

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 in the nature of any relevant interest in the substantial holding

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): Pioneer Capital Management Limited (PCM)

Summary of substantial holding

Class of quoted voting products: Ordinary shares (NZX code: OHE) (Shares)

Summary for PCM

For **this** disclosure,—

- (a) total number held in class: 12,316,447
- (b) total in class: 196,049,814
- (c) total percentage held in class: 6.282%

For **last** disclosure,—

- (a) total number held in class: 10,683,400
- (b) total in class: 160,557,586
- (c) total percentage held in class: 6.654%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure:

On 3 July 2018, InterOperability BidCo, Inc. (IO BidCo), Orchestral Developments Limited (ODL), InterOperability Holdings, LLC, Orion 2018 Limited and Orion Health Group Limited (OHE) 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).

In connection with the Proposed Transaction, also on 3 July 2018, Pioneer Capital I Nominees Limited (Pioneer) has entered into a Deal Protection Deed with IO BidCo (the Deal Protection Deed).

The Deal Protection Deed relates to 12,316,447 Shares held by Pioneer and any other Shares acquired by Pioneer after the date of the Deal Protection Deed. These 12,316,447 Shares are held by Pioneer as bare trustee for PCM.

No consideration was provided to Pioneer (or PCM) under the Deal Protection Deed.

For completeness, the 1,633,047 Shares acquired since the last disclosure were new shares issued by OHE to Pioneer on 4 July 2017 pursuant to OHE's underwritten 2 for 9 rights offer of Shares announced on 30 May 2017. The issue price per Share was \$0.90.

Details after relevant event

Details for PCM

Nature of relevant interest(s): Power to exercise voting rights attached to, and to acquire or dispose of, Shares on behalf of investors, as investment manager under investment management agreements (which are not required to be attached under regulation 142 of the Financial Markets Conduct Regulations 2014). The power to exercise voting rights attached to, and to dispose of, Shares is qualified by the Deal Protection Deed (attached as the Appendix – 9 pages).

Under the terms of the Deal Protection Deed, Pioneer has irrevocably agreed and undertaken to attend the special shareholders' meeting to be called by OHE to approve the Proposed Transaction (SGM) and exercise the voting rights in respect of all Shares which it holds in favour of all resolutions at the SGM (the Voting Undertaking).

In addition to the Voting Undertaking, Pioneer has agreed pursuant to the Deal Protection Deed, 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 it;
- invite, solicit or encourage a transaction involving the acquisition of any of the Shares held by it; 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.

For that relevant interest,—

- (a) number held in class: 12,316,447

- (b) percentage held in class: 6.282%
- (c) current registered holder(s): no change since last disclosure
- (d) registered holder(s) once transfers are registered: no change since last disclosure

Additional information

Address(es) of substantial product holder(s):

Pioneer Capital Management Limited: Grant Thornton New Zealand Ltd, Level 4, 152 Fanshawe Street, Auckland 1140, New Zealand

Contact details: email: graham.fussell@pioneercapital.co.nz, phone: 09 304 0875

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.

Certification

I, Graham Fussell, 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.

Deal Protection Deed

Pioneer Capital I Nominees Limited
(Shareholder)

InterOperability Bidco, Inc. (Hg)



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DEAL PROTECTION DEED

Date: 3 July 2018

PARTIES

Pioneer Capital I Nominees Limited (*Shareholder*)

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*), 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, on or substantially on the terms set out in the market announcement of even date made by the Target, and in any event on terms which imply an enterprise value of the Target of not less than NZ\$255,000,000 , (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 12,316,447 ordinary shares in the Target (such shares, together with any other shares in the Target acquired (directly or indirectly) by the Shareholder after the dated of this Deed, being the *Shareholder's Shares*).
- D The Shareholder irrevocably agrees, subject to the provisions of this Deed, that it will vote in favour of all of the Resolutions in respect of all of the Shareholder's Shares.

BY THIS DEED the parties agree as follows:

1 VOTING COMMITMENT

1.1 Undertaking to vote in favour

The Shareholder irrevocably agrees and undertakes to attend the SGM (whether in person, by its corporate representative or by proxy) and exercise the Shareholder's voting rights in respect of all of the Shareholder's Shares in favour of all of the Resolutions at the SGM (and at any adjournment of the SGM) (the *Voting Undertaking*).

1.2 Shareholder acknowledgements

Without limiting clause 1.1, the Shareholder acknowledges that:

- (a) Hg has relied on the Voting Undertaking;
- (b) Hg and the Target may refer to the Voting Undertaking, 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;
- (d) Hg is required to immediately disclose that relevant interest, and a copy of this Deed (including the Voting Undertaking), to NZX Main Board and ASX;
- (e) the making of the Voting Undertaking by the Shareholder is conduct in relation to, or conduct that is incidental or preliminary to, a transaction or event that is regulated by the Takeovers Code for the purposes of rule 64 of the Takeovers Code; and
- (f) the failure by the Shareholder to act in a manner consistent the Voting Undertaking is likely to be conduct that is misleading or deceptive for the purposes of rule 64 of the Takeovers Code.

1.3 Remedies under the Takeovers Act

The Shareholder acknowledges that if it fails to act in a manner consistent with the Voting Undertaking:

- (a) the Takeovers Panel may make a determination under section 32(3)(b) of the Takeovers Act 1993 that the Takeovers Panel is not satisfied that the Shareholder has acted in compliance with the Takeovers Code; and
- (b) Hg could make an application to the Court for a compensation order under section 33K of the Takeovers Act 1993.

For the avoidance of doubt, the acknowledgement in this clause 1.3 is not intended to limit the rights or remedies of any person under the Takeovers Act 1993.

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

The Shareholder will not do, or agree to do, directly or indirectly, any of the following:

- (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 (a) 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; or
- (c) the Shareholder from accepting, in whole or in part, the buy-back of the Target's shares contemplated by the APA.

2.4 Warranty

The Shareholder represents and warrants 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 EXPIRY AND TERMINATION

3.1 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.

3.2 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.

3.3 Obligations not affected by termination

The rights and obligations of each party under clause 3.2 and 5 will continue independently from the other obligations of the parties and survive cancellation of this Deed.

4 MUTUAL WARRANTIES

4.1 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.

5 GENERAL

5.1 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.

5.2 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.



5.3 **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.

5.4 **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.

5.5 **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.

5.6 **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.

5.7 **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.

5.8 **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.

5.9 **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.

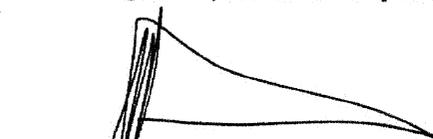
5.10 **Governing law**

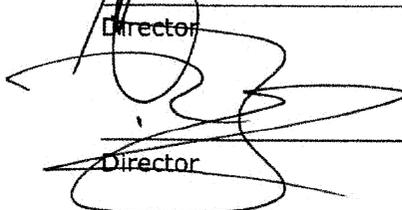
This Deed is governed by, and shall be construed in accordance with, the laws of New Zealand. Each party unconditionally and irrevocably submits to the non-exclusive jurisdiction of the courts of New Zealand in respect of all matters arising out of this Deed and waives any right that party may have to 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

Signed by **Pioneer Capital I Nominees Limited** by:



Director


Director



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

Director David Issott

Director Yasemin Arik