) any other person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such party; the term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or

cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representation and Warranty means a SLA Representation and Warranty or a API Representation and Warranty (as applicable).

Representative means, in respect of a party, an employee, agent, officer, director, Adviser or financier of or to that party (or a Related Entity of that party), and, in the case of Advisers and financiers, includes employees, officers and agents of the Adviser or financier (as applicable).

Reverse Break Fee means \$1,779,559.43, being approximately 1% of the Aggregate Scheme Consideration payable to all Scheme Shareholders.

RG 60 means Regulatory Guide 60 issued by ASIC.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between SLA and the Scheme Shareholders, in the form of Attachment A, subject to any alterations or conditions:

- (a) agreed to in writing by SLA and API, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act as are acceptable to SLA and API (each acting reasonably).

Scheme Booklet means the explanatory statement in respect of the Scheme, which will contain the Independent Expert's Report (or a concise version of that report), a notice of meeting in respect of the Scheme Meeting and a proxy form.

Scheme Consideration means, in respect of each Scheme Share, \$3.35 subject to, and as adjusted in accordance with, clause 5(h).

Scheme Meeting means the meeting of SLA Shareholders ordered by the Court to be convened at the First Court Hearing or any adjournment thereof.

Scheme Record Date means 7:00pm on the fifth Business Day after the Effective Date or such other time and date as the parties agree in writing.

Scheme Share means a SLA Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a SLA Shareholder as at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

SLA Board means the board of directors of SLA.

SLA Consolidated Tax Group means the consolidated group of which SLA is the head company. In this definition, "consolidated group" and "head company" have the respective meanings given by the Tax Act.

SLA Director means a director of SLA.

SLA Employee Loan means a loan advanced by a member of the SLA Group for the purchase or subscription of shares in a member of the SLA Group under the SLA Group's employee share plan prior to its listing on the ASX which remains outstanding.

SLA Employee Loan Share means a SLA Share that is subject to a SLA Employee Loan between SLA and that holder of that SLA Share.

SLA Employee Loan Amount means in respect of a SLA Employee Loan, the amount outstanding on such loan.

SLA Group means, collectively:

- (a) SLA and each of its Related Bodies Corporate; and
- (b) for the purpose of clauses 6.2, 6.3, 6.6, 6.7, 6.8, 7, 9, the definition of 'Material Contract', Schedule 3 (other than paragraphs (o) and (p)) and Schedule 5, SLA, each of its Related Bodies Corporate and any entity in which a member of the SLA Group owns more than 45% of the ordinary shares.

SLA Indemnified Party means a current or former director, officer, employee or Adviser of a member of the SLA Group.

SLA Information means all the information in the Scheme Booklet other than API Information and Independent Expert's Report.

SLA Register means the register of members of SLA maintained by or on behalf of SLA in accordance with section 168(1) of the Corporations Act.

SLA Representations and Warranties means the representations and warranties set out in Schedule 3.

SLA Right means a performance right or other entitlement granted under SLA's long term incentive plan or any other employee or officer incentive plan to acquire by way of issue or transfer (or have vesting or forfeiture conditions satisfied in respect of) one or more SLA Shares subject to the terms of that plan.

SLA Share means a fully paid ordinary share in the capital of SLA.

SLA Shareholder means a holder of one or more SLA Shares, as shown in the SLA Register.

Special Dividend has the meaning given in clause 5(a).

Superior Proposal means a bona fide Competing Proposal in writing which the SLA Board, acting in good faith and in order to satisfy what the SLA Board considers to be its fiduciary and statutory duties, and after taking written advice from its external legal advisers, determines:

- (a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and all relevant legal, regulatory and financial matters; and
- (b) would reasonably be likely to be, if completed substantially in accordance with its terms, more favourable to SLA Shareholders than the Scheme (or than any

proposal subsequently notified to SLA by API after the date of this document which is binding on API (as the case may be)), considering all relevant aspects of the Competing Proposal.

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Tax means any duty, tax, levy, charge, impost, fee, deduction, goods and services tax (including GST), compulsory loan or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.

Tax Act means the *Income Tax Assessment Act 1997* (Cth), the *Income Tax Assessment 1936* (Cth) and/or the *Taxation Administration Act 1953* (Cth).

Terminating Party has the meaning given in clause 3.5(a).

Termination Event has the meaning given in clause 3.5(a).

Termination Notice has the meaning given in clause 3.5(a).

Third Party means a person other than API and its associates.

Timetable means the indicative timetable for the implementation of the Transaction set out in Schedule 6.

Transaction means the acquisition of SLA by API by means of the Scheme.

Transaction Costs means investment banking, financial adviser, legal, accounting, tax, share registry, Independent Expert and other fees and costs paid or payable to advisers and/or third-party service providers and transaction bonuses, retention payments, special exertion or similar fees or payments paid or payable to employees or officers of the SLA Group, incurred by any member of the SLA Group in respect of, or as a result of, the Transaction and in each case exclusive of GST.

Voting Power has the meaning given in section 610 of the Corporations Act.

Wesfarmers Limited means Wesfarmers Limited (ACN 008 984 049).

Working Capital Facility means the cash advance working capital facility made available to SLA (and known as Facility B) under the Syndicated Facility Agreement dated 30 August 2021 between, amongst others, members of the SLA Group and Westpac Banking Corporation.

2 Interpretation

In this document, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this document.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.

- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words “include”, “including”, “such as”, “to avoid doubt” and similar expressions are not words of limitation and do not limit what else might be included.
- (f) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this document (as applicable);
 - (vi) this document includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement (other than this document) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and
 - (x) a monetary amount is in Australian dollars.
- (g) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (h) A reference to time in this document is a reference to time in Sydney, New South Wales, save that where the reference to time is in respect of the giving or receiving of Notice, such reference shall be the time in the place where the party receiving the Notice is located.
- (i) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this document or any part of it.
- (j) When making an assessment of the financial or other effect of an event in respect of the SLA Group in this document (including a breach of a SLA Representation and Warranty and including whether any breach of this document is “material”), to the extent that such assessment relates to, or includes, an entity that is not wholly-owned by SLA, that assessment must be based only on the net impact of that event which flows through to SLA based on its proportionate ownership of the relevant member of the SLA Group and not on the full impact of that event on the member of the SLA Group. Any financial impact on SLA of such event should be

assessed on the same basis as it would be assessed by SLA in relation to its consolidated group accounts.

Schedule 2 Capital Structure

Security	Total number on issue
SLA Shares	53,121,177
SLA Rights	638,348

Schedule 3 SLA Representations and Warranties

- (a) **Validly existing:** SLA is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **Power:** SLA has full corporate power and lawful authority to execute, deliver and perform this document and the Scheme;
- (c) **Corporate action:** SLA has taken all necessary corporate action to authorise the entry into this document and has taken or will take all necessary corporate action to authorise the performance of this document and the Scheme;
- (d) **Authorisations:** SLA has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **Binding:** this document is a valid and binding obligation on SLA, enforceable in accordance with its terms;
- (f) **Performance:** the execution and performance by SLA of this document and each transaction required by this document does not and will not violate or breach any provision of:
 - (i) any writ, order or injunction, judgement, law, rule, regulation, decree or treaty to which SLA is a party or by which it is bound; or
 - (ii) SLA's constitution;
- (g) **Capital structure:** its capital structure is as set out in Schedule 2 and:
 - (i) it has not issued or agreed to issue any other SLA Shares or other securities, rights or instruments which are still outstanding and may convert into, or give the holder the right to be issued, SLA Shares (other than the SLA Rights set out in Schedule 2); and
 - (ii) it is not under any obligation to issue, and no person has any right to require or call for the issue of, any SLA Shares or other securities, rights or instruments issuable by SLA (whether such obligation or right is conditional or otherwise), other than the SLA Rights set out in Schedule 2;
- (h) **SLA Information:** the SLA Information included in the Scheme Booklet despatched to SLA Shareholders, and any supplementary disclosure made to SLA Shareholders pursuant to clause 4.1(j) (excluding information provided by or on behalf of API or the Independent Expert), will not be false or misleading in any material respect (whether by omission or otherwise) and will comply in all material respects with applicable laws, including the Corporations Act, Corporations Regulations, RG 60, Takeovers Panel policy and guidance notes and the Listing Rules;
- (i) **Provision of information to Independent Expert:** all information provided by or on behalf of SLA to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;

- (j) **Disclosure Materials:**
- (i) the Disclosure Materials have been compiled and made available to API and its Representatives in good faith and do not contain information which is false, misleading or deceptive in any material respect (whether by omission or otherwise); and
 - (ii) SLA has not, prior to the date of this deed, intentionally or recklessly withheld material information requested in writing by API or its Representatives, and in respect of which both SLA and API agreed that a response would be given;
- (k) **Publicly available information:** no documents or announcements which SLA or any of its Related Bodies Corporate has lodged or filed with, or otherwise given to, any Government Agency or the ASX (or which has been so lodged, filed or given on its behalf or on behalf of any of its Related Bodies Corporate), and which is publicly available or otherwise in the public domain, were misleading or deceptive in any material respect (whether by omission or otherwise) as at the date when they were so lodged, filed or given;
- (l) **Continuous disclosure:** as at the date of this document, SLA has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, following release of the agreed announcement under clause 14.1, there will be no information which it is withholding from disclosure in reliance on Listing Rule 3.1A;
- (m) **Material Contracts:** the Disclosure Materials contain true and complete copies of all Material Contracts;
- (n) **Third party rights:** SLA is not aware of any facts or circumstances (except in respect of any contract or other document Fairly Disclosed in the Disclosure Materials) to suggest that the entry into this document and the implementation of the Scheme will cause third party to:
- (i) terminate a contract which is material to the SLA business or vary the performance of any material obligation of SLA under the contract; or
 - (ii) exercise a right to acquire, or require the disposal of, any material assets of SLA;
- (o) **Accounts:** SLA's financial statements for the, the full year ended 30 June 2021, the full year 30 June 2022 and the half year ended 31 December 2022:
- (i) show a true and fair view of the financial position and the assets and liabilities of the SLA Group as at that date and the financial performance and operation of the SLA Group for the financial period ending on that date; and
 - (ii) are not misleading or deceptive in any material respect;
- (p) **Liabilities:** as at 30 June 2022, as far as SLA is aware, no member of the SLA Group had incurred any material contingent or other off-balance sheet liabilities or obligations which were not reflected in the SLA's financial statements for the full year ended 30 June 2022;

- (q) **Compliance with laws:** each member of the SLA Group has complied in all material respects with all applicable laws and regulations applicable to the SLA Group, including (without limitation):
- (i) environmental laws and regulations;
 - (ii) privacy and data protection laws and regulations;
 - (iii) Tax laws and regulations;
 - (iv) employment and occupational health and safety laws and regulations; and
 - (v) laws and regulations relating to anti-money laundering, anti-bribery and anti-corruption (including the Australian laws implemented pursuant to the OECD Anti-Bribery Convention),

in each case in each applicable jurisdiction that the SLA Group operates, and SLA is not aware of, and has not received notice of, any actual or alleged material breach of any such laws or regulations by any member of the SLA Group,

- (r) **Material authorisations:** each member of the SLA Group holds all material licences, authorisation and permits necessary for it to conduct its business as presently conducted and is not in material breach of, or material default under, any such licences, authorisation or permits, other than where the failure to hold such licences, authorisation or permits, or where the relevant breach or default, could not be reasonably expected to have a material adverse effect on the operational performance or reputation of the SLA Group;
- (s) **No defaults:** no member of the SLA Group is in material default under any document, agreement or instrument binding on it or its assets nor has anything occurred which is or would with the giving of notice or the lapse of time constitute an event of default, prepayment event or similar event or give another party a termination right or right to accelerate any right or obligation under any such document, other than where the relevant breach or default, could not be reasonably expected to have a material adverse effect on the financial or operational performance or reputation of the SLA Group;
- (t) **No litigation:** other than the matters disclosed in the Disclosure Materials, no litigation, prosecution, arbitration, mediation, or other proceedings relating to the SLA Group has been on foot in the 3 years prior to the date of this document, is current, is pending or threatened or might reasonably be expected to arise as a result of current circumstances;
- (u) **No investigations:** no member of the SLA Group has received notice from a Government Agency that it is, or can reasonably expect to become, subject to any investigation, enquiry or regulatory enforcement proceedings or penalty;
- (v) **Insolvency:** no member of the SLA Group is the subject of an Insolvency Event;
- (w) **No Encumbrances:** there is no Encumbrance over all or substantially all of the assets or revenues of the SLA Group, other than as disclosed in the Disclosure Materials or which can be identified by a search of the PPSR 5 Business Days before the date of this document;
- (x) **Insurance:** in respect of the insurances effected in respect of the SLA Group:
- (i) the insurances are as disclosed in the Disclosure Materials; and

- (ii) the SLA Group has not carried out any business activities in respect of which it does not have current insurance coverage, which could reasonably be expected to have a material adverse effect on the financial or operational performance or reputation of the SLA Group,
- (y) **Tax compliance:** each member of the SLA Group has:
 - (i) paid all Taxes (including any Tax withheld from payments to other persons and any amounts that would avoid the imposition of any Tax) that have fallen due, and will pay all such Taxes that fall due up to the Implementation Date; and
 - (ii) lodged all Tax returns that have fallen due and will lodge all Tax returns that fall due up to the Implementation Date, and has prepared and kept all records necessary under any Tax law;
- (z) **Tax audits and reviews:** no member of the SLA Group is aware of any current or impending review, audit, challenge or other dispute or query in relation to a Tax matter;
- (aa) **Extra-territorial connection:** no member of the SLA Group is required to pay Tax or lodge any Tax return in any jurisdiction other than the one in which the entity is incorporated or established or in which it carries on a trade or business;
- (bb) **No other regulatory approvals or notifications:** so far as SLA is aware, other than the approvals contemplated by this document, no approval, consent, waiver, clearance, concession, allowance, notification or authorisation is required to be obtained by SLA from, or made to, any Government Agency in order for the Scheme to be implemented; and
- (cc) **Transaction Costs:** as at the date of this document, SLA has provided an accurate summary of all Transaction Costs (or reasonable estimates of them) and the basis on which they are incurred, including the aggregate fees payable in all retainers and mandates with its financial Adviser, and fee estimates for other Advisers, in relation to the Scheme where such retainer or mandate is current.

Schedule 4 API Representations and Warranties

- (a) **Validly existing:** API is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **Power:** API has full corporate power and lawful authority to execute, deliver and perform this document and the Deed Poll;
- (c) **Corporate action:** API has taken all necessary corporate action to authorise the entry into this document and has taken or will take all necessary corporate action to authorise the performance of this document and the Deed Poll;
- (d) **Binding:** this document is a valid and binding obligation on API enforceable in accordance with its terms;
- (e) **Performance:** the execution and performance by API of this document and each transaction contemplated by this document did not and will not violate or breach any provision of:
 - (i) a law or treaty or a judgment, ruling, order, writ, injunction, rule, regulation, or decree binding on it; or
 - (ii) its constituent documents;
- (f) **API Information:** API Information included in the Scheme Booklet with its consent pursuant to clause 4.2(d)(i), and any other information provided by it pursuant to clause 4.2(e), will not be false or misleading in any material respect (whether by omission or otherwise) and will comply in all material respects with applicable laws, including the Corporations Act, Corporations Regulations, RG 60, Takeovers Panel policy and guidance notes and the Listing Rules;
- (g) **Insolvency Event:** no member of the API Group is the subject of an Insolvency Event;
- (h) **No interest except as disclosed:** as at the date of this document neither it nor any of its associates or Related Bodies Corporate has:
 - (i) a Relevant Interest in any SLA Shares; or
 - (ii) entered into any agreement or arrangement with any person involving the conferring of rights, the economic effect of which is equivalent or substantially equivalent to the acquisition, holding or disposal of SLA Shares (including cash-settled derivatives, contracts for difference and other derivatives).
- (i) **No dealings with SLA Shareholders:** neither API nor any of its associates has any agreement, arrangement or understanding with any SLA Shareholder under which:
 - (i) that SLA Shareholder (or an associate of that SLA Shareholder) would or may be or become entitled to receive:
 - (A) consideration for their SLA Shares that is different from the Scheme Consideration; or

- (B) any benefit in connection with the Scheme that is not also offered to all other SLA Shareholders on the same terms; or
- (ii) that SLA Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal.
- (j) **No dealings with SLA Directors or employees:** neither API nor any of its associates has any agreement, arrangement or understanding with any director, officer or employee of SLA or any other member of the SLA Group relating in any way to the Transaction or the business or operations of the SLA Group after the Effective Date.
- (k) **Reasonable basis:** as at the date of this document, API has a reasonable basis to expect that it will have available to it sufficient cash amounts (whether from internal cash resources or external funding arrangements) to satisfy its obligations to pay the Aggregate Scheme Consideration in accordance with this document and the Deed Poll.
- (l) **Availability of funding on Second Court Date:** by 8.00 am on the Second Court Date, API will have available to it on an unconditional basis (other than conditions relating to the approval of the Court, the Scheme becoming Effective, and other conditions that can only be satisfied or performed after the Second Court Date and are within the control of API) sufficient cash amounts (whether from cash resources available to API or external funding arrangements or a combination of both) to satisfy API's obligation to pay the Aggregate Scheme Consideration in accordance with its obligations under this document, the Scheme and the Deed Poll.
- (m) **Availability of funding on Implementation Date:** API will have available to it by the Implementation Date on an unconditional basis sufficient cash amounts (whether from internal cash resources or external funding arrangements or a combination of both) to satisfy API's obligation to pay the Aggregate Scheme Consideration in accordance with its obligations under this document, the Scheme and the Deed Poll.
- (n) **Regulatory Approvals:** prior to the date of this document, neither API nor any of its Related Bodies Corporate has taken any action which would have been prohibited by clause 3.3(a)(v) if that clause was in effect at that time.
- (o) **No other regulatory approvals or notifications:** so far as API is aware, other than the approvals contemplated by this document, no approval, consent, waiver, clearance, concession, allowance, notification or authorisation is required to be obtained by a member of the API Group from, or made to, any Government Agency in order for the Scheme to be implemented.
- (p) **No shareholder approvals:** no approvals are required from shareholders of API (or any class of them) or Wesfarmers Limited (or any class of them) in connection with the execution or performance of this document.

Schedule 5 Prescribed Occurrences

- (a) SLA converting all or any of its shares into a larger or smaller number of shares;
- (b) SLA resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) SLA:
 - (i) entering into a buy-back agreement in respect of its shares; or
 - (ii) resolving to approve the terms of a buy-back agreement in respect of its shares under the Corporations Act;
- (d) a member of the SLA Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
 - (i) to a member of the SLA Group;
 - (ii) the issue of shares upon exercise or vesting of a SLA Right; or
 - (iii) in the ordinary course of the Business and substantially consistent with past practice of the SLA Group in connection with:
 - (A) any new clinic opening (including any corporate, joint venture or traditional franchise clinics); or
 - (B) any changes to the ownership (or changes the ownership structure) of any clinic (including in connection with the conversion of a clinic from one ownership model used by the SLA Group (corporate clinic, joint venture franchise or traditional franchise) to another);
- (e) a member of the SLA Group issuing or agreeing to issue securities convertible into shares (including any issue or agreement to issue performance rights), other than where the securities are issued, or agreed to be issued, to a member of the SLA Group or other than in the ordinary course of the Business and substantially consistent with past practice of the SLA Group in connection with:
 - (i) any new clinic opening (including any corporate, joint venture or franchise clinics); or
 - (ii) any changes to the ownership (or changes the ownership structure) of any clinic (including in connection with the conversion of a clinic from one ownership model used by the SLA Group (corporate clinic, joint venture franchise or traditional franchise) to another);
- (f) a member of the SLA Group making any change to its constitution;
- (g) SLA paying, agreeing to pay, declaring or distributing any distribution, dividend, bonus, special payment or other share of its profits or assets to holders of SLA Shares, other than the Special Dividend;
- (h) a member of the SLA Group disposing, or agreeing to dispose, of the whole, or a material part, of the business or property of the SLA Group;
- (i) a member of the SLA Group resolving that it be wound up;

- (j) a liquidator or provisional liquidator of a member of the SLA Group being appointed;
- (k) a court making an order for the winding up of a member of the SLA Group;
- (l) an administrator of a member of the SLA Group being appointed under section 436A, 436B or 436C of the Corporations Act;
- (m) a member of the SLA Group executing a deed of company arrangement;
- (n) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the SLA Group;
- (o) a member of the SLA Group creating, granting or agreeing to create or grant an Encumbrance over the whole, or a substantial part, of the SLA Group's business or property or over a material asset of the SLA Group other than in the ordinary course of business;

but does not include any matter:

- (p) expressly required or expressly permitted by this document or the Scheme;
- (q) agreed to or requested in writing by API or any of its Related Bodies Corporate;
- (r) within the Actual Knowledge of API at the date of this document; or
- (s) Fairly Disclosed in the Disclosure Materials or the Disclosure Letter or in any document lodged with ASX by SLA in the 24 months prior to the date of this document.

Schedule 6 Timetable

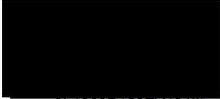
Event	SLA date
Release of ASX announcement by SLA	26 June 2023
Draft Scheme Booklet provided to ASIC	August 2023
First Court Hearing	September 2023
Scheme Meeting	October 2023*
Second Court Hearing	October 2023*
Effective Date	November 2023*
Scheme Record Date	November 2023*
Implementation Date	November 2023*

* These dates are subject to the timing of receipt of regulatory approvals

Execution page

Executed as a deed.

Signed, sealed and delivered by **SILK Laser
Australia Limited** in accordance with section 127
of the *Corporations Act 2001* (Cth) by:



Signature of director



Signature of director/secretary

Boris Bosnich

Name of director (print)

Martin Perelman

Name of director/secretary (print)

Signed, sealed and delivered by **Australian
Pharmaceutical Industries Pty Ltd** in
accordance with section 127 of the *Corporations
Act 2001* (Cth) by:



Signature of director



Signature of ~~director~~/secretary

Emily Amos
Name of director (print)

Kimalee Hunter
Name of ~~director~~/secretary (print)

Attachment A Scheme

Scheme of arrangement

SILK Laser Australia Limited

Each person registered as a holder of SLA Shares as at the Scheme Record Date

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Date: [•] 2023

This scheme of arrangement is made under section 411 of the Corporations Act.

Parties

- 1 **SILK Laser Australia Limited** (ACN 645 400 399) of 2 1/137 The Parade, Norwood SA 5067 (**SLA**)
- 2 Each SLA Shareholder registered as a holder of fully paid SLA Shares as at the Scheme Record Date (**Scheme Shareholders**)

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this Scheme.

2 Preliminary matters

2.1 SLA

- (a) SLA is an Australian public company limited by shares and SLA has been admitted to the official list of ASX.
- (b) As at the date of the Implementation Deed, 53,121,177 SLA Shares were on issue which are officially quoted for trading on ASX.

2.2 API

API is an Australian proprietary company limited by shares.

2.3 If Scheme becomes Effective

- (a) If this Scheme becomes Effective:
 - (i) in consideration of the transfer of the Scheme Shares to API, API must pay or procure the payment of the Scheme Consideration to SLA on behalf of the Scheme Shareholders in accordance with this Scheme and the Deed Poll;
 - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to API on the Implementation Date; and
 - (iii) SLA will enter the name of API in the SLA Register in respect of all the Scheme Shares transferred to API in accordance with the terms of this Scheme.
-

- (b) SLA and API have entered into the Implementation Deed in respect of (among other things) the implementation of this Scheme.
 - (c) This Scheme attributes certain actions to API but does not itself impose any obligations on API to perform those actions, as API is not a party to this Scheme. By executing the Deed Poll, API has agreed to perform the actions attributed to it under this Scheme, including the payment or procuring the payment of the Scheme Consideration to the Scheme Shareholders subject to the terms and conditions of this Scheme.
-

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will not become Effective until and unless the following conditions precedent are satisfied:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Implementation Deed by 8:00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll is terminated in accordance with its terms before 8:00am on the Second Court Date;
- (c) this Scheme is approved by the Court having made orders under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are accepted in writing by SLA and API (each acting reasonably);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are accepted in writing by SLA and API (each acting reasonably) are satisfied or waived; and
- (e) the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme becoming Effective, on or before the End Date.

3.2 Certificates

- (a) Each of SLA and API will provide a certificate (or such other evidence as the Court may require) to the Court at the Second Court Hearing confirming (in respect of matters within their knowledge) whether or not the conditions precedent in clauses 3.1(a) and 3.1(b) of this Scheme have been satisfied or waived (but in the case of the condition precedent in clause 3.1(a) only in respect of those conditions in clause 3.1 of the Implementation Deed (other than the condition relating to Court approval of this Scheme) included for that party's benefit).
- (b) The certificates given by SLA and API under clause 3.2(a) constitute conclusive evidence that the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.

3.3 End Date

(a) Without limiting any rights under the Implementation Deed, this Scheme will lapse and be of no further force or effect if:

- (i) the Effective Date does not occur on or before the End Date; or
- (ii) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless API and SLA otherwise agree in writing (and if required, as approved by the Court).

(b) Without limiting any rights under the Implementation Deed, in the event that the Implementation Deed is terminated in accordance with its terms before 8:00am on the Second Court Date, SLA and API are each released from:

- (i) any further obligation to take steps to implement this Scheme; and
- (ii) any liability with respect to this Scheme.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(e)) are satisfied, SLA must lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as practicable and in any event before 5:00pm on the Business Day immediately following the day on which SLA receives an office copy of the court orders or such later date as SLA and API agree in writing.

4.2 Transfer of Scheme Shares

Subject to this Scheme becoming Effective, on the Implementation Date:

- (a) subject to the payment of the Scheme Consideration in the manner contemplated by clauses 5.1, 5.2(a) 5.2(b), 5.2(c) and 5.2(g), all of the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date (other than any right to the Special Dividend), must be transferred to API, without the need for any further act by any Scheme Shareholder (other than acts performed by SLA (or any directors, officers, or secretaries of SLA) as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (i) SLA, in its capacity as the attorney and agent of the Scheme Shareholders, duly completing and executing the Scheme Transfer on behalf of the Scheme Shareholders (as transferors), and delivering it to API; and
 - (ii) API duly executing the Scheme Transfer (as transferee), attending to the stamping of the Scheme Transfer (if required) and delivering it to SLA for registration; and
- (b) immediately following receipt of the duly executed Scheme Transfer in accordance with clause 4.2(a), but subject to the stamping of the Scheme Transfer (if required), SLA must enter, or procure the entry of, the name of API in the SLA Register in

respect of all the Scheme Shares transferred to API in accordance with this Scheme.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to API of the Scheme Shares, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme.

5.2 Payment of Scheme Consideration

- (a) API's obligation to pay the Scheme Consideration will be satisfied by API depositing (or procuring the deposit), in cleared funds an amount equal to the Aggregate Scheme Consideration (less the Withholding Amount) into the Trust Account before 12 noon on the Business Day immediately before the Implementation Date (provided that any interest on the amount so deposited (less bank fees and other charges) (**Accrued Interest**) will accrue for the benefit of API), such amount to be held by SLA for the purposes of paying the Scheme Consideration to Scheme Shareholders in accordance with clause 5.2(b). API must promptly provide SLA with written confirmation of its payment into the Trust Account in accordance with this clause 5.2(a).
- (b) Subject to API paying the Aggregate Scheme Consideration in accordance with clause 5.2(a), and subject to clause 5.2(g), SLA must, on the Implementation Date and from the Trust Account, pay (or procure the payment) to each Scheme Shareholder the proportion of the Aggregate Scheme Consideration attributable to that Scheme Shareholder based on the number of Scheme Shares held by that Scheme Shareholder as at the Scheme Record Date (less any Withholding Amount in respect of that Scheme Shareholder and subject to clause 5.2(g)), which obligation will be satisfied by SLA:
 - (i) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments from SLA by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount of the Aggregate Scheme Consideration in Australian currency by electronic means in accordance with that election; or
 - (ii) paying, or procuring the payment of, the relevant proportion of the Aggregate Scheme Consideration (less any Withholding Amount in respect of that Scheme Shareholder and subject to clause 5.2(g)) in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to SLA; or
 - (iii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant proportion of the Aggregate Scheme Consideration (less any Withholding Amount in respect of that Scheme Shareholder and subject to clause 5.2(g)) to the Scheme Shareholder by prepaid ordinary post (or, if the address of the Scheme Shareholder is outside Australia, by prepaid airmail post) to their Registered Address, such cheque being drawn in the name of the Scheme Shareholder (or, in the case of joint holders, in accordance with clause 5.3).

(c) If API is required by section 260-5 or Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth), or section 255 of the *Income Tax Assessment Act 1936* (Cth), to pay to the Commissioner of Taxation (**Commissioner**) an amount in respect of the acquisition of Scheme Shares (the **Withholding Amount**), API is permitted to deduct the Withholding Amount from the Scheme Consideration otherwise payable in respect of those Scheme Shares and remit such amounts to the Commissioner. The aggregate sum payable shall not be increased to reflect the deduction of the Withholding Amount and the net sum payable to those Scheme Shareholders to whom the Withholding Amount relates to shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders.

(d) If:

(i) either:

- (A) a Scheme Shareholder does not have a Registered Address; or
- (B) SLA as the trustee for the Scheme Shareholders believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address,

and no account has been notified in accordance with clause 5.2(b)(i) or (ii) or a deposit into such an account is rejected or refunded; or

(ii) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.5(a),

SLA as the trustee for the Scheme Shareholders may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of SLA (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW). To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW).

Until such time as the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW), SLA must hold on trust the amount for the relevant Scheme Shareholder, but any interest or other benefit accruing from the amount will be to the benefit of API. An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Shareholder when credited to the Separate Account or Trust Account (as applicable). SLA must maintain records of the amounts paid, the people who are entitled to the amounts and any transfers of the amounts.

- (e) To the extent that there is a surplus in the amount held by SLA as the trustee for the Scheme Shareholders in the Trust Account, that surplus may be paid by SLA as the trustee for the Scheme Shareholders to API following the satisfaction of SLA's obligations as the trustee for the Scheme Shareholders under this clause 5.2.
- (f) SLA must pay any Accrued Interest to any account nominated by API following satisfaction of SLA's obligations under clause 5.2(b).
- (g) In respect of any Scheme Shareholder to which SLA or one of its subsidiaries has provided a loan for the purpose of their acquisition of Scheme Shares (or their

acquisition of any shares in a subsidiary of SLA which were exchanged for Scheme Shares) and that loan remains outstanding as at the Implementation Date, the obligation in clause 5.2(b) will be satisfied by paying:

- (i) to SLA or its subsidiary (as applicable) the portion of the Scheme Consideration equal to the aggregate amount of the loan which SLA or its subsidiary (as applicable) is owed by that Scheme Shareholder (in satisfaction of that outstanding loan); and
- (ii) as to the balance (if any) of the Scheme Consideration payable to that Scheme Shareholder under clause 5.2(b), to that Scheme Shareholder in accordance with clause 5.2(b).

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the SLA Register as at the Scheme Record Date; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the SLA Register as at the Scheme Record Date.

5.4 Fractional entitlements and splitting

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

5.5 Cancellation and re-issue of cheques

- (a) SLA may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to SLA; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to SLA (or the Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), a cheque that was previously cancelled under clause 5.5(a) must be reissued by SLA.

5.6 Unclaimed monies

- (a) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1995* (NSW)).
- (b) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of API.

5.7 Orders of a court or Government Agency

If written notice is given to SLA (or the Registry) or API of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which sum would otherwise be payable to that Scheme Shareholder by SLA in accordance with this clause 5, then SLA will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) prevents SLA from making a payment to a particular Scheme Shareholder in accordance with clause 5.2(b), or such payment is otherwise prohibited by applicable law, SLA will be entitled to retain an amount, in Australian dollars, equal to the relevant amount until such time as payment in accordance with this clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by SLA will constitute full discharge of SLA's obligations under clause 5.2(b) with respect to the amount so paid or retained until, in the case of clause 5.7(b), it is no longer required to be retained.

For the avoidance of doubt, if the relevant order or direction prevents the payment of only part of the Scheme Consideration which would otherwise be payable to a Scheme Shareholder, SLA and API will pay to the Scheme Shareholder (or procure payment of) the maximum possible portion of the Scheme Consideration to which that Scheme Shareholder is entitled without giving rise to a breach of that order or direction and this clause 5.7 will only apply in respect of the remaining portion.

6 Dealings in SLA Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in SLA Shares or other alterations to the SLA Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the SLA Register as the holder of the relevant SLA Shares at or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Scheme Record Date at the place where the SLA Register is kept,

and SLA must not accept for registration, nor recognise for any purpose (except a transfer to API pursuant to this Scheme and any subsequent transfer by API or its successors in title), any transfer or transmission application or other request received after the Scheme Record Date, or received prior to the Scheme Record Date but not in registrable or actionable form.

6.2 Register

SLA must register, or cause to be registered, registrable transmission applications or transfers of Scheme Shares in accordance with clause 6.1(b) at or before the Scheme Record Date, provided that nothing in this clause 6.2 requires SLA to register a transfer that would result in a SLA Shareholder holding a parcel of SLA Shares that is less than a 'marketable parcel' (as defined in the ASX Settlement Rules).

6.3 No disposals after Scheme Record Date

If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no legal effect and SLA will be entitled to disregard any such disposal, purported disposal or agreement.

6.4 Maintenance of SLA Register

For the purpose of determining entitlements to the Scheme Consideration, SLA must maintain the SLA Register in accordance with the provisions of this clause 6.4 until the Scheme Consideration has been paid to the Scheme Shareholders and API has been entered in the SLA Register as the holder of all the Scheme Shares. The SLA Register in this form will solely determine entitlements to the Scheme Consideration.

6.5 Effect of certificates and holding statements

Subject to payment of the Scheme Consideration and registration of the transfer of the Scheme Shares to API in accordance with this Scheme, all statements of holding or share certificates for Scheme Shares (other than statements of holding in favour of API or its successors in title) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the SLA Register (other than entries in respect of API or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the SLA Shares relating to that entry.

6.6 Details of Scheme Shareholders

As soon as practicable after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, SLA will ensure that the details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the SLA Register as at the Scheme Record Date are available to API in the form API reasonably requires.

7 Quotation of SLA Shares

- (a) SLA must apply to ASX to suspend trading in SLA Shares with effect from the close of trading on the Effective Date.
- (b) SLA must apply:
 - (i) for termination of the official quotation of SLA Shares on the ASX; and
 - (ii) to have itself removed from the official list of ASX,in each case with effect on and from the close of trading on the trading day immediately following the Implementation Date, or such later date as may be:
 - (iii) requested by API, acting reasonably; and
 - (iv) permitted by ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) SLA may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which API has consented (such consent of API not to be unreasonably withheld or delayed); and
- (b) each Scheme Shareholder agrees to any such alterations or conditions to which counsel for SLA has consented.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (i) irrevocably agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares (other than a right to the Special Dividend) to API in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (iii) agrees to, on the direction of API, destroy any statements of holding or share certificates relating to their Scheme Shares;
 - (iv) who holds its Scheme Shares in a CHESS Holding agrees to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises SLA to do anything necessary, expedient or incidental (whether required by the ASX Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (v) acknowledges that this Scheme binds SLA and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting),

without the need for any further act by the Scheme Shareholder.

- (b) Each Scheme Shareholder is taken to have warranted to SLA and API on the Implementation Date, and appointed and authorised SLA as its attorney and agent to warrant to API, that:
 - (i) all of their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to API, be free from all:
 - (A) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (B) restrictions on transfer of any kind;

- (ii) they have full power and capacity to transfer their Scheme Shares to API under the Scheme together with any rights and entitlements attaching to those Scheme Shares;
- (iii) all of their Scheme Shares which are transferred to API under this Scheme will, on the date on which they are transferred to API, be fully paid; and
- (iv) they have no existing right to be issued any other Scheme Shares, any other form of SLA Shares, options exercisable into SLA Shares, SLA convertible notes or any other SLA securities,

and SLA undertakes that it will provide such warranty to API as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer of them to API, vest in API free from all:
 - (i) mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind.
- (b) On the payment of the Scheme Consideration in the manner contemplated by clause 5, API will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by SLA of API in the SLA Register as the holder of the Scheme Shares. API's entitlement to be registered in the SLA Register as the holder of the Scheme Shares arises on the Implementation Date in accordance with clause 4.2.

8.4 Appointment of API as sole proxy

On the payment of the Scheme Consideration in the manner contemplated by clause 5 and until SLA registers API as the holder of all Scheme Shares in the SLA Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed API as attorney and agent (and directs API in each such capacity) to appoint any director, officer, secretary or agent nominated by API from time to time as its sole proxy and, where applicable or appropriate, corporate representative to attend SLA shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any SLA shareholders' resolution whether in person, by proxy or by corporate representative;
- (b) must not attend or vote at any SLA shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign any SLA shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as API reasonably directs; and

- (d) acknowledges and agrees that in exercising the powers conferred by clause 8.4(a), API and any director, officer, secretary or agent nominated by API under that clause may act in the best interests of API as the intended registered holder of the Scheme Shares.

8.5 Authority given to SLA

On and from the Effective Date, each Scheme Shareholder, without the need for any further act by the Scheme Shareholder, irrevocably appoints SLA and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against API; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and SLA accepts such appointment. SLA, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or secretaries (jointly, severally or jointly and severally).

8.6 Binding effect of this Scheme

This Scheme binds SLA and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides SLA's constituent documents.

9 General

9.1 Stamp duty

- (a) API will:
 - (i) pay all stamp duty (if any) and any related fines, interest and penalties payable in respect of the Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with the Scheme and the Deed Poll; and
 - (ii) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a)(i).

9.2 Consent

Each Scheme Shareholder consents to SLA doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it, whether on behalf of the Scheme Shareholders, SLA or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to SLA, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if

any) on which it is actually received at SLA's registered office or at the office of the Registry.

- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a SLA Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

- (a) This Scheme and any dispute arising out of or in connection with the subject matters of this document is governed by the laws in force in NSW, Australia.
- (b) Each party irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of NSW, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 9.4(b)(i).

9.5 Further action

SLA must do all things and execute all documents necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that none of SLA's or API's respective directors, officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll when the relevant person has acted in good faith.

Schedule 1 Dictionary

1 Dictionary

Accrued Interest has the meaning given in clause 5.2(a).

Aggregate Scheme Consideration means the Scheme Consideration multiplied by the total number of Scheme Shares.

API means Australian Pharmaceutical Industries Pty Ltd (ACN 000 004 320).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it.

ASX Settlement Rules means operating rules of the settlement facility provided by ASX Settlement Pty Ltd (ACN 008 504 532).

Business Day has the meaning given in the official listing rules of ASX.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

CHESS Holding has the meaning given in the ASX Settlement Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia (NSW Registry) or such other court of competent jurisdiction under the Corporations Act agreed in writing by SLA and API.

Deed Poll means the deed poll dated 1 July 2023 under which, among other things, API covenants in favour of Scheme Shareholders to pay the Scheme Consideration in accordance with the Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means 1 April 2024, or such later date as SLA and API agree in writing.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

Implementation Date means the fifth Business Day after the Scheme Record Date or such other day as SLA and API agree in writing.

Implementation Deed means the scheme implementation deed dated [•] 2023 between SLA and API relating to, among other things, the implementation of the Scheme.

Issuer Sponsored Holding has the meaning given in the ASX Settlement Rules.

Notice has the meaning given in the Implementation Deed.

Registered Address means, in relation to a Scheme Shareholder, the address shown in the SLA Register as at the Scheme Record Date.

Registry means Computershare Investor Services Pty Limited.

Scheme means this scheme of arrangement between SLA and Scheme Shareholders under which all of the Scheme Shares will be transferred to API under Part 5.1 of the Corporations Act, in consideration for the Scheme Consideration, subject to any alterations or conditions that are:

- (a) agreed to in writing by SLA and API, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by SLA and API.

Scheme Consideration means an amount of \$3.35 for each Scheme Share, subject to, and as adjusted in accordance with, clause 5(h) of the Implementation Deed (if applicable).

Scheme Meeting means the meeting of SLA Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider this Scheme, and includes any adjournment thereof.

Scheme Record Date means 7:00pm on the fifth Business Day after the Effective Date, or such other time and date as SLA and API agree in writing and ASX may allow.

Scheme Share means a SLA Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a SLA Shareholder as at the Scheme Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act in favour of API as transferee, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for orders under section 411(4)(b) of the Corporations Act approving this Scheme is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard), with such hearing being the **Second Court Hearing**.

Separate Account has the meaning given in clause 5.2(c).

SLA means SILK Laser Australia Limited (ACN 645 400 399).

SLA Register means the register of SLA Shareholders maintained in accordance with the Corporations Act.

SLA Share means a fully paid ordinary share in the capital of SLA.

SLA Shareholder means a holder of one or more SLA Shares, as shown in the SLA Register.

Special Dividend has the meaning given in the Implementation Deed.

Trust Account means an Australian dollar denominated trust account which is operated by or on behalf of SLA as trustee for the Scheme Shareholders.

Withholding Amount has the meaning given in clause 5.2(c).

2 Interpretation

In this Scheme, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words 'include', 'including', 'such as', 'for example' and similar expressions are not words of limitation and do not limit what else might be included.
- (f) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this Scheme (as applicable);
 - (vi) this Scheme includes all schedules to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement (other than this Scheme) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and

- (x) a monetary amount is in Australian dollars.
- (g) An agreement on the part of two or more persons binds them jointly and severally.
- (h) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (i) In determining the time of day where relevant to this Scheme, the time of day is:
 - (i) for the purposes of giving or receiving Notice, the time of day where the party receiving Notice is located; or
 - (ii) for any other purpose under this Scheme, the time of day in the place where the party required to perform an obligation is located.
- (j) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.

Attachment B Deed poll

Deed poll

Australian Pharmaceutical Industries Pty Ltd

In favour of each person registered as a holder of SLA Shares as at the Scheme Record Date

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Date: [•] 2023

Parties

Australian Pharmaceutical Industries Pty Ltd (ACN 000 004 320) of Level 14, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth WA 6000 (**API**)

In favour of each person registered as a holder of SLA Shares as at the Scheme Record Date (**Scheme Shareholders**)

Background

- A SLA and API have entered into the Implementation Deed, under which:
- (i) SLA and API have agreed to implement the Scheme;
 - (ii) the effect of the Scheme will be that all Scheme Shares will be transferred to API; and
 - (iii) API has agreed to:
 - (A) enter into this deed poll; and
 - (B) pay or procure the provision of the Scheme Consideration to each Scheme Shareholder, in accordance with the Scheme.
- B API is entering into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to undertake the actions attributed to API under the Scheme.
-

1 Defined terms and interpretation

1.1 Defined terms

Unless the context otherwise requires:

- (a) **Implementation Deed** means the scheme implementation deed dated [•] 2023 between SLA and API relating to (among other things) the implementation of the Scheme; and
- (b) terms defined in the Implementation Deed have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 2 of Schedule 1 of the Implementation Deed applies to the interpretation of this deed poll, except that references to 'this document' in clause 2 of Schedule 1 of the Implementation Deed are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

API acknowledges and agrees that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with the terms of this deed poll even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints SLA and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against API.

2 Conditions

2.1 Conditions

This deed poll and the obligations of API under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

This deed poll and the obligations of API under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective on or before the End Date or any later date as the Court, with the consent of API and SLA may order,

unless SLA and API otherwise agree in writing.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2:

- (a) API is released from its obligations to further perform this deed poll, except those obligations under clause 6.1; and
- (b) in addition and without prejudice to any other rights, powers or remedies available to the Scheme Shareholders, each Scheme Shareholder retains the rights they have against API in respect of any breach of this deed poll which occurred before it was terminated.

3 API undertakings

Subject to clause 2, API undertakes in favour of each Scheme Shareholder to:

- (a) deposit or procure the deposit of the Aggregate Scheme Consideration in cleared funds into a trust account operated by or on behalf of SLA as trustee for the Scheme Shareholders before 12 noon on the Business Day immediately before the Implementation Date (it being noted that, in accordance with the Scheme, any interest on the amount so deposited, less bank fees and other charges, will accrue for the benefit of API); and

- (b) provide or procure the provision of the Scheme Consideration in accordance with the terms of the Scheme; and
- (c) undertake or procure the undertaking of all other actions attributed to it under the Scheme, as if named as a party to the Scheme,

in each case subject to and in accordance with the terms and conditions of the Scheme.

4 Warranties

API represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has the legal right and full corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
 - (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance by it of this deed poll and to carry out the transactions contemplated by this deed poll;
 - (d) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets (or any event under any law which is analogous to, or which has a substantially similar effect to, any of the events referred to in this paragraph);
 - (e) this deed poll is valid and binding on it and is enforceable against it in accordance with the terms of this deed poll; and
 - (f) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.
-

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) API has fully performed its obligations under this deed poll; or
 - (b) the earlier termination of this deed poll under clause 2.2.
-

6 General

6.1 Stamp duty

API must:

- (a) pay all stamp duty (if any) and any related fines, interest and penalties payable on or in connection with the transfer by the Scheme Shareholders of the Scheme Shares to API pursuant to the Scheme and this deed poll; and

- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 6.1(a).

6.2 Notices

- (a) Any notice or other communication to API in connection with this deed poll must be:
 - (i) in legible writing in English;
 - (ii) signed by the person making the communication or that person's duly authorised agent; and
 - (iii) given by hand delivery, pre-paid post or email in accordance with the details set out below:

API

Attention: Christian Bauer

Address: Level 14, Brookfield Place, Tower 2, 123 St Georges Terrace,
Perth WA 6000

Email: [REDACTED]

with a copy (for information purposes only) to Karen Evans-Cullen, Gilbert + Tobin by email at KEvans-Cullen@gtlaw.com.au

- (b) Subject to clause 6.2(b)(iii), any notice or other communication given in accordance with clause 6.2(a) will be taken to have been received as follows:
 - (i) if delivered by hand, on delivery;
 - (ii) if sent by pre-paid post, 2 Business Days after posting (or 7 Business Days after posting if sent from one country to another); and
 - (iii) if sent by email immediately unless the sender receives a message indicating that the email has not been received by the intended recipient.
- (c) Any notice or other communication that, pursuant to clause 6.2(b), would be deemed to be given:
 - (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
 - (ii) after 5:00pm on a Business Day or on a non-Business Day, it will be taken to be received at 9:00am on the next Business Day,

where references to time are to time in the place the recipient is located.

6.3 Cumulative rights

The rights, powers and remedies of API and each Scheme Shareholder under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

6.4 Waiver

- (a) A party waives a right under this deed poll only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of:
 - (i) any right, power or remedy provided by law or under this deed poll; or
 - (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,

by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

6.5 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by SLA in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by SLA in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event API must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.6 Governing law and jurisdiction

- (a) This deed poll and any dispute arising out of or in connection with the subject matters of this deed poll is governed by the laws in force in New South Wales, Australia.
- (b) API irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of New South Wales, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to the Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 6.6(b)(i).

6.7 Assignment

- (a) The rights created by this deed poll are personal to API and each Scheme Shareholder, and must not be dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 6.7(a) is invalid.

6.8 Further action

API must, at its own expense, promptly do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

Execution page

Executed as a deed.

Signed sealed and delivered by **Australian
Pharmaceutical Industries Pty Ltd** in
accordance with section 127 of the *Corporations Act
2001 (Cth)* by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)