

Green Cross Health Limited

Dividend Reinvestment Plan Offer Document

1. INTRODUCTION

- 1.1 This document (“**Offer Document**”) contains the terms and conditions of the Green Cross Health Limited (“**GXH**”) Dividend Reinvestment Plan (the “**Plan**”). Under the Plan, holders of ordinary shares in GXH (“**Shareholders**”) may elect to reinvest the net proceeds of cash dividends payable or credited on all or some of their fully paid ordinary shares in GXH held at any given time (“**Shares**”) to acquire further Shares in GXH (“**Additional Shares**”). This Offer Document has been prepared as at 24 November 2015 (updating and replacing the Offer Document for the Plan prepared as at 3 April 2014).
- 1.2 Capitalised terms used in these terms and conditions have the meanings set out in the Glossary in section 15 of this Offer Document.

2. THE OFFER

- 2.1 **Offer to all Shareholders:** Subject to clauses 2.3 and 2.4, GXH offers to all Shareholders the right to elect to participate in the Plan.
- 2.2 **Available options:** Shareholders may elect to participate in the Plan by exercising one of the following options:
- (a) **Full participation:** If you elect full participation, participation in the Plan will apply to all of your Shares registered in your name from time to time.
 - (b) **Partial participation:** If you elect partial participation, only the number of Shares nominated by you will participate in the Plan. If you hold less than the nominated number of Shares, then the Plan will apply to such lesser number of Shares.
 - (c) **Non-participation:** If you do not wish to participate and you wish to receive any dividends in cash you are not required to do anything.
- 2.3 **Overseas Shareholders:**
- (a) **Overseas registered address:** The Board, in its discretion, has elected not to offer participation under the Plan to Shareholders whose registered address is outside New Zealand or Australia as the Board considers that to do so would risk breaching the laws of places outside New Zealand and Australia or it would be unreasonable having regard to the associated costs of ensuring that the laws of those places are complied with. The Board may, in its absolute discretion, elect to amend this policy at any time.
 - (b) **Nominee Shareholders:** Shareholders who are not resident in New Zealand and who hold Shares through a New Zealand resident nominee should not allow their nominee to participate in the Plan if participation in respect of their Shares would be contrary to the laws of their country of residence.
 - (c) **Warranty:** Any person residing outside New Zealand who participates in the Plan through a New Zealand resident nominee will be deemed to represent and warrant to GXH that they can lawfully participate in the Plan through their nominee. GXH accepts no responsibility for determining whether a Shareholder is able to participate in the Plan under laws applicable outside of New Zealand.
- 2.4 **Exclusion where liens or charges over Shares:** Any Shares over which GXH has a lien or charge in accordance with the Constitution or other requirements of law will not be eligible to participate in the Plan.

- 2.5 **Future dividend policy:** In the future, the Board intends to declare dividends representing a pay out of between 40% and 60% of profit after each tax year, imputed to the maximum extent available. The Board will continue to pay out the maximum possible imputation credits to Shareholders. The Board is looking to actively pursue growth opportunities for GXH. In years when growth opportunities require further investment, dividend pay-out is likely to be at the lower end of the range stated. In other years, dividend pay-out is anticipated to be at the higher end of the range, in each case subject to normal contingencies and unforeseen events.

3. METHOD OF PARTICIPATION

- 3.1 **Participation Form:** To participate in the Plan a Shareholder must:

- (a) complete the Participation Form in accordance with the instructions on that form; and
- (b) forward the completed Participation Form to the Share Registrar at:

Computershare Investor Services Limited
 Level 2, 159 Hurstmere Road
 Takapuna
 Auckland 0622
 Private Bag 92119
 Victoria Street West
 Auckland 1142
 New Zealand

or such other person or address as GXH may determine.

Shareholders who subsequently decide that they would like to participate in the Plan can request a copy of this Offer Document and a Participation Form from the Share Registrar at the address above.

If the Participation Form does not indicate the degree of participation, it will be deemed to be an application for full participation if it is otherwise correctly completed and signed.

- 3.2 **Holder number and common shareholder number (CSN):** A separate Participation Form must be given by a Shareholder in respect of each holding of Shares identified by a separate holder number or CSN.
- 3.3 **When participation becomes effective:** A properly completed Participation Form will need to be received by the Share Registrar prior to 5.00pm (NZ time) on a Record Date in order for participation to be effective in respect of dividends payable in relation to that Record Date. Participation will continue for all future dividends to which the Plan applies in accordance with these terms and conditions (unless you vary your participation in the Plan in accordance with clause 8.4 or if clause 8.5 applies).

4. ADDITIONAL SHARE ENTITLEMENT

- 4.1 **Formula for calculation of Additional Shares:** The number of Additional Shares to be acquired by a Shareholder who has elected to participate in the Plan (a “**Participant**”) will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{P}$$

Where:

N is the number of Additional Shares which the Participant will receive;

PS is the number of Shares in respect of which an election to participate in the Plan has been validly made by the Participant at the Record Date (“**Participating Shares**”);

D is the net proceeds per Share from GXH (expressed in cents and fractions of cents, including any supplementary dividends in respect of Participating Shares payable to non-resident Shareholders but excluding any tax credits and after deduction of any resident and non-resident withholding (or other) taxes, if any) of cash dividends payable to a Shareholder in cash if the Shareholder had not elected to participate in the Plan;

P is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for a Share calculated on all trades of Shares which take place through the NZX Main Board over a period of seven trading days immediately following the Ex Date less a discount (if any) as determined by the Board from time to time. If no sales of Shares occur during those seven trading days, then the average of the volume weighted average sale price will be determined over such period as the Board determines.

Any volume weighted average sale price so determined may be reasonably adjusted by the Board to allow for any change in capital structure occurring, or in respect of which GXH’s shares become ex entitlement, during any relevant measurement period. If, in the opinion of the Board in its discretion, any exceptional or unusual circumstances have artificially affected the volume weighted average sale price so determined, the Board may make such adjustment to that sale price as it considers reasonable. The determination of any such adjustment and the resulting price of any Additional Shares by the Board, or by some other person nominated by the Board, will be binding in respect of all Participating Shares.

- 4.2 **Fractional Shares:** Where the number of Additional Shares to be acquired includes a fraction which is exactly one half or greater, the number will be rounded up to the nearest whole number. Otherwise the number will be rounded down to the nearest whole number and any net proceeds per Share as described as D in clause 4.1 above which are not applied to acquire an Additional Share because of this clause 4.2 will be retained by GXH for its sole benefit and will not be refunded or paid to a Participant, nor held by GXH or the Share Registrar on behalf of a Participant.
- 4.3 **Share price information publicly available:** GXH will ensure that, at the time the price for the Additional Shares is set under clause 4.1, it will have no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if it was publicly available.
- 4.4 **Compliance with laws, Listing Rules and Constitution:**
- (a) The Plan will not operate in relation to a dividend to the extent that the allotment or issue of Additional Shares under the Plan would breach any applicable law, the Listing Rules or any provision of the Constitution.
 - (b) If and to the extent that the Plan does not operate for such reason in respect of a Participant’s Participating Shares, the relevant dividend on Participating Shares will, until such time as the issue is resolved, be paid or distributed in the same manner as to Shareholders not participating in the Plan.

5. OPERATION OF THE PLAN

5.1 **Additional Shares:** GXH will, on the day that a Participant would otherwise have been paid a dividend, issue or transfer the Additional Shares to that Participant in accordance with clause 4.

5.2 **Terms of issue and ranking of Additional Shares:** Additional Shares acquired by Participants under the Plan will be issued or transferred on the terms set out in this Plan, and subject to the rights of termination, suspension and modification set out in clause 8, will not be issued or transferred on any other terms and will all be subject to the same rights as each other. The Additional Shares acquired by Participants under the Plan will, from the date of issue, rank equally in all respects with each other and with all other fully paid ordinary Shares on issue as at that date.

6. SOURCE OF ADDITIONAL SHARES

6.1 **Source:** Additional Shares to be acquired by Participants under the Plan may, at the Board's discretion, be:

- (a) new Shares issued by GXH;
- (b) existing Shares acquired by GXH or a nominee or agent of GXH; or
- (c) any combination of (a) and (b) above.

7. STATEMENT TO PARTICIPANTS

7.1 **Statements:** GXH will send to each Participant as soon as practicable after each Dividend Payment Date, a statement detailing in respect of that Participant:

- (a) the number of the Participating Shares of the Participant as at the Record Date;
- (b) the amount of the cash dividend reinvested in respect of Participating Shares, and the amount paid in respect of Shares not nominated for participation in the Plan (if applicable);
- (c) the amount of any tax deductions or withholding tax in respect of the cash dividend;
- (d) the number of Additional Shares acquired by the Participant under the Plan on the relevant Dividend Payment Date and the price at which those Additional Shares were issued or transferred to the Participant;
- (e) advice as to the amount of any imputation or other taxation credits in respect of the cash dividend; and
- (f) such other matters required by law with respect to dividends and/or reinvestment.

8. TERMINATION, SUSPENSION AND MODIFICATION

8.1 **The Board's discretion:** Subject to clause 8.6, the Board may, in its discretion, at any time:

- (a) terminate, suspend or modify the Plan. If the Plan is modified, then a Participation Form will be deemed to be a Participation Form under the Plan as modified unless that Participation Form is varied or withdrawn by the Participant in accordance with clause 8.4; or

- (b) resolve that participation will not apply to the whole or part of any dividend and that the applicable part will be paid in cash; or
- (c) resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, that a Participation Form will be deemed to be a Participation Form in respect of the shares as subdivided, consolidated or reclassified unless such Participation Form is subsequently varied or withdrawn by the Participant; or
- (d) resolve that a Participation Form will cease to be of any effect; or
- (e) determine that Additional Shares may be acquired at a discount to the market price of Shares.

8.2 **Prior notice:** Notice of any termination, suspension or modification by GXH will be announced to NZX. GXH is not required to send written notice of any termination, suspension or modification to Participants.

8.3 **When no notice required:** Notwithstanding clauses 8.1 and 8.2, GXH may at any time, without the need of any notice:

- (a) modify the Plan to comply with the Constitution, the Listing Rules or any law; and
- (b) make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

8.4 **Variation or termination by a Participant:** A Participant may, at any time, by validly completing and sending a Variation Form in the form available from the Share Registrar upon request to the Share Registrar:

- (a) increase or decrease the number of Participating Shares; or
- (b) terminate the Participant's participation in the Plan.

Such variation or termination will take effect from the first Record Date after the Variation Form is received by the Share Registrar. A properly completed Variation Form will need to be received by the Share Registrar prior to 5.00pm (NZ time) on a Record Date in order for that variation to be effective in respect of dividends payable in relation to that Record Date.

8.5 **Death of Participant:** If a Participant dies, participation by that Participant will cease upon receipt by GXH's Share Registrar of a notice of death in a form acceptable to GXH. Death of one of two or more joint Participants will not automatically terminate participation.

8.6 **Takeovers Code Exemption:** The Plan is subject to the Takeovers Code (Pharmacybrands Limited) Exemption Notice 2012 (the "**Exemption Notice**") for the period that the Exemption Notice is effective and any modification by GXH of the Plan during such period will be subject to the conditions of that Exemption Notice.

9. **REDUCTION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE GIVEN**

9.1 **Dispositions where Partial Participation:** Where a Participant participating in the Plan in respect of some but not all its Shares, disposes of some of its Shares then, unless the Participant notifies GXH otherwise in writing:

- (a) the Shares disposed of will be the Participant's Shares which are not participating

in the Plan; and

- (b) if the number of Shares disposed of is greater than the number of the Participant's Shares not nominated for participation in the Plan, the balance will be attributed to the Participating Shares.

9.2 **Partial dispositions where Full Participation:** If a Participant with full participation disposes of part of its holding of Shares without giving the Share Registrar written notice terminating the Participant's participation in the Plan in accordance with clause 8.4(b), the Participant will be deemed to have terminated its participation in the Plan with respect to the Shares disposed of by it from the date GXH registers a transfer of those Shares.

9.3 **Dispositions of all of Shares:** If a Participant disposes of all of its holding of Shares without giving the Share Registrar written notice terminating the Participant's participation in the Plan in accordance with clause 8.4(b), the Participant will be deemed to have terminated participation in the Plan from the date GXH registers a transfer of those Shares.

10. TAXATION

10.1 **New Zealand tax law only:** Clauses 10.2 and 10.3 reflect the relevant New Zealand tax law as at the date this Offer Document was prepared, and, as such, are subject to any change in New Zealand taxation laws. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Shareholder. Taxation is a complex area of law and the taxation consequences for each Shareholder may differ depending upon their particular circumstances. Accordingly, each Shareholder should consult their own tax adviser as to the taxation implications of the Plan. GXH does not accept any responsibility for the financial or taxation effects of a Shareholder's participation or non-participation in the Plan.

10.2 **Tax treatment:** For New Zealand tax purposes, New Zealand resident Shareholders who reinvest the net proceeds of their cash dividends to acquire Additional Shares via participation in the Plan should be treated in the same way as if they had not participated. This means that New Zealand resident Shareholders who participate in the Plan should derive dividend income of the same amount that they would have derived had they not participated (i.e. they will be treated as receiving a taxable dividend from GXH which is then applied to purchase or subscribe for Additional Shares).

10.3 **Taxation of dividend:** The dividend treated as being received, together with the amount of any attached imputation credits, will be taxable to the Shareholders at their respective marginal tax rates. GXH may deduct resident withholding tax from the dividend. Where the dividend paid by GXH carries imputation credits, the resident withholding tax liability will be reduced by the amount of the imputation credits.

11. COSTS

11.1 **Costs:** There are no charges for participation or withdrawal from the Plan. No brokerage costs will be incurred in respect of the acquisition of Additional Shares.

12. STOCK EXCHANGE LISTINGS

12.1 **Quotation of Additional Shares:** GXH will apply for quotation of the Additional Shares which may be issued under the Plan on the NZX Main Board. It is expected that such Additional Shares will be quoted on the NZX Main Board on the completion of allotment procedures. However, NZX does not accept responsibility for any statement in this Offer Document.

12.2 **Stock Exchange Rules:** The Plan is subject to the Listing Rules and to any rules for clearing and/or settlement which operate on the NZX Main Board from time to time (together the "**Stock**

Exchange Rules”) and in the event of any inconsistency between the Plan and the Stock Exchange Rules, the Stock Exchange Rules will apply.

13. GOVERNING LAW

- 13.1 **Governing law:** This Offer Document and the Plan, and its operation, will be governed by the laws of New Zealand.

14. OTHER INFORMATION

- 14.1 **Information requests:** Copies of GXH’s most recent Annual Report, and most recent financial statements complying with the Financial Reporting Act 2013 (and any auditor’s report on those financial statements) are available to Shareholders on request and free of charge by writing to:

Green Cross Health Limited
Private Bag 11906
Ellerslie
Auckland 1542
Attention: Chief Financial Officer

An electronic copy of these documents can also be downloaded from GXH’s website at www.greencrosshealth.co.nz.

15. GLOSSARY

Additional Shares means the additional Shares to be issued or transferred to Participating Shareholders pursuant to the Plan.

Board means the board of directors of GXH.

Business Day means any day (other than a Saturday or Sunday) on which banks are generally open for business in Auckland.

Constitution means the constitution of GXH.

Dividend Payment Date means the date on which GXH pays a dividend in respect of its Shares.

Ex Date means the second Business Day before the Record Date for a dividend.

Exemption Notice means the Takeovers Code (Pharmacybrands Limited) Exemption Notice 2012.

GXH means Green Cross Health Limited.

Listing Rules means the Main Board/Debt Market Listing Rules of NZX.

NZX means NZX Limited.

NZX Main Board means the main board equity security market operated by NZX.

Offer Document means this document which sets out the terms and conditions of the Plan.

Participant means a Shareholder who has validly elected to participate in the Plan.

Participating Shares means the Shares in respect of which an election to participate in the Plan has been validly made by a Participant on the Record Date.

Participation Form means the participation form accompanying this Offer Document.

Plan means the Green Cross Health Limited Dividend Reinvestment Plan established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time.

Record Date means, in relation to a dividend, the date on which GXH's register of Shareholders is closed in order to determine entitlement to the relevant dividend.

Share Registrar means Computershare Investor Services Limited.

Shareholder means a holder of Shares from time to time.

Shares means fully paid ordinary shares in GXH.

Stock Exchange Rules has the meaning given to that term in clause 12.2.

Variation Form means the variation form in the form available from the Share Registrar upon request.