



15 March 2019

Dear Shareholder

Grafton Health takeover offer for Orion Health – shareholders recommended to ACCEPT the Offer as soon as possible

On 6 March 2019, Orion Health Group Limited (**Orion**) released its target company statement (the **Target Company Statement**) in response to the unconditional takeover offer by Grafton Health Holdings Limited (**Grafton**) to purchase all of the ordinary shares (**Shares**) in Orion for an offer price of NZ\$1.224 per Share, payable in cash (the **Offer**).

As noted in the Target Company Statement, the independent directors of Orion (being myself and Paul Shearer) (the **Independent Directors**) unanimously recommend that Orion shareholders accept the Offer from Grafton.

In my letter at the start of the Target Company Statement, I described the two choices that the Independent Directors believe are most likely for Orion shareholders, namely:

- to accept the Offer; or
- not to accept the Offer and, if Grafton does not receive acceptances of the Offer in respect of more than 50% of the Shares (excluding the Shares that were subject to pre-commitments with Grafton), object to the compulsory acquisition price.

Since the release of the Target Company Statement, Grafton has received further acceptances and, as at the date of this letter, total acceptances of the Offer exceed 50% of the Shares, excluding the Shares that were subject to pre-commitments. This means that it will not be possible for Orion shareholders to challenge the consideration payable by Grafton under the compulsory acquisition process.

The Independent Directors therefore recommend that you ACCEPT the Offer **as soon as possible**. This is because the price payable under the compulsory acquisition process will be the same as the Offer price (NZ\$1.224 per Share), but you will be paid that consideration earlier if you accept the Offer rather than waiting for compulsory acquisition. There is now no benefit in delaying acceptance of the Offer or waiting for compulsory acquisition.

The Offer closes at 11:59pm on 15 March 2019.

Yours faithfully

A handwritten signature in black ink, appearing to be "A. Ferrier", written over a white background.

Andrew Ferrier
Chairman
Orion Health Group Limited