

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

To NZX Limited
and
To Orion Health Group Limited

Relevant event being disclosed: Change of nature of relevant interest

Date of relevant event: 3 July 2018

Date this disclosure made: 3 July 2018

Date last disclosure made: 26 November 2014

Substantial product holder(s) giving disclosure

Full name(s): McCrae Limited

Summary of substantial holding

Class of quoted voting products: Ordinary shares in Orion Health Group Limited (NZX code: OHE) (**Shares**)

Summary for McCrae Limited

For **this** disclosure,—

- (a) total number held in class: 97,526,723
- (b) total in class: 196,049,814
- (c) total percentage held in class: 49.746%

For **last** disclosure,—

- (a) total number held in class: 80,860,057
- (b) total in class: 160,557,586
- (c) total percentage held in class: 50.362%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure:

On 3 July 2018, Orion Health Group Limited (**OHE**), InterOperability BidCo, Inc. (**IO BidCo**), Orchestral Developments Limited (**ODL**), InterOperability Holdings, LLC and Orion 2018 Limited entered into an Asset Sale and Purchase Agreement relating to the sale and purchase of OHE's InterOperability business (the **IO Business**) (the **APA**), which, if approved by OHE's shareholders, would result in IO BidCo acquiring the IO Business (the **Proposed Transaction**).

OHE announced that, following completion of the Proposed Transaction, it would implement a pro rata share buyback pursuant to which OHE shareholders would be given the opportunity to participate in respect of 100%, 50%, 20% or 0% of their Shares (**Share Buyback**).

In connection with the above, also on 3 July 2018, McCrae Limited has entered into:

- a Deal Protection Deed with IO BidCo and Ian McCrae (the **Deal Protection Deed**); and
- a Share Buyback Undertaking in favour of OHE (the **Share Buyback Undertaking**).

Deal Protection Deed

Under the terms of the Deal Protection Deed, amongst other things, McCrae Limited and Ian McCrae agreed, subject to certain exceptions, not to:

- sell, transfer, grant or permit an encumbrance over, or otherwise dispose of, any interest in, or control over, any of the Shares held by McCrae Limited;
- invite, solicit or encourage a transaction involving the acquisition of any of the Shares held by McCrae Limited; and
- invite, solicit or encourage a third party to make, propose or announce any acquisition of any other person's Shares, the acquisition of all or a material part of the business/assets of OHE, a merger with OHE or any other transaction which could reasonably be expected to be inconsistent with the Proposed Transaction or result in IO BidCo abandoning or failing to proceed with the Proposed Transaction.

The Deal Protection Deed will expire on the earlier of the date on which completion of the Proposed Transaction in accordance with the terms of the APA, including successful completion of the buy-back of Shares contemplated by the APA or the APA is terminated in accordance with its terms.

No consideration was provided to McCrae Limited and Ian McCrae under the Deal Protection Deed.

Share Buyback Undertaking

Under the terms of the Share Buyback Undertaking, McCrae Limited undertook in favour of OHE to accept the Share Buyback in respect of 20% of its holding of Shares at the time the Share Buyback is made.

The Share Buyback Undertaking will expire on the earlier of: (i) the termination of the APA in accordance with its terms (ii) the completion of the Share Buyback (iii) the OHE board of directors resolving not to proceed with the Share Buyback (iv) the Share Buyback being unable to be completed in, or reduced in scale from, the manner contemplated in the minutes of the OHE board meeting dated 3 July 2018 (v) OHE shareholder approval to the Share Buyback and any increase in McCrae Limited's shareholding as a result of the Share Buyback not being obtained; or (vi) the date that is six months after the date of the Share Buyback Undertaking.

No consideration was provided to McCrae Limited under the Share Buyback Undertaking.

Details after relevant event

Details for: McCrae Limited

Nature of relevant interest(s): McCrae Limited is the registered holder and beneficial owner of 97,526,723 Shares (**Relevant Shares**) and has the power to exercise the right to vote attached to, and to dispose of, the Relevant Shares. As a consequence of:

- the Deal Protection Deed (copy attached as Appendix A – 9 pages), there is a qualification on the power of McCrae Limited to dispose of, the Relevant Shares; and
- the Share Buyback Undertaking (copy attached as Appendix B – 4 pages), there is a qualification on the power of McCrae Limited to dispose of, up to approximately 19,505,345 Shares (being 20% of the Relevant Shares).

For that relevant interest,—

- (a) number held in class: 97,526,723
- (b) percentage held in class: 49.746%
- (c) current registered holder(s): McCrae Limited
- (d) registered holder(s) once transfers are registered: Not applicable

Additional information

Address(es) of substantial product holder(s): Orion House, 181 Grafton Road, Grafton, Auckland 1010, New Zealand

Contact details:

Ian McCrae
Phone: +64 9 638 0600
Email: ian.mccrae@orionhealth.com

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: InterOperability BidCo, Inc. and Orion Health Group Limited.

Certification

I, Ian Richard McCrae, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

APPENDIX A
DEAL PROTECTION DEED

Deal Protection Deed

McCrae Limited (Shareholder)

Ian McCrae (IMC)

InterOperability Bidco, Inc. (Hg)



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DEAL PROTECTION DEED

Date: 3 July 2018

PARTIES

McCrae Limited (*Shareholder*)

Ian McCrae (IMC)

InterOperability Bidco, Inc. (*Hg*)

BACKGROUND

- A Hg has entered into an Asset Sale and Purchase Agreement (*APA*) with Onyx Developments Limited, a wholly owned subsidiary of Orion Health Group Limited (the *Target*) and the Target, and others under which Hg has agreed to acquire 75.1% of the Target's Interoperability and 24.9% of the Target's Population Health Management businesses (the *Transaction*).
- B Completion of the Transaction is, among other things, subject to the passing of all of the resolutions to be put to the Target's shareholders at a special shareholders' meeting to approve the Transaction (the *SGM*) as will be set out in the notice of meeting for the SGM (the *Resolutions*).
- C The Shareholder holds 97,526,723 ordinary shares in the Target (such shares, together with any other shares in the Target acquired (directly or indirectly) by the Shareholder after the date of this Deed, being the *Shareholder's Shares*).
- D The Shareholder has advised Hg that the Shareholder intends to vote all of the Shareholder's Shares in favour of the Resolutions in respect of which the Shareholder is permitted to vote and IMC intends to procure that the Shareholder do so.

BY THIS DEED the parties agree as follows:

1 STATUS OF STATEMENT OF INTENTION

1.1 Status of the statement of intention

The statement of intention recorded in paragraph D of the Introduction (*Statement of Intention*) reflects the Shareholder's intention based on the terms of the Transaction as set out in the APA as at the date of this Deed. It is not, and is not intended to be, contractually binding on the Shareholder or IMC. The Statement of Intention is not a voting undertaking and does not grant to Hg any control over the voting rights attaching to the Shareholder's Shares.

1.2 Shareholder acknowledgements

Without limiting clause 1.1, the Shareholder and IMC acknowledge that:

- (a) Hg has relied on the Statement of Intention;



- (b) Hg and the Target may refer to the Statement of Intention, including in any documents prepared by the Target to be sent to Target shareholders in connection with the SGM;
- (c) the execution of this Deed will give Hg a relevant interest (as defined in the Financial Markets Conduct Act 2013) in the Shareholder's Shares; and
- (d) Hg is required to immediately disclose that relevant interest, and a copy of this Deed (including the Statement of Intention), to NZX Main Board and ASX.

2 PROHIBITED DEALINGS

2.1 Definition of Encumbrance

Encumbrance includes a charge, mortgage, security interest, lien, option, right of pre-emption, first right of refusal or other adverse interest of any nature.

2.2 Prohibited dealings

Subject to clause 2.3, the Shareholder will not do, or agree to do, and IMC agrees to procure that the Shareholder will not do, or agree to do, directly or indirectly, any of the following (other than as contemplated by or in order to give effect to the Transaction) after the date of this Deed:

- (a) sell, transfer, grant or permit an Encumbrance over, or otherwise dispose of, any interest in, or control over, any of the Shareholder's Shares;
- (b) invite, seek, solicit, encourage, initiate or otherwise facilitate any person other than Hg (a *Third Party*) to:
 - (i) acquire any interest in, or control over, any of the Shareholder's Shares;
 - (ii) make, propose or announce:
 - (A) any direct or indirect acquisition of an interest in, or the right to acquire or have a direct or indirect economic interest in, any other person's shares in the Target;
 - (B) any direct or indirect acquisition of, or the right to acquire or have a direct or indirect economic interest in, all or a material part of the business and/or assets of the Target and its subsidiaries;
 - (C) a transfer of control of the Target or a material part of the business of the Target and its subsidiaries;
 - (D) otherwise an acquisition of, or merger with, the Target; or
 - (E) any other transaction which could reasonably be expected to be inconsistent with the Transaction or result in Hg abandoning or failing to proceed with the Transaction,

whether by way of an on-market or off-market purchase of shares, stand in the market, takeover offer, scheme of arrangement, capital



reduction, buy-back of shares, sale or purchase of assets, share issue (or the issue or grant of options, convertible securities or other rights or entitlements to shares) or other recapitalisation, joint venture, insolvency proceeding, dual-listed company structure (or other synthetic merger) or other transaction or arrangement (a *Prohibited Transaction*);

- (c) provide any information of any nature to a Third Party for the purposes of encouraging or facilitating, or allowing that Third Party to consider, a Prohibited Transaction;
- (d) do any act, matter or thing which is, or which may reasonably be expected to be, inconsistent with the Shareholder's obligations under sub-clause 0 or (b).

2.3 Permitted dealings

Clause 2.2 does not prevent:

- (a) the Shareholder from voting in favour of the Resolutions;
- (b) any act, matter or filing undertaken by the Shareholder with Hg's prior written approval, which will not be arbitrarily or unreasonably withheld or delayed;
- (c) IMC from doing any act, matter or thing in his capacity as a director or officer of the Target, that he considers necessary or advisable to comply with his fiduciary or statutory duties; and
- (d) the Shareholder or IMC (or any financier of the Shareholder or IMC) from doing any act, matter or thing:
 - (i) for the purpose of, and in connection with, repaying or refinancing any monies owed by the Shareholder or IMC under any financing and security arrangements to which either the Shareholder or IMC is party as at the date of this Deed (*Existing Financing Arrangements*) or taking any enforcement action under such financing arrangements; and
 - (ii) it considers necessary or desirable to comply with the obligations of the Shareholder or IMC under any Existing Financing Arrangements or any arrangements entered into in replacement of the Existing Financing Arrangements, including any obligations that arise upon enforcement action being taken under those arrangements.

2.4 Warranty

The Shareholder and IMC each represent and warrant that, as at the date of this Deed, it is not in discussions, directly or indirectly, with any Third Party regarding a Prohibited Transaction.

3 COMPLIANCE WITH TAKEOVERS CODE

3.1 Holding and controlling of voting rights

Nothing in this Deed will confer on Hg the ability, or right, to hold or control (as defined in the Takeovers Code) the voting rights (as defined in the Takeovers Code) attaching to the Shareholder's Shares, and Hg will not become the holder or controller of such voting rights. The Shareholder may exercise or control the



exercise of all voting rights attached to the Shareholder's Shares in whatever manner that it sees fit.

4 **EXPIRY AND TERMINATION**

4.1 **Expiry**

This Deed will expire on the earlier of the date on which:

- (a) completion of the Transaction occurs in accordance with the terms of the APA, including successful completion of the buy-back of the Target's shares contemplated by the APA; or
- (b) the APA is terminated in accordance with its terms.

4.2 **Accrued rights and obligations**

The rights and obligations of each party that accrued prior to the expiry or terminate of this Deed will survive the expiry or termination of this Deed.

4.3 **Obligations not affected by termination**

The rights and obligations of each party under clause 4.2 and 6 will continue independently from the other obligations of the parties and survive cancellation of this Deed.

5 **MUTUAL WARRANTIES**

5.1 **Warranties**

Each party represents and warrants to the other that:

- (a) it has the power and authority to enter into, exercise its rights and perform and comply its obligations under, this Deed;
- (b) its obligations are legal, valid and binding and are enforceable against it in accordance with the terms of this Deed.

6 **GENERAL**

6.1 **Confidentiality**

Each party must treat the existence of this Deed and all information made available by or on behalf of, or at the request of, any party in connection with this Deed as strictly private and confidential until completion of the Transaction. If the Transaction does not proceed, each party must destroy such information or return such information to the disclosing party and must not divulge it to any third party or use it in any way for its own advantage, unless and until:

- (a) the information becomes public knowledge otherwise than by its own disclosure; or
- (b) it is required by law to make the disclosure; or
- (c) the disclosing party has consented in writing to the disclosure.



6.2 **Relationship**

Nothing in this Deed will create, constitute or evidence any partnership, joint venture, agency, or trust relationship between the parties and neither party will have any authority to act for, or to incur any obligation on behalf of, the other party.

6.3 **Variation and waiver**

This Deed may only be varied in writing signed by the parties. No waiver of any breach, or failure to enforce any provision, of this Deed at any time by either party will in anyway affect, limit or waive that party's right thereafter to enforce and compel strict compliance with the provisions of this Deed.

6.4 **No assignment**

No party will, directly or indirectly, assign, transfer or otherwise dispose of any rights or interests of that party in, or obligations or liabilities under, this Deed.

6.5 **Costs**

The parties will each bear their own costs and expenses incurred in connection with the preparation, negotiation and implementation of this Deed and any documentation pertaining hereto.

6.6 **Severability**

If any part of this Deed is held by any court or administrative body of competent jurisdiction to be illegal, void or unenforceable such determination will not impair the enforceability of the remaining parts of this Deed, which will remain in full force, and such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable.

6.7 **Entire agreement**

This Deed constitutes the entire agreement and understanding (express and implied) between the parties relating to the subject matter of this Deed and supersedes and cancels all previous agreements and understandings between the parties relating thereto, whether written or oral.

6.8 **Counterparts**

This Deed may be signed in any number of counterparts, including facsimile or scanned copies, all of which will together constitute one and the same instrument and a binding and enforceable Deed between the parties. Either party may execute this Deed by signing any such counterpart.

6.9 **Compliance with applicable law**

Nothing in this Deed requires any party to do any act, matter or thing in contravention of the Takeovers Code, the Financial Markets Conduct Act 2013 or the Companies Act 1993.

6.10 **Governing law**

This Deed is governed by, and shall be construed in accordance with, the laws of New Zealand. Each party unconditionally and irrevocably submits to the non-exclusive jurisdiction of the courts of New Zealand in respect of all matters arising out of this Deed and waives any right that party may have to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.



EXECUTED AS A DEED

For and on behalf of **McCrae Limited** by:



Director

in the presence of:

LauralMcCrae

Name: *Laura McCrae*

Occupation: *Business Intelligence Graduate*

Address: *30 King Street, Grey Lynn*

Signed by **Ian McCrae**



in the presence of:

LauralMcCrae

Name: *Laura McCrae*

Occupation: *Business Intelligence Graduate*

Address: *30 King Street, Grey Lynn*


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For and on behalf of **InterOperability Bidco, Inc.** by:



Director David Issott



Director Yasemin Arik

APPENDIX B
SHARE BUYBACK UNDERTAKING

Undertaking

relating to

the proposed share buyback

by

McCrae Limited

McCrae

in favour of

Orion Health Group Limited

OHE

Date **3 JULY 2018**

BELL GULLY

AUCKLAND VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND
TEL 64 9 916 8800 FAX 64 9 916 8801



This Undertaking is made on

3 JULY

2018

by (1) McCrae Limited (McCrae)

in favour of (2) Orion Health Group Limited (OHE)

Introduction

- A. OHE is considering implementing the Share Buyback, as contemplated by the minutes of the board meeting dated on the date of this Undertaking (the **Minutes**).
- B. McCrae has agreed to provide the Undertaking on the terms set out in this Deed to assist the board of directors of OHE in its planning for the Share Buyback and to support the announcements to be made to shareholders in connection with the Share Buyback.
- C. Terms defined in the Minutes have the same meaning in this Deed.

It is declared

1. Undertaking

- (a) McCrae undertakes in favour of OHE that, provided OHE undertakes the Share Buyback in the manner and in the price range contemplated in the Minutes, McCrae will accept the Share Buyback in respect of 20% of its holding of OHE shares at the time the Share Buyback is made (the **Undertaking**).
- (b) McCrae acknowledges that the board of directors of OHE will rely on this Undertaking when approving the Share Buyback.

2. Term

The Undertaking will terminate on:

- (a) the termination of the APA in accordance with its terms; or
- (b) the completion of the Share Buyback; or
- (c) the board of directors of OHE resolving not to proceed with the Share Buyback; or
- (d) the Share Buyback being unable to be completed in, or reduced in scale from, the manner contemplated in the Minutes; or
- (e) Shareholder approval to the Share Buyback and any increase in McCrae's shareholding as a result of the Share Buyback not being obtained; or
- (f) the date that is six months after the date of this Deed.

whichever is sooner.

3. **Announcements**

McCrae acknowledges that:

- (a) OHE may refer to the provision of, and terms of, the Undertaking in any public announcement or shareholder communications relating to the Proposed Transactions or the Share Buyback; and
- (b) a copy of this Deed will be attached to a substantial product holder notice issued by OHE.

4. **Variation**

The terms of this Deed may only be amended in writing signed by both McCrae and OHE.

5. **Relationship**

The parties acknowledge and agree that the Undertaking is given for the benefit of OHE only and is not intended to be enforceable by any other person.

6. **Assignment**

Neither party may assign or transfer all or part of their respective rights or obligations under this deed without the prior written consent of the other party.

7. **Delivery**

For the purposes of section 9 of the Property Law Act 2007, and without limiting any other mode of delivery, this Deed shall be delivered by McCrae immediately on the earlier of:

- (a) physical delivery of an original of this Deed, executed by McCrae, into the custody of OHE or its solicitors; or
- (b) transmission by McCrae or any person authorised by McCrae of a, photocopied or scanned copy of an original of this Deed, executed by McCrae, to OHE or its solicitors.

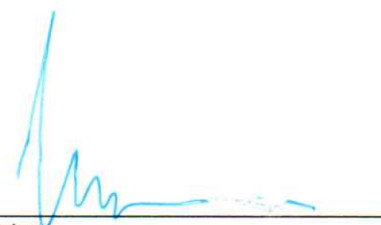
8. **Governing law**

This Deed is governed by, and shall be construed in accordance with, the laws of New Zealand.

Execution

Executed and delivered as a deed poll.

Signed for and on behalf of **McCrae Limited**
by its sole director in the presence of:



Director

Ian McCrae

Print name

Laural McCrae

Witness Signature

Witness Signature

Laura McCrae

Print Name

Print Name

Business Intelligence Graduate

Witness Occupation

Witness Occupation

A 30 King Street, Grey Lynn

Place of residence

Place of residence