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Subject:

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Cheers,

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Morgans Financial Limited | ABN 49 010 669 726 | AFSL 235410

Please note that I have changed my email address to iain.cooper@morgans.com.au. Please update my email address in your address book.

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Estia Health Limited (EHE)

ACN/ARSN 160 986 201

1. Details of substantial holder (1)

Name Aged Services Victoria Pty Ltd as trustee for Heritage Lake Trust ACN 136 717 470 and Arvanitis International Investments Pty Ltd ACN 608 421 414 as trustee of Arvanitis International Investments Family Trust ('Arvanitis Group')

ACN/ARSN (if applicable) _____

There was a change in the interests of the substantial holder on _____

31/ 08/ 2016

The previous notice was given to the company on _____

28/ 08/ 2016

The previous notice was dated _____

01/ 10/ 2015

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| ORD | 17,745,556 | 9.43% | 0 | 0% |
| | | | | |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|----------------------|---|---|-------------------------|
| 31/ 08/ 2016 | Aged Services Victoria Pty Ltd as Trustee for the Heritage Lake Trust | disposal | \$43,710,030.00 | ORD – 13,876,200 | 13,876,200 |
| 31/ 08/ 2016 | Arvanitis International Investments Pty Ltd as Trustee of Arvanitis International Investments Family Trust | disposal | \$12,188,471.40 | ORD – 3,869,356 | 3,869,356 |
| | | | | | |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (8) | Class and number of securities | Person's votes |
|-----------------------------|--|--|---------------------------------|--------------------------------|----------------|
| | Aged Services Victoria Pty Ltd as Trustee for the Heritage Lake Trust | | Nil | 0 | 0 |
| | Arvanitis International Investments Pty Ltd as Trustee of Arvanitis International Investments Family Trust | | Nil | 0 | 0 |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| | |
| | |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|--|--|
| Aged Services Victoria Pty Ltd as Trustee for the Heritage Lake Trust | Level 9, 550 Bourke Street, Melbourne VIC 3000 |
| Arvanitis International Investments Pty Ltd as Trustee of Arvanitis International Investments Family Trust | Level 9, 550 Bourke Street, Melbourne VIC 3000 |

Signature

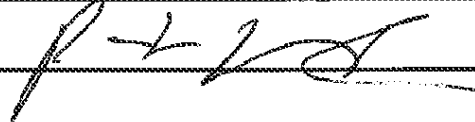
print name

PETER ARVANITIS

capacity

DIRECTOR

sign here



date

11/9/16

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Citigroup Global Markets Australia Pty Limited*COMMERCIAL-IN CONFIDENCE***31 August 2016**The parties listed in Schedule 1 (each a **Vendor**)

Dear Sirs

Sale of Shares in Estia Health Limited (ABN 37 160 986 201)**1. Introduction**

This agreement sets out the terms and conditions upon which the Vendors as listed in Schedule 1 engage **Citigroup Global Markets Australia Pty Limited (Citi)** to dispose of existing fully paid ordinary shares in Estia Health Limited (ABN 37 160 986 201) (**Company**) held by the Vendors (as set out in Schedule 1) (**Sale Shares**) (**Sale**) and Citi agrees to procure the disposal of the Sale Shares and to provide underwriting thereof, subject to clause 2, in accordance with the terms of this agreement (**Agreement**).

2. Sale of shares**2.1 Sale**

Each Vendor agrees to sell the Sale Shares and Citi agrees to:

- (a) manage the sale of the Sale Shares by procuring purchasers for the Sale Shares at the price of A\$3.15 per Sale Share (**Sale Price**); and
- (b) to underwrite and guarantee the sale of the Sale Shares by purchasing at the Sale Price per Sale Share the Sale Shares which have not been purchased by third party purchasers (or Citi's related bodies corporate or Affiliates) in accordance with clause 2.1(a) as at 9.45am on the Trade Date (as defined in the Timetable in Schedule 2) (or such time as the parties agree in writing) (**Balance Shares**),

in accordance with the terms of this agreement, Citi acknowledges and agrees that the identity of purchasers, and the offers to them, must comply with the requirements of this clause 2 and, subject to the foregoing, may include Citi's respective related bodies corporate and Affiliates (as defined in clause 11.5).

2.2 Sale and Settlement Date

Citi shall procure that the sale of the Sale Shares under clause 2.1 shall be effected by 6.30pm on the Trade Date (as defined in the Timetable in Schedule 2), by way of one or more special crossings (in accordance with the Operating Rules of ASX) at the Sale Price, with settlement to follow on a T+2 basis in accordance with the ASX Settlement Operating Rules (**Settlement Date**).

2.3 Sale Shares

Subject to clause 10, by 3.00pm on the Settlement Date, Citi shall arrange for the payment to each Vendor, or as each Vendor directs, of an amount equal to:

- (a) the Sale Price multiplied by the number of Sale Shares being sold by that Vendor; less

- (b) the Vendor's Respective Proportion (as defined below) of any fees payable under clause 4 (together with any GST payable on those fees),

by transfer to each Vendor's account for value (in cleared funds) against delivery of the Sale Shares being sold by the relevant Vendor. For the purposes of this Agreement, the **Respective Proportion** for each Vendor equals the Sale Shares being sold by the Vendor divided by the total number of Sale Shares.

2.4 Timetable

Citi must conduct the Sale in accordance with the timetable set out in Schedule 2 (**Timetable**) (unless the Vendors consent in writing to a variation).

2.5 Account Opening

On or before the Trade Date Citi or its nominated Affiliate will (where relevant) open an account in the names of the Vendors in accordance with its usual practice, and do all such things necessary to enable it to sell the Sale Shares in accordance with this Agreement.

2.6 Manner of Sale

- (a) **Exempt investors and permitted jurisdictions.** Citi will conduct the Sale by way of an offer only to persons:
- (i) if in Australia, who do not need disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (**Corporations Act**);
 - (ii) if outside Australia, to institutional and professional investors in the Permitted Jurisdictions (as defined below) but not elsewhere to whom offers for sale of securities may lawfully be made without requiring the preparation, delivery, lodgement or filing of any prospectus or other disclosure document or any other lodgement, registration or filing with, or approval by, a government agency (other than any such requirement with which the Vendors, in their sole and absolute discretion, is willing to comply), as determined by agreement between the Vendors and Citi; and
 - (iii) in accordance with the foreign offer restrictions provided to Citi before the execution of this Agreement.

Permitted Jurisdictions means Belgium, Denmark, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, United Arab Emirates (excluding Dubai International Financial Centre) and United Kingdom.

- (b) **Investor agreements.** Citi will ensure that investors that purchase Sale Shares confirm, including through deemed representations and warranties:
- (i) their status as an investor meeting the requirements of this clause 2.6 and clause 2.7;
 - (ii) that they are able to make the relevant purchase in compliance with all relevant laws and regulations (including the takeover and insider trading provisions of the Corporations Act and the Foreign Acquisitions and Takeovers Act 1975 (Cth) and related policy); and
 - (iii) that their bids constitute irrevocable acceptances of the Vendor's offers to sell Sale Shares, conditional only upon Citi sending a confirmation of the relevant allocation to the Vendor referred to in clause 3.2(b)(i) (with

the applicable agreement being formed when and in the place where that Vendor receives such communication).

- (c) **Conduct and methodology.** The Sale will be conducted by Citi, in consultation with the Vendors and its advisers, as follows:
- (i) the Vendors and its advisers are to be given all reasonable access to feedback from prospective and targeted participants; and
 - (ii) Citi must give regular information to the Vendor and its advisers about the progress of the Sale, including information as to Citi's current views on demand and allocation, through meetings or teleconferences, and in any event must provide such information upon reasonable request by the Vendor or its advisers.
- (d) **Allocations.** Allocations of the Sale Shares to purchasers will be made by Citi in its sole and absolute discretion.

2.7 U.S. Securities Act

The Sale Shares shall only be offered and sold:

- (a) to persons that are not in the United States and are not acting for the account or benefit of persons in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act of 1933 (**U.S. Securities Act**)) in reliance on Regulation S under the U.S. Securities Act (**Regulation S**); and
- (b) to persons that are dealers or other professional fiduciaries organised, incorporated or (if an individual) resident in the United States that are acting for an account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Regulation S) for which they have, and are exercising, investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S (**Eligible U.S Fund Managers**) in reliance on Regulation S.

3. Offer and Acceptance

3.1 Offer

By the Vendors executing this Agreement and providing a copy of the Agreement, for execution, to Citi, the Vendors offer to enter into this Agreement in accordance with the terms and conditions set out in this Agreement.

3.2 Acceptance of Offer

- (a) By Citi executing this Agreement or a counterpart of this Agreement and complying with clause 3.2(b) Citi accepts the offer set out in clause 3.1.
- (b) This offer can only be accepted by Citi:
 - (i) sending to the email address for that entity described in Schedule 1 or as otherwise notified by the Vendors, a scanned image of Citi's completed signature block as an attachment to an email which states that provision of that attachment constitutes acceptance of the terms of this Agreement; and
 - (ii) immediately forwarding a copy of that email (including its attachment) to the Vendor's solicitors as described in Schedule 1.

4. Fees and costs

- (a) In consideration of performing its obligations under this agreement Citi shall be entitled to such fees as the parties agree.
- (b) The parties will each bear their own legal costs (if any) and all their other out-of-pocket expenses (if any) in connection with this agreement and the transactions contemplated by it.

5. GST

5.1 Input Tax Credit

Any fees which the parties agree to be payable to Citi and any other amounts payable to Citi under this Agreement are, unless otherwise specified, to be agreed and calculated to be exclusive of GST. However, if any amounts payable to Citi under this Agreement are calculated by reference to a cost or expense incurred by Citi, the amount payable to Citi under any other provision of this Agreement must be reduced by the amount of any input tax credit to which Citi reasonably determines it (or the representative member of the same GST group of which Citi is a member) is entitled for an acquisition in connection with that cost or expense.

5.2 Tax invoice

If any supply made under this Agreement is a taxable supply, the entity making the taxable supply (**Supplier**) must issue a valid tax invoice to the party providing the consideration for that taxable supply (**Recipient**). The tax invoice issued by the Supplier must comply with GST law and it should set out in detail (but not be limited to) the nature of the taxable supply, the consideration attributable to the taxable supply, the amount of GST payable by the Supplier in connection with the taxable supply and any other details reasonably requested by the Recipient. The GST amount means, in relation to a taxable supply, the amount of GST for which the Supplier is liable in respect of the taxable supply (**GST Amount**).

5.3 Timing of Payment

Subject to receipt of a valid tax invoice, the Recipient must pay the GST Amount in connection with a taxable supply made by the Supplier to the Recipient at the same time that the Recipient must provide the consideration for that taxable supply (under the other provisions of this Agreement), or if later, within 5 business days of the Recipient receiving a tax invoice for that taxable supply.

5.4 Payment Differences

If the GST payable by the Supplier in connection with the taxable supply differs from the GST Amount paid by the Recipient under this clause, the Supplier must repay any excess to the Recipient or the Recipient must pay any deficiency to the Supplier, as appropriate within 5 business days of the Supplier providing the Recipient with a written notification regarding the difference in the GST payable. Where the difference in the GST payable results from an adjustment event, the written document provided by the Supplier under this clause must include an adjustment note or tax invoice as required by the GST law.

5.5 Defined Terms

The references to "GST" and other terms used in this Agreement (except Recipient and GST Amount) have the meaning given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time). However, any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 5.

5.6 References

A reference to something done (including a supply made) by a party includes a reference to something done by any entity through which that party acts.

6. Representations and Warranties

6.1 Representations and warranties by Vendors

As at the date of this agreement and on each day until and including the Settlement Date, each Vendor represents and warrants to Citi that each of the following statements is true, accurate and not misleading.

- (a) **(body corporate)** it is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) **(capacity)** it has full legal capacity and power to enter into this agreement and to carry out the transactions that this agreement contemplates;
- (c) **(authority)** it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out of the transactions that this agreement contemplates;
- (d) **(agreement effective)** this agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (e) **(ownership, encumbrances)** it is the registered holder and sole legal owner of the Sale Shares noted against its name in Schedule 1 and will transfer the full legal and beneficial ownership of those Sale Shares free and clear of all liens, charges, security interests, claims, equities and pre-emptive rights, subject to registration of the transferee(s) in the register of shareholders of the Company;
- (f) **(Sale Shares)** following sale by it, the Sale Shares will rank equally in all respects with all other outstanding ordinary shares of the Company, including their entitlement to dividends;
- (g) **(control)** the Sale Shares may be offered for sale, and may be on-sold, without disclosure to investors under Part 6D.2 of the Act and neither the Vendor nor any person who controls, or is controlled by, the Vendor is a controller of the Company within the meaning of sections 50AA and 707(2) of the Corporations Act.
- (h) **(power to sell)** it has the corporate authority and power to sell the Sale Shares under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares;
- (i) **(no insider trading offence)** the Vendor does not have any non-public information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares, and the sale of the Sale Shares hereunder will not constitute a violation by the Vendor of applicable law prohibiting "insider dealing" in financial products, including, but not limited to, Division 3 of Part 7.10 of the Corporations Act;
- (j) **(trustee)** where it is a trustee of a trust, it has been validly appointed as trustee of that trust, there is no current proposal to replace it as trustee of that trust and it has the right to be indemnified out of the assets of that trust;

- (k) **(breach of law)** it will perform its obligations under this Agreement so as to comply with all applicable laws in Australia, including in particular the Corporations Act and the FATA, the United States of America and the jurisdictions specified in clause 2.6(a)(ii);
- (l) **(OFAC)** Neither the Vendor nor any director, officer, agent, employee, affiliate or person acting on behalf of the Vendor is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("OFAC") (including the designation as a "specially designated national" or "blocked person" thereunder) or is currently subject to any similar sanctions administered by Her Majesty's Treasury in the United Kingdom or the European Union; and the Vendor will not directly or indirectly use the proceeds of the placing of the Sale Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, (i) to finance the activities of any person currently subject to any United States sanctions administered by OFAC (including the designation as a "specially designated national" or "blocked person" thereunder) or currently subject to any similar sanctions administered by Her Majesty's Treasury in the United Kingdom or the European Union or (ii) in any other manner that will result in a violation of the sanctions by any person (including any person or entity participating in the placing of the Sale Shares, whether as underwriter, placing agent, advisor, investor or otherwise);
- (m) none of it, any of its Affiliates or any person acting on behalf of any of them (other than the Citi or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has offered or sold, or will offer or sell, any of the Sale Shares in the United States, using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (n) with respect to those Sale Shares sold in reliance on Regulation S, none of it, any of its Affiliates, or any person acting on behalf of any of them (other than Citi or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (o) to the best of its knowledge, the Company is a 'foreign private issuer' as defined in Rule 405 under the U.S. Securities Act and there is no 'substantial U.S. market interest' (as defined in Rule 902(j) under the U.S. Securities Act) in the Sale Shares or any security of the same class or series as the Sale Shares;
- (p) neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law;
- (q) none of it, any of its Affiliates or any person acting on behalf of any of them (other than Citi or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation or warranty), has solicited any offer to buy, offered to sell or sold, and none of them will solicit any offer to buy, offer to sell or sell in the United States or to, or for the account or benefit of, any person in the United States any security which could be integrated with the sale of the Sale Shares in a manner that would require the offer and sale of the Sale Shares to be registered under the U.S. Securities Act;
- (r) subject to compliance by Citi with its respective obligations under clauses 6.2(f) to 6.2(j) of this Agreement, it is not necessary to register the offer and sale of the Sale Shares in the manner contemplated by this Agreement under the U.S. Securities

Act, it being understood that it makes no representation or warranty about any subsequent resale of the Sale Shares;

- (s) to the best of its knowledge, the Company is not and, solely after giving effect to the offering and sale of the Sale Shares, will not be, required to register as an "investment company" under U.S. Investment Company Act of 1940; and
- (t) to the best of its knowledge, the Company is exempt from reporting under Section 13 or 15(d) of the Exchange Act pursuant to Rule 12g3-2(b) thereunder.

6.2 Representations and warranties of Citi

As at the date of this Agreement and on each day until and including the Settlement Date, Citi represents to the Vendors that each of the following statements is correct.

- (a) **(body corporate)** It is a body corporate validly existing and duly established and duly incorporated under the laws of its place of incorporation;
- (b) **(capacity)** it has full legal capacity and power to enter into this Agreement and to carry out the transactions that this Agreement contemplates;
- (c) **(authority)** it has taken, or will have taken by the time required, all corporate action that is necessary or desirable to authorise its entry into this Agreement and its carrying out of the transactions that this Agreement contemplates;
- (d) **(licences)** it holds all licences, permits and authorities necessary for it to fulfil its obligations under this agreement and has complied with the terms and conditions of the same in all material respects;
- (e) **(agreement effective)** this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (f) it is a QIB or is not in the United States;
- (g) it acknowledges that the offer and sale of the Sale Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (h) none of it, its Affiliates nor any person acting on behalf of any of them has solicited offers for or offered to sell, and none of them will solicit offers for, or offer or sell, the Sale Shares in the United States, using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act;
- (i) it, its Affiliates and any person acting on behalf of any of them has offered and sold the Sale Shares, and will offer and sell the Sale Shares:
 - (i) in the United States or to, or for the account or benefit of, persons in the United States, only to Eligible U.S Fund Managers, in reliance on Regulation S; and
- (j) to persons that are not in the United States and are not acting for the account or benefit of, persons in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in accordance with Regulation S; with respect to those Sale Shares sold in reliance on Regulation S, none of it, its Affiliates nor any person acting on behalf of any of them has engaged or will

engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act); and

- (k) neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Shares in violation of any applicable law.

6.3 Reliance

Each party giving a representation and warranty acknowledges that the other parties have relied on the above representations and warranties in entering into this agreement and will continue to rely on these representations and warranties in performing their obligations under this agreement. The above representations and warranties continue in full force and effect notwithstanding completion of this agreement.

6.4 Notification

Each party agrees that it will tell the other parties immediately upon becoming aware of any of the following occurring prior to the completion of the sale of the Sale Shares:

- (a) any material change affecting any of the foregoing representations and warranties; or
- (b) any of the foregoing representations or warranties becoming materially untrue or materially incorrect.

7. Undertakings

7.1 Restricted Activities

Each Vendor undertakes to Citi to:

- (a) not, prior to settlement on the Settlement Date commit, be involved in or acquiesce in any activity which breaches:
 - (i) the Corporations Act and any other applicable laws in Australia, the United States or the Permitted Jurisdictions;
 - (ii) its constitution;
 - (iii) the ASX Listing Rules; or
 - (iv) any legally binding requirement of ASIC or the ASX, as they apply to that Vendor; and
- (b) immediately notify Citi of any breach of any warranty or undertaking given by it under this Agreement;

each of these undertakings being material terms of this Agreement.

8. Indemnity

- 8.1** Each Vendor agrees to indemnify and hold harmless Citi against any losses, claims, damages, demands or liabilities (or actions in respect thereof) to which Citi may become subject in so far as such losses, claims, damages, demands or liabilities (or actions in respect thereof) relate to or arise out of any breach or alleged breach of the terms of this Agreement or as a result of any of the representations and warranties of the Vendors being, or being

alleged to be, untrue or misleading in any respect or otherwise relate to or arise in relation to the Sale. This indemnity shall not, however, apply to the extent that it is finally judicially determined that such losses, claims, damages, demands or liabilities resulted from Citi's gross negligence, fraud or wilful misconduct or to the extent that the amounts claimed represent any criminal penalty or fine which the indemnified person is required to pay for any contravention of any law. Each Vendor agrees to reimburse Citi promptly for any duly itemised expenses (including reasonable counsel's fees) reasonably incurred by Citi in connection with investigating or defending any such action or claim. The indemnification obligations of the Vendor are in addition to any liability each Vendor may otherwise have and shall extend, upon the same terms and conditions, to Citi's affiliates and the directors, partners, officers, employees, representatives and controlling persons of Citi and its affiliates (collectively, "Citi Affiliates").

- 8.2 Each Vendor further agrees that no claim shall be made by it hereunder against Citi to recover any loss, claim, damage, demand or liability that the Vendor may suffer or incur by reason of or arising out of the carrying out or the performance by any indemnified party of their obligations or services under this Agreement. This release shall not, however, apply to the extent that it is finally judicially determined that such loss, claim, damage, demand or liability resulted from the gross negligence, fraud or wilful misconduct of the indemnified party claiming the benefit of this release.

9. The indemnification and release obligations of the Vendors shall survive termination or completion of this Agreement

- 9.1 The Vendors and Citi will consult each other in respect of any material public releases by any of them concerning the sale of the Sale Shares. The prior written consent of the Vendors must be obtained prior to Citi making any release or announcement or engaging in publicity in relation to the Sale of the Sale Shares and such release, announcement or engagement must be in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction.

- 9.2 Citi may, after completion of its other obligations under this Agreement, place advertisements in financial and other newspapers and journals at its own expense describing their service to the Vendors provided such advertisements are in compliance with all applicable laws, including the securities laws of Australia, the United States and any other jurisdiction and are consistent with other publicly available information in relation to the subject matter of the announcement.

10. Event of termination

10.1 Right of termination.

If, at any time during the Risk Period (as defined in clause 10.4),

- (a) a Vendor is in default of any of the terms and conditions of this Agreement or breaches any representation, warranty or undertaking given or made by it under this Agreement then Citi may terminate this agreement without cost or liability to itself at any time before the expiry of the Risk Period by giving written notice to the Vendors; or
- (b) there develops, occurs or comes into force any of the following:
 - (i) any new law or regulation or any change in existing laws or regulations which in the opinion of Citi makes it impracticable or inadvisable or inexpedient to proceed with the transaction or has or is likely to have a material adverse effect on the financial position, business, results of operation or prospects of the Company; or

- (ii) any significant event, development or change (whether or not permanent or forming part of a series of event, developments or changes occurring or continuing before, on and/or after the date hereof) in local, national or international economic, financial, fiscal, industrial, regulatory, political or military conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation, any outbreak or escalation of hostilities, declaration by the United States, the United Kingdom or Australia of a national emergency or other calamity or crisis, the effect of which in the opinion of Citi is or would be materially adverse to the success of the transaction, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iii) the declaration of a banking moratorium by United States, the United Kingdom or Australian authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally; or
- (iv) any suspension of dealings in the Shares for any period whatsoever; or
- (v) The commencement by any regulatory or political body or organisation of any action against the Vendor or the Company or, any director of the Company or the Vendor or an announcement by any regulatory or political body or organisation that it intends to take any such action.

10.2 Materiality

No event listed in clause 10.1(a) entitles Citi to exercise its termination rights unless, in the bona fide opinion of Citi, it:

- (a) has, or would reasonably be expected to have, a material adverse effect on:
 - (i) the willingness of persons to purchase the Sale Shares; or
 - (ii) the price at which ordinary shares in the Company are sold on the ASX; or
- (b) would reasonably be expected to give rise to a liability of Citi under the Corporations Act or any other applicable law.

10.3 Effect of termination

Where, in accordance with this clause 10, Citi terminates its obligations under this Agreement:

- (a) the obligations of Citi under this Agreement immediately end; and
- (b) any entitlements of Citi accrued under this Agreement, including the right to be indemnified, up to the date of termination survive.

10.4 Risk Period

For the purposes of this clause, the "Risk Period" means the period commencing on the execution of this Agreement and ending at the earlier of:

- (a) 9.45am on the Trade Date; and
- (b) the time of the special crossing (or if more than one special crossing, the occurrence of the first special crossing) of the Sale Shares referred to in clause 2.2.

11. Miscellaneous

11.1 Entire agreement

This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that matter.

11.2 Governing law

This agreement is governed by the laws of New South Wales, Australia. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, and waives any right to claim that those courts are an inconvenient forum.

11.3 No assignment

No party may assign its rights or obligations under this agreement without the prior written consent of the other parties.

11.4 Notices

Any notice, approval, consent, agreement, waiver or other communication in connection with this agreement must be in writing.

11.5 Affiliates

In this agreement the term "Affiliates" means any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a person; "control" (including the terms "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, policies or activities of a person, whether through the ownership of securities by contract or agency or otherwise and the term "person" is deemed to include a partnership.

11.6 Business Day

In this agreement "Business Day" means a day on which:

- (a) ASX is open for trading in securities; and
- (b) banks are open for general banking business in Sydney, Australia.

11.7 Interpretation

In this agreement:

- (a) headings and sub-headings are for convenience only and do not affect interpretation;
- (b) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (c) a reference to "dollars" and "\$" is to Australian currency;
- (d) a reference to a right or obligation of any 2 or more persons confers that right, or imposes that obligation, severally and not jointly and severally and, in particular, the Vendors' rights and obligations in this Agreement are several only (and not joint and several) and no Vendor is liable for any liability of any other Vendor and for the avoidance of doubt and notwithstanding any other clause in this Agreement, each

Vendor's several liability under this Agreement is determined by reference to their Respective Proportion (as defined in clause 2.3) of any aggregate liability; and

- (e) all references to time are to Sydney, New South Wales, Australia time.

11.8 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

11.9 Waiver and variation

A provision of or right vested under this Agreement may not be:

- (a) waived except in writing signed by the party granting the waiver, or
- (b) varied except in writing signed by the parties.

11.10 No merger

The rights and obligations of the parties will not merge on the termination or expiration of this Agreement. Any provision of this Agreement remaining to be performed or observed by a party, or having effect after the termination of this Agreement for whatever reason remains in full force and effect and is binding on that party.

11.11 Counterparts

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

11.12 Acknowledgement

Each Vendor acknowledges that:

- (a) Citi is not obliged to disclose to a Vendor or utilise for the benefit of a Vendor, any non-public information which Citi obtains in the normal course of its business where such disclosure or use would result in a breach of any obligation of confidentiality and any internal Chinese wall policies of the Citi;
- (b) without prejudice to any claim a Vendor may have against Citi, no proceedings may be taken against any director, officer, employee or agent of Citi in respect of any claim that a Vendor may have against Citi;
- (c) it is contracting with Citi on an arm's length basis to provide the services described in this agreement and Citi has not and is not assuming any duties or obligations (fiduciary or otherwise) in respect of it other than those expressly set out in this Agreement;
- (d) Citi has not provided any legal, accounting, regulatory or tax advice with respect to the offer and sale and the Vendor has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate. This Agreement supersedes any prior agreement or understanding (whether written or oral) between the Vendor and Citi with respect to the subject matter of this clause.

- (e) in performing its obligations under this Agreement, Citi will rely on the information provided to it by or on behalf of the Vendors and information in the public domain without having independently verified the same, and Citi does not assume any responsibility for the accuracy or completeness of such information for which the Vendors will be solely responsible;
- (f) Citi may perform the services contemplated by this Agreement in conjunction with their respective Affiliates, and any Affiliates performing these services are entitled to the benefits of and are subject to the terms of this Agreement; and
- (g) Citi is a full service securities and corporate advisory firm and, along with its respective Affiliates, Citi is engaged in various activities, including writing research, securities trading, investment management, financing and brokerage activities. In the ordinary course of these activities, Citi, its Affiliates, employees and officers may be providing, or may be in the future providing, financial or other services to other parties with conflicting interests to a Vendor and may receive fees for those services and may actively trade the debt and equity securities (or related derivative securities) for Citi's own account and for the account of their customers and may at any time hold long and short positions in such securities.

11.13 Trustee limitation of liability

- (a) In this clause 11.13, the term **Trust** means each of the trusts established over the shares in the Company beneficially owned by the following funds, and **Trustee** means the trustee of such Trusts, in each case as indicated below:

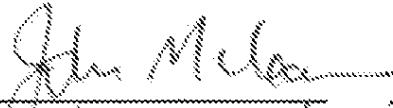
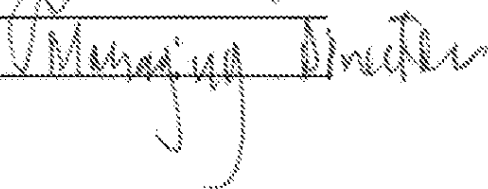
| Trustee | Trust |
|---|------------------------------|
| Aged Services Victoria Pty Ltd ACN 136 717 470 | Aged Services Victoria Trust |
| Arvanitis International Investments Pty | Heritage Lakes Trust |

- (b) The Trustee enters into this Agreement only its capacity as trustee of each of the Trusts and in no other capacity. A liability arising under or in connection with this Agreement, except a liability arising under this clause 11.13, is limited, and can only be enforced against the Trustee to the extent to which it can be satisfied out of the assets of the Trust out of which the Trustee is actually indemnified for the liability. The limitation of the Trustee's liability applies despite any other provision of this Agreement.
- (c) No party may sue the Trustee in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to property of the Trust), a liquidator, an administrator, or any similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee (except in relation to property of the Trust).
- (d) The provisions of this clause 11.13 do not apply to any obligation or liability of the Trustee to the extent that they are not satisfied because under the deed governing the Trust or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the assets of the Trust, as a result of the Trustee's fraud, negligence or breach of trust.
- (e) The Trustee warrants to each other party that it has a right of indemnification as referred to in clause (b) above (**Indemnity**) and undertakes that it will notify each of

such parties as soon as it is reasonably practicable on such right being reduced, qualified or limited in any material respect.

Yours sincerely,

Citigroup Global Markets Australia Pty Limited

By: 
Title: 

31/Aug/2016 10:28:31 AM

Citi 0282255201

31/40

Accepted and agreed to as of the date of this agreement:

Executed by Aged Services Victoria Pty Ltd by
or in the presence of:

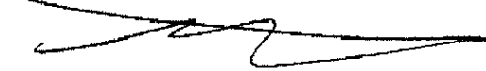


Signature of witness

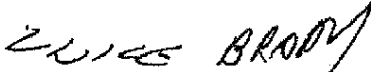


Name of witness in full

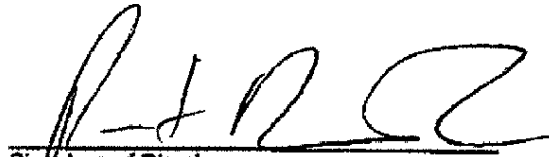
Executed by Arvanitis International
Investments Pty Ltd by or in the presence of:



Signature of witness



Name of witness in full



Signature of Director



Name of Director in full



Signature of Director



Name of Director in full

Schedule 1**Vendors**

| Vendor | Address | Sale Shares |
|--|--|--------------------|
| Aged Services Victoria Pty Ltd as trustee for Heritage Lake Trust | Level 9 550 Bourke Street Melbourne Victoria 3000 | 13,876,200 |
| Arvanitis International Investments Pty Ltd as trustee of Arvanitis International Investments Family Trust | Level 9 550 Bourke Street Melbourne Victoria 3000 | 3,869,356 |
| Total | | 17,745,556 |

Schedule 2**Timetable**

| Key events | Time | Date |
|---|------|-------------------|
| Trade Date (T). (Special crossing/s by) | | 31 August, 2016 |
| Settlement Date (T + 2) | | 2 September, 2016 |