

# Retail Entitlement Offer – Retail Offer Booklet

Monday, 18 December 2023

## For personal use only Retail Entitlement Offer – Retail Offer Booklet

Sigma Healthcare Limited (**Sigma**) is pleased to advise that the Retail Offer Booklet, along with personalised Entitlement and Acceptance Forms for the retail component of the 1 for 1.85 accelerated non-renounceable pro rata entitlement offer (**Retail Entitlement Offer**), as announced to the ASX on Monday, 11 December 2023, has now been made available to shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**).

A copy of the Retail Entitlement Offer Booklet is attached.

Shareholders who are not Eligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer (**Ineligible Retail Shareholders**). Sigma will today dispatch letters to eligible and ineligible retail shareholders in relation to the Retail Entitlement Offer.

The Retail Entitlement Offer opens today, 18 December 2023, and is expected to close at 5:00pm (AEDT) on Friday, 19 January 2024 (unless extended). Sigma encourages Eligible Retail Shareholders who wish to participate in the Retail Entitlement Offer to act promptly in submitting their personalised Entitlement and Acceptance Form.

### Further information

If you have any questions in relation to the Retail Entitlement Offer, please contact Sigma's registry (Link Market Services Limited) on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays).

*This announcement was authorised for release by the company secretary of Sigma Healthcare Limited.*

Gary Woodford  
Head of Corporate Affairs  
[gary.woodford@sigmahealthcare.com.au](mailto:gary.woodford@sigmahealthcare.com.au)  
0417 399 204

Steve Dabkowski  
Blue Dot Media  
[steve@bluedot.net.au](mailto:steve@bluedot.net.au)  
0419 880 486

Jim Kelly  
Domestique  
[jim@domestiqueconsulting.com.au](mailto:jim@domestiqueconsulting.com.au)  
0412 549 083



Sigma Healthcare Limited  
ABN 15 088 417 403  
ASX code: SIG  
Level 6, 2125 Dandenong Road  
Clayton VIC 3168 Australia  
T 1800 500 760  
T +61 (03) 9215 9215  
F +61 (03) 9215 9188  
sigmahealthcare.com.au

# Retail Offer Booklet

## Sigma Healthcare Limited

(ACN 088 417 403)

Details of a 1 for 1.85 accelerated non-renounceable entitlement offer of Sigma Healthcare Limited fully-paid ordinary shares (“**New Shares**”) at an offer price of \$0.70 per New Share

**Retail Entitlement Offer closes at 5.00pm (AEDT) on Friday, 19 January 2024**

NOT FOR RELEASE TO U.S. WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read carefully and in their entirety. This Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). Please call your stockbroker, solicitor, accountant or other professional adviser if you would like advice in relation to your participation in the Retail Entitlement Offer. Please call the Share Registry on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Offer Period if you have any other questions.

For personal use only

## Important Notices

This Offer Booklet has been issued by Sigma Healthcare Limited ACN 088 417 403 (**Sigma** or the **Company**). This Offer Booklet is relevant to you if you are an Eligible Retail Shareholder. Eligible Retail Shareholders are those persons who meet the criteria in Section 4 (Important Information).

In this Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders. **Defined terms used in these important notices have the meaning given in this Offer Booklet.**

This Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer is made in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*. References to the Corporations Act in this Offer Booklet are references to the Corporations Act as modified by those instruments.

This Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. Eligible Retail Shareholders should conduct their own independent review, investigations and analysis of Sigma, the New Shares and obtain any professional advice they may require to evaluate the merits and risks of an investment in Sigma before making any investment decision.

In particular, you should consider:

- the risk factors outlined in the ‘Key Risks’ section of the Investor Presentation included in Section 3 of this Offer Booklet for a summary of certain general and Sigma specific risk factors that may affect the operating and financial performance of Sigma or the value of an investment in Sigma; and
- the Investor Presentation and ASX Announcement in Section 3 of this Offer Booklet, Sigma’s interim and annual reports and other announcements made by Sigma which are available at [www.asx.com.au](http://www.asx.com.au) (including announcements which may be made by Sigma after the publication of this Offer Booklet).

This Offer Booklet (other than the Investor Presentation and ASX Announcement) is dated 18 December 2023. The Investor Presentation and ASX Announcement are current as at 11 December 2023. This Offer Booklet remains subject to change without notice.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Offer Booklet.

### No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States. Refer to the “United States disclaimer” below for further information.

This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand or other jurisdictions that Sigma has determined to extend the Retail Entitlement Offer into.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Sigma to lawfully receive your Application Monies.

### New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the

information that a product disclosure statement under New Zealand law is required to contain.

### United States

None of the information in this Offer Booklet or the Entitlement and Acceptance Form that will accompany this Offer Booklet when it is despatched to Eligible Retail Shareholders (as set out in the "Key dates" section) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. None of the Offer Booklet (or any part of it), the accompanying Chair's Letter, the Investor Presentation, ASX Announcement or the Entitlement and Acceptance Form when that is to be made available, may be distributed or released, directly or indirectly, in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction in the United States. The New Shares in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

### Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 4 of this Offer Booklet provides a general summary of the Australian income tax, goods and services tax (GST) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents and who hold their Shares on capital account. This summary does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Sigma recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

### Privacy

Sigma collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Sigma.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Sigma (directly or through the Share Registry). Sigma collects, holds and will use that information to assess your Application. Sigma collects your personal information to process and administer your shareholding in Sigma and to provide related services to you. Sigma may disclose your personal

information for purposes related to your shareholding in Sigma, including to the Share Registry, Sigma's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Sigma holds about you. To make a request for access to your personal information held by (or on behalf of) Sigma, please contact Sigma through the Share Registry.

### Future performance and forward-looking statements

This Offer Booklet contains certain "forward looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This Offer Booklet includes statements regarding certain plans, strategies and objectives of management and expected financial performance, effects of the Retail Entitlement Offer and use of proceeds. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables and changes in underlying assumptions which could cause actual results or trends to differ materially. Refer to the "Key Risks" of the Investor Presentation included in Section 3 of this Offer Booklet for a summary of certain risk factors that may affect Sigma. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Sigma). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Offer Booklet will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

The forward-looking statements in this Offer Booklet speak only as of the date of this Offer Booklet. Subject to any continuing obligations under applicable law or any relevant ASX Listing Rules, Sigma disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this Offer Booklet to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this Offer Booklet will under any circumstances create an implication that there has been no change in the affairs of Sigma since the date of this Offer Booklet.

### Financial information

For further information on the financial information provided in this Offer Booklet, investors should refer to the "Important Notices and Disclaimer" section in the Investor Presentation (a copy of which is included in Section 3 of this Offer Booklet). The financial information provided in this Offer Booklet is for illustrative purposes only and is not represented as being indicative of Sigma's views on its future financial condition and/or performance. Accordingly, investors should treat this information with appropriate caution.

### Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Sigma performance including future share price performance.

### Underwriter

Goldman Sachs Australia Pty Ltd (ACN 006 797 897) (**Underwriter**) has been appointed as lead manager, bookrunner and underwriter to the Offer (including the Retail Entitlement Offer). None of the Underwriter or other Underwriter Parties (as defined in the Definitions) have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet (or any other materials released by the Sigma) and none of them makes or purports to make any statement in this Offer Booklet and there is no statement in this Offer Booklet which has been verified or is based on any statement by them. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all liabilities in respect of, and makes no, representations regarding, and takes no responsibility for any part of this Offer Booklet or any action taken by you on the basis of the information in this Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Offer Booklet. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning this Offer, or any such information.

The Underwriter is a full-service financial institution engaged in various activities, which may include advisory, underwriting, lending and financing, principal investing, sales and trading, research and investment management activities and other financial and non-financial activities including for which they have received or may receive customary fees and expenses. The Underwriter is acting for and providing services to Sigma in relation to the Offer and will not be acting for or providing services to shareholders or potential investors. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with Sigma. The engagement of the Underwriter is not intended to create any fiduciary obligations, agency or other relationship between the

Underwriter and shareholders or potential investors. The Underwriter will receive fees and expenses for acting as lead manager, bookrunner and underwriter to the Offer, in addition to receiving fees from Sigma in its capacity as financial advisor in connection with the Proposed Merger. The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Sigma.

### Disclaimer

Eligibility of investors for the purposes of the Offer is determined by reference to a number of factors, including legal and regulatory requirements, logistical and registry constraints and the discretion of Sigma and the Underwriter. Sigma, the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

### Risks

Refer to the "Key Risks" section of the Investor Presentation included in Section 3 of this Offer Booklet for a summary of the general and specific risk factors that may affect Sigma. Investors should consider these risks carefully in light of their personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

### Definitions, times and dates

Defined terms used in this Offer Booklet are contained in Section 6 of this Offer Booklet. Times and dates in this Offer Booklet are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Time. Refer to the "Key dates" section of this Offer Booklet for more details.

### Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (\$) or AUD).

### Trading New Shares

To the maximum extent permitted by law, Sigma and the Underwriter Parties will have no responsibility and disclaim all liability (including without limitation liability for negligence) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Sigma or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

## Contents

Chairman's Letter .....	6
Summary of the Retail Entitlement Offer.....	8
Key dates .....	8
1. Summary of options available to you.....	10
2. How to Apply .....	12
3. ASX Announcements .....	18
4. Australian Taxation Implications.....	19
5. Important Information .....	22
6. Definitions .....	28
7. Corporate Directory.....	30

For personal use only

## Chairman's Letter

Dear Shareholder,

On behalf of the Directors of Sigma Healthcare Limited (**Sigma**), I am pleased to invite you to participate in a 1 for 1.85 accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in Sigma (**New Shares**) at an offer price of \$0.70 (**Offer Price**) per New Share.

As announced on 11 December 2023, Sigma intends to raise approximately \$400 million through a fully underwritten accelerated non-renounceable entitlement offer of New Shares at the Offer Price (the **Offer**).

The Offer is being fully underwritten by Goldman Sachs Australia Pty Ltd (ACN 006 797 897) (**Underwriter**). Further details of this underwriting, including the significant events which may lead to its termination, are contained in the Investor Presentation, a copy of which is included in this Offer Booklet.

Sigma also announced on 11 December 2023 that it had entered into a Merger Implementation Agreement to merge with Chemist Warehouse Group (**CWG**). The proposed merger is transformational for Sigma and if it proceeds, will create a leading healthcare wholesaler, distributor and retail pharmacy franchisor. Sigma's Board of Directors believes the Proposed Merger represents a significant and compelling opportunity which is expected to create material value for Sigma shareholders. The Sigma Board unanimously recommends that Sigma shareholders vote in favour of the resolutions that require the approval of Sigma's shareholders for the Proposed Merger, in the absence of a superior proposal for Sigma and subject to the Sigma independent expert concluding (and continuing to conclude) that the business arrangements relating to CWG between the merged group and its directors and holders of more than 10% of its shares are fair and reasonable or not fair but reasonable. Each Sigma director intends to vote all of the Sigma shares they hold or control in favour of all resolutions that require the approval of Sigma's shareholders for the Proposed Merger, subject to those same qualifications.

The proceeds from the Offer will be used to fund increased working capital required to implement Sigma's supply contract with CWG, commencing 1 July 2024 and progress new business growth initiatives, including investment to relaunch and grow our Amcal and Discount Drug Store brands, and to accelerate the development of our private and exclusive product range. In the event that the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives – some of the net proceeds from the Offer may instead be used to partially fund the cash consideration to CWG shareholders.

The Offer has an accelerated institutional component (the **Institutional Entitlement Offer**) and a retail component (the **Retail Entitlement Offer**). This Offer Booklet relates to the Retail Entitlement Offer.

As announced by Sigma on 13 December 2023, the Institutional Entitlement Offer was successfully completed. The institutional shortfall received strong demand from existing eligible institutional shareholders and new institutional investors. The Institutional Offer raised approximately \$178 million.

The Retail Entitlement Offer will raise a further approximately \$223 million.

### Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders with a registered address in Australia or New Zealand are entitled to subscribe for 1 New Share for every 1.85 existing fully paid ordinary shares in Sigma (**Shares**) held at 7.00pm (AEDT) on 13 December 2023 (**Record Date**), at the Offer Price of \$0.70 per New Share (**Entitlement**). This is the same price which was offered to investors who participated in the Institutional Offer. The Offer Price represents a discount of:

- 8.2% discount to the last traded price of \$0.7625 on 6 December 2023 (being the last trading day prior to the announcement of the Offer); and
- 5.5% discount to the TERP of \$0.7406 per Share.<sup>1</sup>

Eligible Retail Shareholders who take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement under the Oversubscription Facility up to a maximum of 25% of their Entitlement ("**Additional New Shares**"). Additional New Shares will only be available under the Oversubscription

<sup>1</sup> TERP is a theoretical price at which Sigma's shares should trade immediately after the ex-date for the Offer. TERP is calculated by reference to Sigma's last traded price of \$0.7625 per share on 6 December 2023, being the last trading day prior to the announcement of the Offer. The TERP is a theoretical calculation only and the actual price at which Sigma shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP.

Facility to the extent that there is any shortfall under the Retail Entitlement Offer. The allocation of Additional New Shares will be subject to the availability of Additional New Shares and any scale back will be on a pro rata basis or to the extent considered necessary to prevent the issue of securities contrary to the law or ASX Listing Rules.

New Shares will be issued on a fully paid basis and will rank equally with existing Shares on issue.

#### **Further Information and Application Instructions**

Your Entitlement to New Shares and Additional New Shares is set out in your personalised Entitlement and Acceptance Form available online or by request.

It is important that you determine whether to take up all or part of your Entitlement, apply for Additional New Shares or do nothing in respect of your Entitlement. The Retail Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. This means that you will not receive any value for Entitlements you do not take up and your percentage shareholding in Sigma will be reduced.

The Sigma Board encourages you to read this Offer Booklet carefully (in particular, the “Key Risks” section set out in the Investor Presentation, which contains a number of key risks associated with an investment in Sigma, as well as risks relating to CWG’s business and the Proposed Merger). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

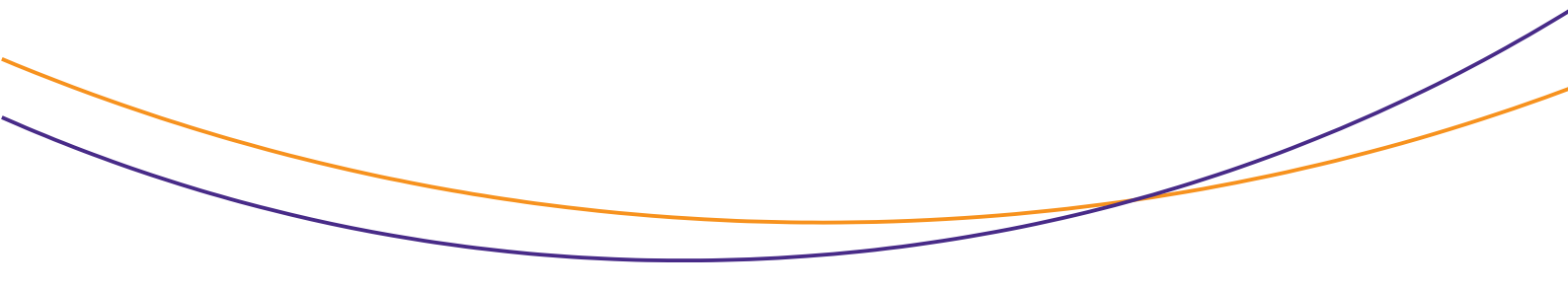
**The Retail Entitlement Offer closes at 5.00pm (AEDT) on Friday, 19 January 2024 (unless otherwise extended by Sigma).**

On behalf of the Sigma Board, I encourage you to consider this investment opportunity and thank you for your ongoing support of Sigma.

Yours sincerely

**Michael Sammells**  
Chairman, Sigma Healthcare Limited

For personal use only





## Summary of the Retail Entitlement Offer

<b>Ratio</b>	1 New Share for every 1.85 existing Shares in Sigma
<b>Offer Price</b>	\$0.70 per New Share
<b>Size</b>	Approximately 572.6 million New Shares
<b>Gross proceeds</b>	Approximately \$400 million
<b>Renounceable?</b>	The Retail Entitlement Offer is non-renounceable.
<b>Underwritten?</b>	The Offer is fully underwritten on the terms and conditions of the Underwriting Agreement <sup>2</sup> .

## Key dates

<b>Event<sup>3</sup></b>	<b>Date</b>
Announcement of the Offer	11 December 2023
“Ex” date	13 December 2023
Record date for the Retail Entitlement Offer (7.00pm AEDT)	13 December 2023
Offer Booklet and personalised Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders	18 December 2023
Retail Entitlement Offer opens (9.00am AEDT)	18 December 2023
Retail Entitlement Offer closes (5.00pm AEDT)	19 January 2024
Results of Retail Entitlement Offer announced	24 January 2024
Settlement of Retail Entitlement Offer	25 January 2024
Issue of New Shares under the Retail Entitlement Offer	29 January 2024
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	30 January 2024
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	30 January 2024

<sup>2</sup> Refer to page 38 of the Investor Presentation in Section 3 for details of the sub-underwriting arrangements with HMC Capital Limited, the manager of Sigma’s largest shareholder, HMC Capital Partners Fund I.

<sup>3</sup> This timetable is indicative only and may change. Sigma reserves the right to amend any or all of these dates and times the timetable for the Retail Entitlement Offer without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Sigma reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX. All references to time are to AEDT.

Sigma also reserves the right not to proceed with the Retail Entitlement Offer in whole or in part at any time prior to the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicant (without any interest). Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

## Enquiries

If you have any questions, please contact the Share Registry on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT Monday to Friday (excluding public holidays) during the Offer Period, or if you require advice about your participation in the Retail Entitlement Offer, consult your stockbroker, accountant or other independent professional adviser.

For personal use only

## 1. Summary of options available to you

If you are an Eligible Retail Shareholder (as defined in Section 5.1 (Important Information)) you may take one of the following actions:

- take up all or part of your Entitlement;
- take up all of your Entitlement and apply for Additional New Shares under the Oversubscription Facility; or
- do nothing and let your Entitlements lapse.

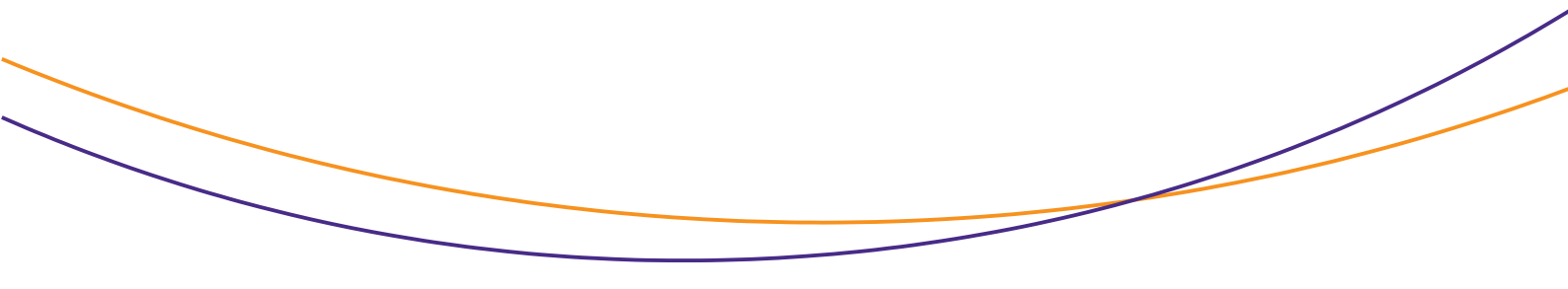
If you are a shareholder that is not an Eligible Retail Shareholder, you are an **Ineligible Shareholder**. Ineligible Shareholders are not entitled to participate in the Retail Entitlement Offer.

Options available to you	Key considerations
<p><b>Option 1:</b> Take up all or part of your Entitlement</p>	<ul style="list-style-type: none"> <li>• You may elect to purchase New Shares at the Offer Price (see Section 2 (How to Apply) for instructions on how to take up your Entitlement).</li> <li>• The New Shares will rank equally in all respects with existing Shares from the date of their issue.</li> <li>• The Retail Entitlement Offer closes at 5.00pm (AEDT) on Friday, 19 January 2024.</li> <li>• Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible Retail Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.</li> <li>• If you do not take up your Entitlement in full, you will have your percentage holding in Sigma reduced as a result of dilution by the New Shares issued under the Offer.</li> </ul>
<p><b>Option 2:</b> Take up all of your Entitlement and apply for Additional New Shares under the Oversubscription Facility</p>	<ul style="list-style-type: none"> <li>• You may take up all of your Entitlement and (to the extent that there is a shortfall) apply for Additional New Shares. You may apply for Additional New Shares of up to 25% of your Entitlement.</li> <li>• Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.</li> <li>• Additional New Shares will rank equally in all respects with existing Shares from the date of their issue.</li> <li>• Additional New Shares will only be available to the extent there are Entitlements under the Retail Entitlement Offer which are not taken up by Eligible Retail Shareholders.</li> <li>• The allocation of Additional New Shares will be subject to the availability of Additional New Shares and any scale back will be on a pro rata basis or to the extent considered necessary to prevent the issue of securities contrary to the law or ASX Listing Rules.</li> </ul>

Options available to you	Key considerations
<p><b>Option 3:</b> Do nothing and let your Entitlements lapse</p>	<ul style="list-style-type: none"> <li>• To the extent you do not take up all of your Entitlements, your Entitlements lapse.</li> <li>• The New Shares not subscribed for (after taking into account Additional New Shares subscribed for in accordance with the Oversubscription Facility) will form part of the shortfall that will be acquired by the Underwriter or any sub-underwriters.</li> <li>• Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.</li> <li>• If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement.</li> <li>• If you do not take up your Entitlement, you will have your percentage holding in the Company reduced as a result of the Retail Entitlement Offer.</li> </ul>

If you have any doubt about how you should deal with your Entitlements, you should seek professional advice from an adviser who is licensed by ASIC to give that advice before making any investment decision.

You should carefully read the “Key Risks” section of the Investor Presentation included in Section 3 of this Offer Booklet.



## 2. How to Apply

### 2.1 Your Entitlement

Your Entitlement is set out on your personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1.85 Shares you held as at the Record Date of 7.00pm (AEDT) on Wednesday, 13 December 2023. Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares (including any Additional New Shares) issued pursuant to the Retail Entitlement Offer will be fully paid and upon issue will rank equally with existing Shares on issue.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see definition of Eligible Retail Shareholder in Section 5.1 (Important Information)).

#### Nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders (as defined in Section 5.1 (Important Information)) on the register of Sigma at 7.00pm (AEDT) on the Record Date. Sigma does not undertake to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares.

Where any holder is acting as a nominee or custodian for a person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is permitted under the terms of the Retail Entitlement Offer and compatible with applicable laws.

Any person (such as a nominee or custodian) that is or is acting for the account or benefit of a person in the United States may not participate in the Retail Entitlement Offer on behalf of such persons in the United States and may not send this Offer Booklet or any other materials into the United States.

Please see Section 5.9 (Notice to nominees and custodians) for further information.

Sigma does not undertake to advise you on any applicable laws or of how the restrictions apply to you.

### 2.2 Options available to you

If you are an Eligible Retail Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (refer to Section 2.3);
- take up all of your Entitlement and apply for Additional New Shares (refer to Section 2.4); or
- do nothing and let your Entitlements lapse (refer to Section 2.5).

Ineligible Shareholders do not have any entitlement to participate in the Retail Entitlement Offer. Eligible Retail Shareholders who do not participate in the Retail Entitlement Offer will have their percentage holding in Sigma reduced.

Eligible Retail Shareholders who participate in the Retail Entitlement Offer will see their percentage holding in Sigma stay the same if they take up all of their Entitlement, increase if they take up all of their Entitlement and apply for Additional New Shares or reduce if they take up only part of their Entitlement.

The closing date for the acceptance of the Retail Entitlement Offer is **5.00pm (AEDT) on Friday, 19 January 2024** (however, that date may be varied by Sigma, in accordance with the ASX Listing Rules and the Underwriting Agreement).

## 2.3 Take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, you will need to submit your Application and pay your Application Monies in accordance with the instructions set out on your personalised Entitlement and Acceptance Form (refer to Section 2.7 for the available payment options).

**Payment must be received by the Share Registry by no later than 5.00pm (AEDT) on Friday, 19 January 2024.**

If you take up all or part of your Entitlement you will be issued your New Shares on or about Monday, 29 January 2024. Sigma's decision on the number of New Shares to be issued to you will be final. If Sigma receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment will be treated as an Application for as many New Shares as your payment will pay for in full. Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

Sigma also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if Sigma believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Sigma's satisfaction.

Refund amounts (only where the amount is \$2.00 or greater) will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). No interest will be paid on refunded amounts.

Eligible Retail Shareholders who do not participate fully in the Retail Entitlement Offer will have their percentage holding in Sigma reduced.

## 2.4 Take up all of your Entitlement and apply for Additional New Shares

Eligible Retail Shareholders who take up all of their Entitlement, and who are not persons that fall under ASX Listing Rule 10.11, may apply for up to 25% (**Cap**) of their Entitlement in addition to their Entitlement as Additional New Shares under the Oversubscription Facility. An Eligible Retail Shareholder who is a person within ASX Listing Rule 10.11 is not entitled to apply for Additional New Shares.

Additional New Shares will only be made from any available shortfall under Retail Entitlement Offer.

If you wish to take up all of your Entitlement and apply for Additional New Shares, you will need to submit your Application and pay your Application Monies in accordance with the instructions set out on your personalised Entitlement and Acceptance Form (refer to Section 2.7 for the available payment options).

**Payment must be received by the Share Registry by no later than 5.00pm (AEDT) on Friday, 19 January 2024.**

The Application Monies payable will be equal to the Offer Price multiplied by the total of the number of New Shares comprising your Entitlement and the number of Additional New Shares you wish to take up – you will need to calculate this number yourself. Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

The Cap will be applied at the beneficial shareholding level, and Sigma reserves all rights in its absolute discretion to determine which applications for Additional New Shares are made validly within the Cap. Additional New Shares will only be allocated to you if there are sufficient New Shares resulting from any shortfall, subject to any scale back which will be on a pro rata basis or to the extent considered necessary to prevent the issue of securities contrary to the law or ASX Listing Rules.

There is no guarantee you will be allocated any Additional New Shares.

## 2.5 Take no action and let your Entitlements lapse

If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can the Entitlement be privately transferred.

## 2.6 Consequences of not accepting all or part of your Entitlement

By allowing part or all of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement in full and you will not receive any value for any part of your Entitlement which lapses. Your interest in Sigma will also be diluted.

## 2.7 Payment

### 2.7.1 Australian holders – Payment by BPAY®

Payment of Application Monies must be made by BPAY®. Cheque, bank draft, money order and cash payments will not be accepted.

Please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that when paying via BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and in the Important Information section of this Offer Booklet;
- if you pay for an amount that is more than your full Entitlement, that excess amount will be treated as applying for as many Additional New Shares as it will pay for in full (subject to the Cap); and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

**It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on Friday, 19 January 2024** (subject to variation).

You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Receipts for payment will not be issued.

Please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Entitlement and Acceptance Form.

Any Application Monies received for more than your final allocation of New Shares will be refunded (only where the amount is \$2.00 or greater) as soon as practicable. No interest will be paid on any Application Monies received or refunded.

### 2.7.2 New Zealand holders – payment by EFT

Eligible Retail Shareholders who are resident in New Zealand and are unable to pay via BPAY® by the Closing Date can make payment by electronic funds transfer (**EFT**).

Please note that by paying by EFT:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that personalised Entitlement and in the Important Information section of this Offer Booklet and Entitlement and Acceptance Form and in the Important Information section of this Offer Booklet;
- if you pay for an amount that is more than your full Entitlement, that excess amount will be treated as applying for as many Additional New Shares as it will pay for in full (subject to the Cap); and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

**It is your responsibility to ensure that your EFT payment is received by the Share Registry by no later than 5.00pm (AEDT) on Friday, 19 January 2024 (subject to variation).**

You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Receipts for payment will not be issued.

The Company and the Share Registry accept no responsibility for any delay in the receipt of the EFT payment. Your EFT payment may incur fees and charges from your bank or any intermediary bank as well as the receiving bank. You may have an option to choose that fees are not deducted from the amount transferred however the receiving bank may still deduct a fee for receiving a foreign transfer. If you are paying from a bank account that is not in Australian dollars you may also incur foreign exchange fees.

For details of the details for paying by EFT, please contact the Share Registry 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Offer Period.

## 2.8 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies by EFT, constitutes a binding acceptance to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. Sigma's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Offer Booklet, and Sigma's constitution;
- you authorise Sigma to register you as the holder(s) of New Shares allotted to you;
- you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;

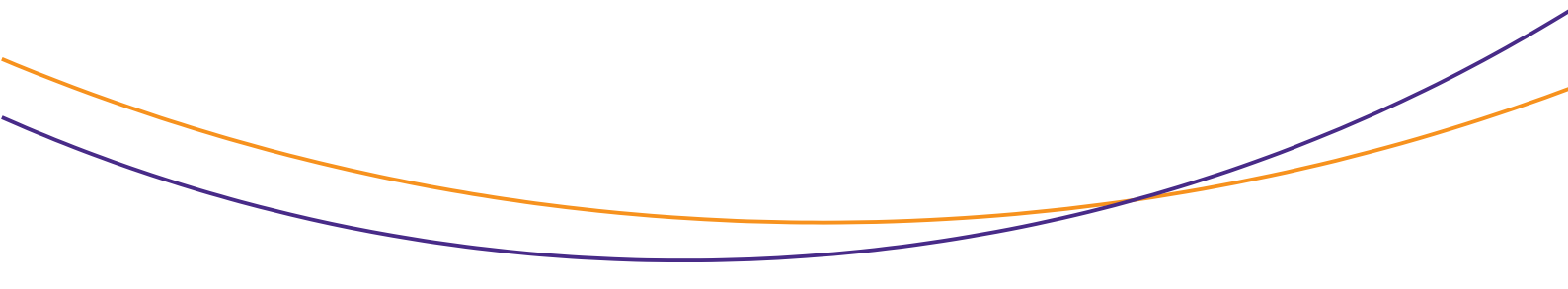


- that once Sigma receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY<sup>®</sup>, you may not withdraw your Application or funds provided except as allowed by law;
- you agree to apply for and be issued up to the number of New Shares (including any Additional New Shares) specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY<sup>®</sup> at the Offer Price;
- you authorise Sigma, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Sigma and is given in the context of Sigma's past and ongoing continuous disclosure announcements to ASX, which is publicly available at [www.asx.com.au](http://www.asx.com.au);
- you have read and understood the statement of key risks in the "Key Risks" section of the Investor Presentation included in Section 3 of this Offer Booklet, and understand and acknowledge that investments in Sigma are subject to risk;
- none of Sigma, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Sigma, nor do they guarantee the repayment of capital;
- you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- you authorise Sigma to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- you represent and warrant (for the benefit of Sigma, the Underwriter and their respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- you represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- you represent and warrant that you are an Eligible Retail Shareholder and not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- you and each person on whose account you are acting understand and acknowledge that the New Shares have not been, or will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred in the United States. You further acknowledge that the New Shares may only be offered, sold or resold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act;

- you are purchasing New Shares outside the United States (i.e. in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act);
- you have not and will not send this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States, to any person acting for the account or benefit of a person in the United States, or to any person in any other country outside Australia and New Zealand;
- if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information or materials relating to the Retail Entitlement Offer to any such person; and
- determination of eligibility of investors for the purposes of the Retail Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Retail Shareholder, is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Sigma and/or the Underwriter. Sigma and the Underwriter disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

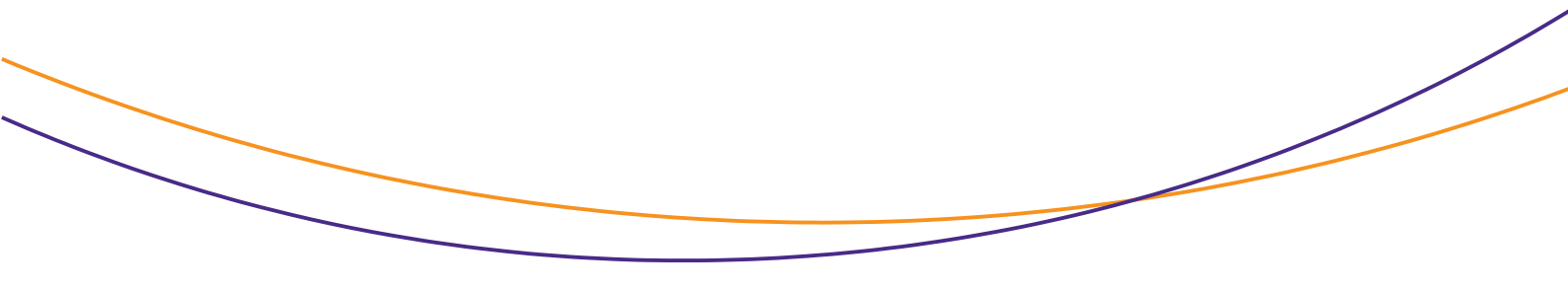
## 2.9 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Share Registry on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.



### 3. ASX Announcement and Investor Presentation

For personal use only



# ASX Release

11 December 2023

## Transformational Merger of Sigma Healthcare Limited and Chemist Warehouse Group and Equity Raising

Sigma Healthcare Limited (**Sigma**) is pleased to announce it has entered into a Merger Implementation Agreement (**MIA**) to merge with CW Group Holdings Limited (**CWG** or **Chemist Warehouse Group**) to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor (**Proposed Merger**).

In addition, Sigma is undertaking a fully underwritten pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of approximately \$400 million (**Entitlement Offer**) to provide the increased working capital required to implement the Chemist Warehouse supply contract (signed 31 August 2023) commencing on 1 July 2024 and progress business growth initiatives (**Equity Raising**). In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives discussed in the Investor Presentation – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration payable under the Proposed Merger.

### Highlights

#### Transformational merger between Sigma and CWG to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor

- CWG is a leading Australian retail pharmacy franchisor, supporting a multi-national Retail Network of ~600 stores, mainly operating under the highly recognised Chemist Warehouse brand
- Sigma is a major Australian pharmaceutical wholesaler and pharmacy franchisor
- Proposed Merger to be effected by Sigma acquiring CWG via a scheme of arrangement (**Scheme**) in exchange for Sigma shares and \$700 million cash consideration<sup>1</sup>
- CWG shareholders to hold 85.75% and Sigma shareholders to hold 14.25% of the merged group (**MergeCo**) upon completion of the Proposed Merger<sup>2</sup>

<sup>1</sup> Subject to any leakage adjustment under the MIA.

<sup>2</sup> On a fully diluted basis (including cash-settled and share-based rights, grants or other incentive arrangements which have either been exercised, exchanged or converted for cash since 11 December 2023 or remain outstanding upon completion of the Proposed Merger). In conjunction with entering into the MIA, Sigma and CWG have agreed to defer the issuance of 126,947,040 Sigma shares already agreed to be issued to CWG on 31 August 2023 in conjunction with the CWG supply agreement due to commence on 1 July 2024 (**Placement Shares**) while the MIA remains on foot. If the Proposed Merger

- Proposed Merger has the potential to unlock significant efficiencies, with cost synergies initially estimated at c.\$60 million per annum, expected to be realised four years post completion<sup>3</sup>
- Indicative MergeCo market capitalisation >\$8.8 billion<sup>4</sup> and expected to be eligible to sit well within the S&P/ASX200 following quarterly re-balancing<sup>5</sup>
- Proposed Merger is subject to a number of conditions including ACCC and (if required) OIO approvals, CWG shareholder approval of the Scheme (by 75% of the votes cast and by a majority under the headcount test) and Sigma shareholder approvals (by ordinary resolutions and a special resolution)

#### **Fully underwritten \$400 million pro-rata accelerated non-renounceable entitlement offer**

- Sigma simultaneously announces a pro-rata accelerated non-renounceable entitlement offer fully underwritten by Goldman Sachs Australia Pty Ltd to raise gross proceeds of approximately \$400 million to fund increased working capital required to implement the new Chemist Warehouse supply contract commencing on 1 July 2024 and progress business growth initiatives<sup>6</sup>

#### **Attractive Strategic and Commercial Rationale**

The combination of Sigma and CWG is a transformational and compelling transaction for both companies:

- Creation of a **full-service wholesaler, distributor and retail pharmacy franchisor**
- Combines Sigma's **extensive and state-of-the-art distribution infrastructure** with CWG's **leading retailing know-how**
- Larger and more diversified earnings base, with **aggregate annual historical MergeCo EBIT >\$495 million<sup>7</sup>**, before synergies

completes, these Placement Shares will not be issued. If the MIA is terminated, the Placement Shares will be issued to CWG (or a subsidiary of CWG) on the later of 1 July 2024 and 20 business days post termination of the MIA.

<sup>3</sup> On a run-rate basis. One-off costs to achieve estimated at c.\$75 million. Refer to page 28 of the Investor Presentation for further detail.

<sup>4</sup> Based on estimated MergeCo shares at completion of the Proposed Merger of 11.6 billion (including shares issued in the \$400 million capital raising announced today) and based on Sigma's last traded price of \$0.7625/sh on 6 December 2023.

<sup>5</sup> Based on indicative free float market capitalisation >\$4.1 billion, assuming free float of c.47% on completion of the Proposed Merger (illustrative potential free float excludes Escrowed Holders and directors and officers of MergeCo). Refer to the notes on page 30 of the Investor Presentation for further detail.

<sup>6</sup> In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders.

<sup>7</sup> 12 months to June 2023 in the case of CWG and 12 months to July 2023 in the case of Sigma. Shown on an aggregated basis and does not take into account intercompany adjustments. Refer to page 42 of the Investor Presentation for further detail. This is based on historical financial information of CWG and Sigma and is given for illustrative purposes only and should not be relied upon as Sigma's views on its future financial performance following completion of the Proposed Merger. There has been no alignment of the financial year ends of Sigma and CWG to present the aggregated MergeCo financial information. Year-end reporting periods will be aligned post implementation of the Proposed Merger.

- **Significant potential for synergies** – initial estimate of c.\$60 million per annum of cost synergies<sup>8</sup>
- **Highly experienced management team and Board**
- **Greater scale, investor interest and balance sheet strength** – indicative MergeCo market capitalisation of >\$8.8 billion<sup>9</sup> and expected to be eligible to sit well within the S&P/ASX200 following quarterly re-balancing<sup>10</sup>

Sigma Chairman Michael Sammells said: “The Proposed Merger is a step-change event for Sigma. With Sigma having had a commercial relationship with CWG and its founders spanning more than 40 years, we are excited by the efficiencies, synergies and growth opportunities that we anticipate being unlocked through the merger of the two complementary businesses. The combined group will have extensive capabilities and expertise to benefit franchisees and customers, including through more brand choice, products and services and expanded marketing capabilities.”

CWG Chairman Jack Gance said: “The combination of CWG’s retailing and marketing capabilities and Sigma’s state-of-the-art distribution infrastructure and logistics capabilities presents a unique opportunity for both CWG and Sigma shareholders. We look forward to building the next chapter of CWG’s success for the benefit of our customers, staff, franchisees and shareholders.”

### **Proposed Merger Overview**

Under the terms of the MIA, Sigma has agreed to acquire 100% of the issued shares in CWG via a Scheme. A copy of the MIA is included in Appendix B to this announcement.

### *Transaction Details*

- CWG shareholders will receive in aggregate, \$700 million in cash subject to any leakage adjustment under the MIA. CWG shareholders will also receive such number of Sigma shares that results in CWG shareholders owning 85.75% of MergeCo<sup>11</sup>
- Upon completion of the Proposed Merger, CWG shareholders will own 85.75% of MergeCo, and Sigma shareholders will hold the remaining 14.25%<sup>12</sup>
- Sigma has received a credit approved commitment letter from ANZ<sup>13</sup> and NAB<sup>14</sup> for a new \$1.0 billion debt facility to fund the cash consideration required under the Proposed Merger and to

<sup>8</sup> On a run-rate basis. Synergies expected to be achieved four years post completion of the Proposed Merger. One-off costs to achieve estimated at c.\$75 million. Refer to page 28 of the Investor Presentation for further detail.

<sup>9</sup> Based on estimated MergeCo shares at completion of the Proposed Merger of 11.6 billion (including shares issued in the \$400 million capital raising announced today) and based on Sigma’s last traded price of \$0.7625/sh on 6 December 2023.

<sup>10</sup> Based on indicative free float market capitalisation >\$4.1 billion, assuming free float of c.47% on completion of the Proposed Merger (illustrative potential free float excludes Escrowed Holders and directors and officers of MergeCo). Refer to the notes on page 30 of the Investor Presentation for further detail.

<sup>11</sup> See footnote 2.

<sup>12</sup> See footnote 2.

<sup>13</sup> Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

<sup>14</sup> National Australia Bank Limited (ABN 12 004 044 937).

refinance existing CWG indebtedness. The commitment letter is subject to customary conditions including that the financiers are satisfied of each of the due diligence reports prepared in connection with the Proposed Merger including vendor due diligence on Sigma and successful completion of the Entitlement Offer (which would not be satisfied if the Underwriting Agreement was terminated). To the extent proceeds from the equity raising have not already been applied to meet working capital requirements and to fund business growth initiatives as discussed in the Investor Presentation, some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders

- The Proposed Merger is subject to a number of conditions including:
  - ACCC and (if required) OIO approvals
  - Approval of the Proposed Merger by the requisite majorities of CWG shareholders<sup>15</sup>
  - Court approval of the Scheme in accordance with the Corporations Act 2001 (Cth) (**Corporations Act**)
  - Sigma shareholder approvals, including pursuant to ASX Listing Rule 11.1.2 (change of scale of Sigma), ASX Listing Rule 7.1 (issuance of securities under the transaction), ASX Listing Rule 10.1 (in relation to certain business arrangements between MergeCo and its directors and holders of 10% or more of its shares)<sup>16</sup> and under Sigma's constitution to appoint the CWG nominees to the board (all 50% ordinary resolutions) as well as a resolution of Sigma shareholders under Part 2J.3 of the Corporations Act in relation to the proposed new debt facility (a 75% special resolution)
  - Neither company being affected by a material adverse change or prescribed occurrence and other customary conditions

A full list of conditions is set out in the MIA (see Appendix B to this announcement).

The MIA includes reciprocal exclusivity arrangements (including “no shop”, “no talk” and “no due diligence” restrictions and notification obligations, with customary “fiduciary outs”) and reciprocal matching rights. A break fee of \$25 million is payable by CWG and reverse break fee of \$10 million is payable by Sigma in certain circumstances (as detailed in the MIA).

The key dates and steps for the Proposed Merger are set out at the end of this announcement.

---

<sup>15</sup> At least 75% of the votes cast and a majority in the number of CWG shareholders voting on the resolution (in person or by proxy).

<sup>16</sup> The business arrangements that may require Sigma shareholder approval under ASX Listing Rule 10.1 include the following existing arrangements that will continue post completion of the Proposed Merger: (i) franchise and associated arrangements under which MergeCo will receive certain payments (such as franchise fees, management fees, supply fees and licences) from franchisees who are related parties in exchange for, amongst other things, franchise services, the supply of goods and occupation of property, (ii) leases where the related party is the landlord and will receive rent from MergeCo and (iii) a supply arrangement under which MergeCo will make payments to an entity partly owned by a related party in consideration for the supply of goods. In addition to and separate from the Sigma shareholder approval under ASX Listing Rule 10.1 for these existing arrangements that will continue post completion of the Proposed Merger, the ability for MergeCo to enter into additional transactions with related parties post completion of the Proposed Merger may be constrained by the ASX Listing Rules, in particular ASX Listing Rule 10.1, and Sigma shareholders may be asked to approve the entry into future arrangements.

Subject to the ACCC approval process, and the satisfaction (or waiver) of the other conditions under the MIA, the Proposed Merger is expected to complete in 2H CY24.

In the event the Proposed Merger does not proceed (including as a result of conditions not being satisfied), Sigma will continue to operate as a standalone company. Investors should take into account this uncertainty in deciding whether or not to buy or sell Sigma securities.

#### *MergeCo Board and Management*

Post completion of the Proposed Merger, MergeCo will benefit from the combined skills and experience of the Boards and management teams of both Sigma and CWG.

Michael Sammells will be the independent chair of the MergeCo Board and Vikesh Ramsunder will be the Chief Executive Officer and Managing Director of MergeCo. Mark Davis will be appointed as Chief Financial Officer. Current Chief Executive Officer and Managing Director of CWG, Mario Verrocchi, will continue to manage the CWG business post completion of the Proposed Merger and will also be appointed to the MergeCo Board as an Executive Director. Current CWG Chairman & Co-founder Jack Gance, current CWG Chief Commercial Officer Damien Gance and current CWG Chief People Officer and CWG franchisee Danielle Di Pilla will also be appointed to the Board.

Post completion of the Proposed Merger, the MergeCo Board will be comprised of four independent directors (being existing Sigma directors Michael Sammells, Neville Mitchell, Annette Carey and Chris Roberts), four CWG representatives (as set out above) and Vikesh Ramsunder as Managing Director.

#### *Board Recommendations*

Sigma's Board of Directors believes the Proposed Merger represents a significant and compelling opportunity which is expected to create material value for Sigma shareholders. The Sigma Board unanimously recommends that Sigma shareholders vote in favour of the resolutions that require the approval of Sigma's shareholders for the Proposed Merger, in the absence of a superior proposal for Sigma and subject to the Sigma independent expert concluding (and continuing to conclude) that the business arrangements relating to CWG between MergeCo and its directors and holders of more than 10% of its shares are fair and reasonable or not fair but reasonable. Each Sigma director intends to vote all of the Sigma shares they hold or control in favour of all resolutions that require the approval of Sigma's shareholders for the Proposed Merger, subject to those same qualifications.

The CWG Board of Directors unanimously recommends CWG shareholders vote in favour of the Proposed Merger and intend to vote in favour of the Proposed Merger all of the CWG shares that they own or control (being 71% of the fully diluted CWG shares on issue as at today's announcement), in each case in the absence of a superior proposal for CWG and subject to the CWG independent expert concluding (and continuing to conclude) that the Proposed Merger is in the best interests of CWG shareholders.



## Major Shareholder Support

Both HMC Capital Limited (**HMC**) and HMC Capital Partners Fund I (**Major Shareholder**)<sup>17</sup> have advised Sigma that they support the Proposed Merger and intend to vote all of the Sigma shares that they hold at the date of the Sigma EGM in favour of the Sigma resolutions to approve the Proposed Merger, in the absence of a superior proposal and subject to the Sigma independent expert concluding (and continuing to conclude) that the business arrangements relating to CWG between MergeCo and its directors and holders of more than 10% of its shares are fair and reasonable or not fair but reasonable.

## Overview of Chemist Warehouse Group

Founded by the Gance and Verrocchi families in Melbourne, with a heritage dating back over 50 years, CWG has grown into a leading Australian retail pharmacy franchisor, with a multi-national Retail Network<sup>18</sup> of more than 600 stores. CWG provides high quality support services to franchisees operating under the highly recognised 'Chemist Warehouse' brand and 'My Chemist' brand. CWG is a wholesale supplier of front-of-store consumer goods to franchisees, and supplies front-of-store consumer goods directly online to consumers.<sup>19</sup> Other CWG activities also include complementary media, advertising and marketing services. CWG is a part-owner of a leading pharmacy network in New Zealand and also has operations in Ireland and China.

CWG generates revenue through:

- Sales, comprising wholesale sales delivered through distribution centres and retail sales undertaken directly by CWG, including certain online sales (c.73% of FY23 revenue);
- Fees, comprising wholesale sales delivered directly by suppliers that are accounted for as the net amount of consideration that CWG retains after paying the external party for the goods (c.5% of FY23 revenue);
- Franchise and related fees, comprising fees for support services provided to franchisees and New Zealand stores (c.2% of FY23 revenue); and
- Marketing, advertising, promotional and other (c.20% of FY23 revenue).

Investors should refer to Appendix A of this announcement and the Investor Presentation released in conjunction with this announcement for additional information regarding the CWG business model, the Proposed Merger and the Entitlement Offer.

---

<sup>17</sup> Position is held in the HMC Capital Partners Fund I via HMC Capital Partners Holdings Pty Ltd as trustee of HMC Capital Partners Holding Trust.

<sup>18</sup> The "Retail Network" includes a combination of franchised stores in Australia and wholly and part owned stores across New Zealand, China and Ireland. All Chemist Warehouse and My Chemist pharmacies are franchised in Australia.

<sup>19</sup> Any online sales in Australia involving scheduled medicines, or where the consumer selects Click & Collect or Fast Delivery, are directed to and fulfilled by franchisees. Where an online order relates only to consumer goods, the products are generally delivered to the customer direct from a CWG distribution centre, but may instead be directed to a franchisee for fulfilment if the distribution centre is unable to fulfil the order. Online sales in New Zealand are fulfilled by the pharmacy.

CWG's audited financial statements for the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023 have been released to ASX today in conjunction with this announcement.

#### *CWG Founder Disposal Restrictions*

CWG founders Mario Verrocchi, Jack Gance and Sam Gance (**Escrowed Holders**), who will collectively hold c.49% of MergeCo at completion of the Proposed Merger<sup>20</sup>, have agreed to escrow arrangements with Sigma in relation to those shares (**Escrowed Shares**).<sup>21</sup> For further details of these arrangements, please refer to page 14 of the Investor Presentation and Appendix A of this announcement.

#### **Equity Raising**

Sigma is undertaking a fully underwritten \$400 million Entitlement Offer to:

- Support the delivery of the new Chemist Warehouse supply contract (signed 31 August 2023) which is expected to generate a minimum of \$3 billion revenue in the first full year of the contract, through funding the procurement of inventory prior to contract commencement in July 2024; and
- Provide funding for key growth initiatives, including the roll-out of Sigma's private label range and investment in the pharmacy brand strategy (Amcal).

These initiatives will position Sigma for growth, with a strong balance sheet and net cash balance post completion of the Entitlement Offer and positions Sigma to accelerate its path to delivering a targeted EBIT margin of 1.5 – 2.5% on a standalone basis. The proceeds of the Entitlement Offer will allow Sigma to be able to retain ownership of strategically important DCs at Truganina, Canning Vale and Townsville.

In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives, some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders.

#### *Underwriting and Major Shareholder Support*

The Entitlement Offer is fully underwritten by Goldman Sachs Australia Pty Ltd (**Underwriter**). HMC (the manager of Sigma's Major Shareholder who holds 19.07% of Sigma shares on issue) has provided a priority sub-underwriting commitment for \$76 million (equivalent to the value of the Major Shareholder's entitlement under the Entitlement Offer) (**HMC Priority Sub-underwriting**). The HMC Priority Sub-underwriting does not involve payment of any sub-underwriting fees and (save with respect to priority and fees) is on the same terms as other sub-underwriters to the Offer. The HMC Priority Sub-underwriting is conditional on the Underwriting Agreement not being terminated. The result is that the Major

---

<sup>20</sup> On a fully diluted basis (for further detail refer to footnote 2).

<sup>21</sup> Implementation of the restrictions in the escrow arrangements is conditional upon Sigma obtaining certain technical relief from ASIC under the Corporations Act, which Sigma will seek in due course prior to implementation.

Shareholder (through its related entities under the HMC Priority Sub-underwriting) will subscribe in full for the Major Shareholder's entitlement under the Offer.

In addition to the HMC Priority Sub-underwriting, HMC has also agreed with the Underwriter to partially sub-underwrite the Retail Entitlement Offer up to \$27 million (**HMC Additional Sub-underwriting**). The Additional Sub-underwriting is on the same terms as that of other sub-underwriters and HMC will receive a fee of 1.0% (including GST) on the value of securities sub-underwritten under the Retail Entitlement Offer (other than the HMC Priority Sub-underwriting as described above, which it will not receive any fees on), which is equivalent to the fee that any other sub-underwriter will receive on the value of securities sub-underwritten by them under the Retail Entitlement Offer.

Under the Entitlement Offer, eligible institutional and retail shareholders will be entitled to subscribe for 1 new Sigma share (**New Shares**) for every 1.85 Sigma shares held on the record date (**Offer Ratio**) being 7.00pm (Melbourne Time) on Wednesday, 13 December 2023 (**Record Date**).

The Entitlement Offer will be conducted at \$0.70 per New Share (**Offer Price**), representing a:

- 8.2% discount to Sigma's last traded price of \$0.7625 on Wednesday, 6 December 2023; and
- 5.5% discount to the theoretical ex-rights price (**TERP**) of \$0.7406.<sup>22</sup>

Approximately 572.6 million New Shares will be issued under the Entitlement Offer, representing approximately 54.1% of Sigma's existing shares on issue. The New Shares issued under the Entitlement Offer will rank equally with existing fully paid Sigma shares from the date of issue.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment in respect of entitlements they do not take up and their percentage equity interest in Sigma will be diluted.

The key dates for the Entitlement Offer are set out at the end of this announcement.

---

<sup>22</sup> TERP is the theoretical price at which Sigma shares should trade immediately following the ex-date for the Entitlement Offer. TERP is calculated by reference to Sigma's last traded price of \$0.7625 on 6 December 2023, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Sigma shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP.

## *Sigma FY24 YTD Trading Update*

Sigma provides the following trading update for FY24 YTD (for the nine months ending October 2023):

- Like-for-like wholesale sales (excluding Rapid Antigen Tests) of \$2.3 billion, up \$146 million or 6.8% on pcp
- Total expenses of \$192 million, down \$48 million or 20% on pcp reflecting ongoing benefit of improved cost management
- **Sigma remains on track to achieve reaffirmed full year FY24 EBIT guidance of \$26 million - \$31 million<sup>23</sup>**

### *Institutional Entitlement Offer*

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) opens today and closes on Tuesday, 12 December 2023. Eligible institutional shareholders can choose to take-up all, part or none of their entitlement under the Entitlement Offer.

Institutional entitlements that eligible institutional shareholders do not take up, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, may be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors, through an institutional shortfall bookbuild to be conducted concurrently with the Institutional Entitlement Offer.

The voluntary suspension of Sigma shares is expected to continue until completion of the Institutional Entitlement Offer.

### *Retail Entitlement Offer*

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**) at the same Offer Price and Offer Ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer opens at 9:00am (Melbourne Time) on Monday, 18 December 2023 and closes at 5:00pm (Melbourne Time) on Friday, 19 January 2024.

Eligible retail shareholders will receive by email (if they have elected to receive electronic communications) or post, a detailed information booklet in relation to the Entitlement Offer (**Retail Offer Booklet**) and a personalised entitlement and acceptance form.

---

<sup>23</sup> Excluding transaction costs related to the Proposed Merger with CWG and Sigma Equity Raising. Consistent with Sigma's disclosure at its 1H24 results release on 20 September 2023, FY24 EBIT guidance is inclusive of other one-off costs anticipated in 2H24.

Eligible retail shareholders under the Retail Entitlement Offer may:

- Elect to take up all or part of their pro-rata entitlement prior to 5:00pm (Melbourne time) on Friday, 19 January 2024; or
- Do nothing and let their pro-rata entitlement lapse.

Eligible retail shareholders who take up their entitlement in full will be entitled to apply for up to an additional 25% of their entitlement to the extent there is retail shortfall, subject to scale back on a pro-rata basis or to the extent considered necessary to prevent the issue of securities contrary to the law or ASX Listing Rules.<sup>24</sup>

Shareholders outside of Australia or New Zealand are ineligible to participate in the Retail Entitlement Offer. Shareholders in the United States are not eligible to participate in the Entitlement Offer, and those who are acting for the account or benefit of persons in the United States (including custodians and nominees) are not eligible to participate on behalf of those persons.

Further details on the eligibility criteria for the Retail Entitlement Offer will be set out in the Retail Offer Booklet.

#### **Conference Call**

Sigma will host an investor call at 10.30am (Melbourne time) today, 11 December 2023. To participate in the live teleconference, investors and media are invited to register at <https://edge.media-server.com/mmc/p/uy6cy3fk>.

A live webcast of the conference will be available via <https://sigmahealthcare.com.au/>.

#### **Notification of ASX under Listing Rule 11.1**

Prior to announcement of the Proposed Merger, Sigma notified ASX of the Proposed Merger pursuant to ASX Listing Rule 11.1. ASX determined that, among other things, Sigma is not required to re-comply with ASX's admission and quotation requirements for the Proposed Merger subject to certain conditions including that certain information about the Proposed Merger and CWG satisfactory to ASX is disclosed to the market on announcement of the Proposed Merger. Appendix A to this announcement (together with the additional disclosures which are cross-referenced in Appendix A) contain the information requested by ASX. There were certain other conditions imposed by ASX, including the need for Sigma to provide a prospectus for MergeCo, which are outlined in Appendix A.

---

<sup>24</sup> The Major Shareholder's entitlement is excluded from allocation in this over-subscription facility as this will be allocated to HMC under its priority sub-underwriting arrangement to the extent this is not exercised by the Major Shareholder.

## Advisers

HMC is acting as strategic adviser to Sigma in relation to the Proposed Merger.<sup>25</sup> Goldman Sachs is acting as financial adviser to the Sigma Board in relation to the Proposed Merger and Underwriter in respect of the Equity Raising. Gilbert + Tobin is acting as legal adviser to Sigma in relation to the Proposed Merger and Equity Raising.

Rothschild & Co and Oaktower Partnership are acting as financial advisers and Herbert Smith Freehills is acting as Australian legal counsel to CWG for the Proposed Merger.

*This announcement is authorised by order of the Board.*

For more information contact:

Gary Woodford

Head of Corporate Affairs

[gary.woodford@sigmahealthcare.com.au](mailto:gary.woodford@sigmahealthcare.com.au)

0417 399 204

Steve Dabkowski

Blue Dot Media

[steve@bluedot.net.au](mailto:steve@bluedot.net.au)

0419 880 486

Jim Kelly

Domestique

[jim@domestiqueconsulting.com.au](mailto:jim@domestiqueconsulting.com.au)

0412 549 083

## IMPORTANT NOTICE AND DISCLAIMER

This announcement contains summary information about Sigma, CWG and their respective activities current as at the date of this announcement (unless otherwise stated), is for information purposes only and is not, and does not comprise all of the information which would be required to be disclosed in a prospectus, product disclosure statement or other offering document under Australian law or any other law and will not be lodged with ASIC or any foreign regulator. Certain information in this announcement has been sourced from, or is based on information sourced from, CWG or its representatives or associates. While steps have been taken to confirm that information to the extent practicable, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, completeness, reliability or adequacy.

This announcement includes certain historical financial information of Sigma as at 31 July 2023 or certain financial information of CWG as at 30 June 2023 unless stated otherwise. The financial information in this announcement is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards (AAS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. Certain financial measures included in this announcement are “non-IFRS financial information” under ASIC Regulatory Guide 230 and non-GAAP financial measures under Regulation G of the U.S. Securities Act. All dollar values in this announcement, including in the appendices, are in Australian dollars (A\$ or AUD) unless stated otherwise and are subject to rounding.

Past performance and aggregated historical information of Sigma and CWG given in this announcement are given for illustrative purposes only and should not be relied upon as (and is not) an indication of Sigma’s views on its future performance or condition including following completion of the Proposed Merger. The aggregated historical financial information is not pro forma financial information of MergeCo. Importantly, such information is subject to the assumptions and qualifications set out in the notes on page 42 of the investor presentation released by Sigma to ASX on the date of this announcement in connection with the Proposed Merger and Equity Raising (Investor Presentation). Certain forward-looking information in this announcement, including information about potential synergies in connection with

---

<sup>25</sup> HMC is not receiving a fee for acting in this capacity.

the Proposed Merger, may assume the successful integration of CWG into Sigma's business. The success of this (like any of Sigma's commercial strategies) is based on certain assumptions which may prove to be incorrect.

Further information in relation to the matters described in this announcement is set out in included in the Investor Presentation. In particular, please refer to the statements in the "Important Notice and Disclaimer" and Appendix H ("Disclaimer of Liability") included in the Investor Presentation, which are incorporated by reference into this announcement.

For personal use only

## Key steps and dates for the Proposed Merger

Event	Date
Dispatch of Notice of Meeting and Explanatory Memorandum to Sigma shareholders	At or around the time of expected ACCC determination (timing to be confirmed in due course)
Dispatch of Scheme Booklet to CWG shareholders	At or around the time of expected ACCC determination (timing to be confirmed in due course)
Sigma Extraordinary General Meeting	Approximately 1 month post dispatch of Notice of Meeting
Completion of the Proposed Merger	Once all conditions to the Proposed Merger have been satisfied or waived
Issuance of prospectus (see Appendix A to this announcement for further details)	At or around the time of implementation of the Proposed Merger

For personal use only



## Key dates for the Equity Raising

Event	Date
Announcement of Entitlement Offer (with voluntary suspension of Sigma shares to continue)	Monday, 11 December 2023
Institutional Entitlement Offer opens	Monday, 11 December 2023
Institutional Entitlement Offer closes	Tuesday, 12 December 2023
Announcement of results of Institutional Entitlement Offer	Wednesday, 13 December 2023
Voluntary suspension lifted and Sigma shares recommence trading	Wednesday, 13 December 2023
Entitlement Offer Record Date	7:00pm on Wednesday, 13 December 2023
Retail Entitlement Offer opens and Retail Offer Booklet made available	Monday, 18 December 2023
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 19 December 2023
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 20 December 2023
Retail Entitlement Offer closes	5:00pm on Friday, 19 January 2024
Announcement of results of Retail Entitlement Offer	Wednesday, 24 January 2024
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 25 January 2024
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 29 January 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 30 January 2024
Holding statements dispatched in respect of New Shares issued under the Retail Entitlement Offer	Tuesday, 30 January 2024

These dates (except where historical) are indicative only and are subject to change without notice. All times and dates refer to the time and date in Melbourne, Australia (Melbourne time).

**Appendix A – Additional information about the Proposed Merger**

Type of information	Details or location of information
<p>The parties to, and material terms of, the Proposed Merger</p>	<p>The parties to the Proposed Merger are Sigma Healthcare Limited (ACN 088 417 403) (<b>Sigma</b>) and CW Group Holdings Limited (ACN 635 851 839) (<b>CWG</b>). Sigma and CWG have entered into a merger implementation agreement to document their agreement to pursue the Proposed Merger (<b>MIA</b>). Under the MIA:</p> <p>(a) CWG has, among other things:</p> <ul style="list-style-type: none"> <li>(i) agreed to propose a members’ scheme of arrangement under Part 5.1 of the <i>Corporations Act 2001</i> (Cth) (<b>Corporations Act</b>) under which all the shares on issue in CWG will be transferred to Sigma on and subject to the terms and conditions set out in MIA; and</li> <li>(ii) represented and warranted that all of CWG’s directors have confirmed that they will unanimously recommend that CWG shareholders vote in favour of the scheme and will vote, or procure the voting of, any CWG shares they own or control in favour of the scheme, in each case in the absence of a superior proposal emerging for CWG and subject to the independent expert concluding (and continuing to conclude) that the scheme is in the best interests of CWG shareholders;</li> </ul> <p>(b) Sigma has, among other things:</p> <ul style="list-style-type: none"> <li>(i) agreed to convene an extraordinary general meeting of its shareholders to consider and vote on the resolutions that require the approval of Sigma’s shareholders for the Proposed Merger (discussed further below); and</li> <li>(ii) represented and warranted that all of Sigma’s directors have confirmed that they will unanimously recommend that Sigma shareholders vote in favour of the resolutions that require the approval of Sigma’s shareholders for the Proposed Merger and vote in favour of those resolutions in respect of all Sigma shares they own or control, in each case in the absence of a superior proposal for Sigma and subject to the Sigma independent expert concluding (and continuing to conclude) that the related party arrangements relating to CWG are fair and reasonable or not fair but reasonable;</li> </ul> <p>(c) Sigma and CWG have agreed to conduct their respective businesses in the ordinary course with restrictions on specified actions, including acquisitions, disposals, entry into material contracts, providing financial accommodation, commencing or settling of legal proceedings, capital expenditure and other customary actions over specified thresholds;</p> <p>(d) Sigma and CWG have agreed to consult on, consider comments on, provide information for and update key disclosure documents in respect of the Proposed Merger;</p>

For personal use only

Type of information	Details or location of information
	<p>(e) Sigma and CWG have agreed to standard mutual deal protection mechanisms, including a \$25m break fee (payable by CWG) and a \$10m reverse break fee (payable by Sigma). The parties have also agreed to customary no-shop, no-talk and no-due diligence (subject to a fiduciary out) provisions as well as notification and matching rights and restrictions;</p> <p>(f) CWG has agreed to provide Sigma with information in relation to CWG that Sigma requires to comply with its continuous disclosure obligations, and CWG and Sigma have agreed to consult in good faith with respect to any relevant disclosure;</p> <p>(g) Sigma and CWG have each warranted and undertaken that no leakage will occur in respect of their groups between the date of reference accounts and implementation of the scheme. Leakage includes payments or distributions to shareholders, incurring indebtedness in favour of shareholders, forgiving amounts owed by shareholders and transfers of assets or other benefits to shareholders. Leakage excludes 'permitted leakage', which covers permitted dividends, certain payments in the ordinary course of business and consistent with past practice, certain payments disclosed, leakage reversed or reduced and approved payments. If the value of leakage for Sigma exceeds the value of leakage for CWG, the cash consideration will be increased. If the value of leakage for CWG exceeds the value of leakage for Sigma, the cash consideration will be decreased;</p> <p>(h) Sigma and CWG have agreed to standard termination provisions and customary representations and warranties; and</p> <p>(i) Sigma and CWG have agreed to the conditions to the scheme as described below.</p> <p>A copy of the MIA is included with this announcement at Appendix B.</p> <p><b>In addition to the scheme needing to be approved by the requisite majorities of CWG shareholders (discussed further below) and the satisfaction or waiver of a number of other conditions (discussed further below), the Proposed Merger requires the approval of Sigma's shareholders, including under ASX Listing Rules 7.1, 11.1.2 and 10.1, under Sigma's constitution to appoint CWG nominees to the Board as well as a resolution of Sigma shareholders under Part 2J.3 of the Corporations Act in relation to the proposed new debt facility (a 75% special resolution). If Sigma shareholder approval is not obtained, the Proposed Merger will not proceed. Investors should take account of these uncertainties in deciding whether or not to buy or sell Sigma's securities.</b></p> <p>Approval of Sigma's shareholders is being sought under ASX Listing Rules 7.1, 11.1.2 and 10.1 because:</p> <ul style="list-style-type: none"> <li>ASX Listing Rule 7.1 – the issue of Sigma shares to CWG shareholders as consideration under the Proposed Merger will exceed Sigma's placement capacity under ASX Listing Rule 7.1. As the Proposed Merger is a 'reverse takeover' for the purposes of the ASX Listing Rules, exceptions 6 (issuance of</li> </ul>

For personal use only

Type of information	Details or location of information
	<p>securities under a takeover bid or scheme of arrangement) and 7 (issuance of securities to fund the cash consideration payable under a takeover bid or scheme of arrangement) under ASX Listing Rule 7.2 are not available to Sigma;</p> <ul style="list-style-type: none"> <li>ASX Listing Rule 11.1.2 – the Proposed Merger is expected to result in a ‘significant’ change to the scale of Sigma’s activities as defined in ASX’s guidance in Guidance Note 12; and</li> <li>ASX Listing Rule 10.1 – CWG has in place certain business arrangements with related parties that will continue post-completion of the Proposed Merger meaning those arrangements will exist between MergeCo and its directors and holders of 10% or more of its shares.<sup>26</sup> Accordingly, shareholder approval will be sought in relation to those arrangements.</li> </ul> <p>Sigma is not aware of any of its shareholders, other than CWG in respect of its 0.7% Sigma shareholding, being prohibited from being able to vote on the above resolutions.</p>
Overview of CWG	<p>See pages 15 to 23 and Appendix C of the investor presentation lodged with ASX by Sigma on the same date as this announcement (<b>Investor Presentation</b>) for information about CWG and its business including its principal activities, business model and the jurisdictions in which it operates. The key risks associated with CWG’s business model are summarised in Appendix E of the Investor Presentation.</p> <p>Copies of CWG’s audited financial statements for its financial years ending 30 June 2021, 30 June 2022 and 30 June 2023 are being disclosed to ASX at the same time as the release of this announcement.</p>
Impact of the Proposed Merger on key Sigma metrics and capital structure	<p>See Appendix B of the Investor Presentation which set out the:</p> <ul style="list-style-type: none"> <li>(a) impact of the Proposed Merger on the total consolidated assets, total equity interests and total securities on issue (fully diluted) of Sigma;</li> <li>(b) likely effect of the Proposed Merger on the consolidated EBITDA, EBIT, annual profit before tax, annual revenue and annual expenditure of Sigma; and</li> <li>(c) impact of the Proposed Merger on Sigma’s capital structure (including the impact of the Equity Raising).</li> </ul> <p>This information is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Sigma’s views on its future financial performance or condition following completion of the Proposed Merger; they are not representations as to future matters. Importantly, the information is subject to the assumptions and qualifications set out in the notes included in those pages of the Investor Presentation. The information about the likely financial effect of the Proposed Merger on Sigma is based on historical financial information of Sigma and</p>

<sup>26</sup> See footnote 16 for further details.

For personal use only

Type of information	Details or location of information
	<p>CWG. Past performance should not be relied upon as an indicator of future performance.</p> <p>Sigma and CWG have different year end reporting periods with Sigma reporting on a year ended 31 January basis and CWG using 30 June. There has been no alignment of the financial year ends of Sigma and CWG to present the aggregated MergeCo financial information. Year-end reporting periods will be aligned post implementation of the Proposed Merger.</p> <p>In addition, as set out on page 14 of the Investor Presentation, Mario Verrocchi is expected to acquire voting power of 22.3% in Sigma as a result of the Proposed Merger.</p>
<p>Details of any changes proposed to the Board or senior management of Sigma as result of the Proposed Merger</p>	<p>The proposed Board and senior management team of Sigma on completion of the Proposed Merger is set out on page 5 of this announcement and pages 32 and 33 of the Investor Presentation.</p> <p>An overview of the qualifications and experience of each member of the proposed Sigma board of directors on completion of the Proposed Merger is included at Appendix D of the Investor Presentation.</p> <p>As at the date of this announcement, no decisions have been made about any changes to be made to the terms and conditions of employment of the executives of MergeCo other than the retention arrangements described below.</p> <p>The Sigma Board has approved the following retention arrangements for Vikesh Ramsunder (Sigma’s current, and MergeCo’s proposed, Chief Executive Officer and Managing Director) which would run for a 24-month period from 11 December 2023 to 10 December 2025:</p> <ul style="list-style-type: none"> <li>• a cash payment of \$1 million to be paid 12 months from the date of announcement of the Proposed Merger (ie the date of this announcement) (<b>Announcement Date</b>); and</li> <li>• a further cash payment of \$0.5 million to be paid 24 months from the date of Announcement Date.</li> </ul> <p>In circumstances where no change of control event occurs during the 24 month performance period, the second cash payment will increase to \$1 million. This is considered appropriate in order to retain the CEO for Sigma’s benefit in circumstances where the Proposed Merger does not proceed.</p> <p>To qualify for the above payments, the CEO must be employed, have not provided notice of termination of employment at the relevant time, and have maintained satisfactory performance during the preceding 12 month period as determined by the Board. These retention arrangements will also be subject to certain leaver provisions. It is expected that in view of the greater scale and complexity of Sigma, there will be an increase in the pool of fees payable to non-executive directors. No</p>

For personal use only

Type of information	Details or location of information
	<p>decision has been made in this regard and shareholder approval will be sought in due course.</p>
<p>The timetable for implementing the Proposed Merger, including the process and timetable for seeking the approval of Sigma shareholders</p>	<p>An indicative timetable for the Proposed Merger is included on page 13 of this announcement. This timetable is subject to change by the parties.</p> <ul style="list-style-type: none"> <li>• At or around the time of expected ACCC determination (timing to be confirmed in due course) – Dispatch of scheme booklet by CWG to its shareholders (<b>CWG Scheme Booklet</b>) and dispatch of Notice of Meeting and Explanatory Memorandum by Sigma to its shareholders (<b>Sigma NoM</b>).</li> <li>• Approximately 1 month post-dispatch of Sigma NoM – extraordinary general meeting of Sigma’s shareholders to approve the Proposed Merger (the approvals to be sought being those described above in this Appendix A).</li> <li>• At or around the time of implementation of the Proposed Merger – Sigma will issue the Prospectus (as defined below).</li> </ul>
<p>Details of any regulatory approvals or waivers or other material conditions that must be satisfied for the Proposed Merger to proceed</p>	<p>The Proposed Merger is conditional on the satisfaction or waiver (where capable of waiver) of the following conditions:</p> <ol style="list-style-type: none"> <li>(a) ACCC approval – The Proposed Merger being approved by the Australian Competition and Consumer Commission (<b>ACCC</b>).</li> <li>(b) OIO approval – The Proposed Merger being consented to by the New Zealand Overseas Investment Office if required.</li> <li>(c) Regulatory approvals – All other regulatory approvals that CWG and Sigma agree are necessary or desirable to implement the Proposed Merger are obtained.</li> <li>(d) CWG independent expert – An independent expert appointed by CWG concluding that the CWG scheme of arrangement is the best interests of CWG shareholders.</li> <li>(e) Sigma independent expert – An independent expert appointed by Sigma concluding that the relevant related party arrangements relating to CWG are fair and reasonable or not fair but reasonable.</li> <li>(f) Mandatory scheme conditions for shareholder and court approval – CWG shareholders approve the scheme by the requisite majorities at the scheme meeting, being at least 75% of the total number of votes cast and a majority (by number) of the CWG shareholders present and voting at the scheme meeting, and the court approves the scheme.</li> <li>(g) Shareholder approval – Sigma obtaining the approval by ordinary resolution of its shareholders under ASX Listing Rules 7.1, 11.1.2 and 10.1, and its constitution as well as by special resolution under Part 2J.3 of the Corporations Act.</li> </ol>

Type of information	Details or location of information
	<p>(h) No CWG material adverse change – There being no events, changes, conditions, circumstances, matters or things occurring (<b>CWG Specified Event</b>) that have had or would be considered reasonably likely to have the effect of a diminution in the value of the EBIT of CWG, taken as a whole, by at least 15% against what it would reasonably have been expected to have been but for such CWG Specified Event, and there being no governmental agency order or other decision which has a materially disproportionate impact on CWG compared to other industry participants, requires a significant adverse change to CWG’s business and has an adverse effect which cannot be overcome or mitigated in accordance with law.</p> <p>(i) No CWG prescribed occurrence – Certain events in respect of CWG not occurring such as changes to CWG’s capital structure, insolvency events, disposing of a substantial part of its business or ceasing a material part of its business (subject to customary exceptions).</p> <p>(j) No Sigma material adverse change – There being no events, changes, conditions, circumstances, matters or things occurring (<b>Sigma Specified Event</b>) that have had or would be considered reasonably likely to have the effect of a diminution in the value of the EBIT of Sigma, taken as a whole, by at least \$20 million against what it would reasonably have been expected to have been but for such Sigma Specified Event, and there being no governmental agency order or other decision which has a materially disproportionate impact on Sigma compared to other industry participants, requires a significant adverse change to Sigma’s business and has an adverse effect which cannot be overcome or mitigated in accordance with law.</p> <p>(k) No Sigma prescribed occurrence – Certain events in respect of Sigma not occurring such as changes to Sigma’s capital structure, insolvency events, disposing of a substantial part of its business or ceasing a material part of its business (subject to customary exceptions).</p> <p>(l) Restraints – There being no order, injunction, decree, ruling or other action issued by a court or government agency in effect that prevents, makes illegal or prohibits the scheme.</p> <p>(m) Equity funding – The underwriting agreement between Sigma and Goldman Sachs Australia Pty Ltd in respect of the Equity Raising not being terminated or breached and the relevant conditions being satisfied or waived.</p> <p>(n) Debt funding – The debt commitment letter between Sigma and certain financial institutions in respect of the debt funding of the cash component of the consideration not being terminated or breached, the relevant conditions being satisfied or waived, the relevant parties under the debt commitment letter entering into a debt facility agreement and related finance documents and all conditions precedent to drawing under the debt finance documents being satisfied or waived.</p> <p>(o) Rollover relief – CWG obtaining a draft ruling from the Australian Tax Office confirming that scrip-for-scrip rollover relief will be available to CWG</p>

For personal use only

Type of information	Details or location of information
	<p>shareholders in respect of the shares issued to them by Sigma as consideration under the Proposed Merger.</p> <p>(p) CWG equity incentives – all CWG equity incentives have been dealt with such that there are no CWG equity incentives in existence on the Scheme record date.</p> <p>The above is a summary only of the conditions precedent of the Proposed Merger. For full details of the conditions precedent, please refer to clause 8 and schedule 3 of the MIA.</p>
<p>Other information required by ASX to be provided on announcement of the Proposed Merger</p>	<p>(a) Sigma has obtained in-principle advice from ASX that:</p> <ul style="list-style-type: none"> <li>(i) ASX Listing Rule 11.1.2 applies to the Proposed Merger. Accordingly, Sigma will be seeking shareholder approval by ordinary resolution for the approvals required under ASX Listing Rules 7.1, 10.1 and 11.1.2 (and any other relevant approvals) as set out in a notice of meeting containing the information required in the relevant ASX guidance notes to be approved by ASX and dispatched by Sigma for an extraordinary general meeting of its shareholders (to be scheduled).</li> <li>(ii) ASX Listing Rule 11.1.3 does not apply to the Proposed Merger, meaning Sigma is not required to re-comply with ASX’s admission and quotation requirements. This is subject to the following conditions: <ul style="list-style-type: none"> <li>(A) ASX being satisfied that Sigma’s structure and operations following completion of the Proposed Merger will be appropriate for a listed entity. Sigma confirms that ASX has provided this confirmation.</li> <li>(B) Sigma providing disclosure to the market of the Proposed Merger and of CWG that is satisfactory to ASX. ASX takes no responsibility for the contents of this announcement or the Investor Presentation.</li> <li>(C) Sigma having in place the arrangements described in paragraph (e) below.</li> <li>(D) Sigma providing all documents that Sigma lodges with ASIC which become public in connection with the Proposed Merger to ASX for release to the market at the same time as those documents are lodged with ASIC.</li> <li>(E) Sigma issuing a prospectus that complies with the detailed content requirements in section 710 of the Corporations Act and the prospectus being lodged with ASIC and ASX before or concurrently with completion of the Proposed Merger <b>(Prospectus)</b>.</li> </ul> </li> </ul>



Type of information	Details or location of information
	<p>(F) ASX has confirmed that it does not object to the Equity Raising for the purposes of permitting the continued trading in Sigma following announcement of the Proposed Merger.</p> <p>(iii) Sigma’s structure and operations following completion of the Proposed Merger will be appropriate for a listed entity. This is subject to:</p> <p>(A) Sigma complying with all of the conditions described in paragraph (a)(ii) above; and</p> <p>(B) Sigma obtaining, prior to completion of the Proposed Merger, shareholder approval under ASX Listing Rule 10.1 for all agreements and arrangements in existence at the time of completion of the Proposed Merger which provide for CWG, or any of its child entities, to acquire or dispose of a substantial asset to or from a person listed in ASX Listing Rule 10.1.1 to 10.1.5. Such shareholder approval must be on terms, and must be provided following disclosure, acceptable to ASX and which upholds the spirit, intention and purpose of ASX Listing Rule 10.1.</p> <p>(b) Details of any issue of securities by Sigma that has occurred in the 6-month period before the date of this announcement – 13,697,020 unquoted rights to acquire Sigma shares issued to certain Sigma executives (including Vikesh Ramsunder) between 13 June 2023 and 15 June 2023 pursuant to Sigma’s 2023 Executive Equity Grant Plan, of which 1,940,467 rights have been forfeited.</p> <p>In addition, Sigma advises that, due to an administrative oversight, the number of unquoted rights to acquire Sigma shares (<b>Rights</b>) notified to ASX is not reflective of the actual number of Rights on issue. As at the date of this announcement, Sigma has 15,536,023 Rights on issue with an additional grant of 403,918 Rights (to non-KMP Sigma management) that has been approved but not yet issued as at the date of this announcement.</p> <p>(c) Details of any proposed issue of securities by Sigma or CWG prior to completion of the Proposed Merger:</p> <p>(i) Sigma proposes to issue 572.6 million fully paid ordinary shares pursuant to the Equity Raising. Details of the Equity Raising are set out on pages 7 to 10 of this announcement, pages 8 to 10 and Appendix A of the Investor Presentation and the Appendix 3B lodged by Sigma with ASX on the same date as this announcement.</p> <p>(ii) Sigma may also issue securities pursuant to incentive grants made to Sigma executives. These may consist of new grants of rights to acquire shares or shares issued on the exercise of existing rights following the satisfaction of applicable vesting conditions.</p>

Type of information	Details or location of information
	<p>(iii) CWG currently proposes to issue the following securities prior to completion of the Proposed Merger:</p> <ul style="list-style-type: none"> <li>(A) for nil consideration, as placements to existing or former employees or affiliated pharmacists (currently expected to comprise of approximately 3.5 million CWG securities);</li> <li>(B) upon exercise of existing performance rights granted to senior management following the satisfaction of applicable vesting conditions (currently expected to comprise of approximately 450,000 CWG securities); and</li> <li>(C) as scrip consideration for business acquisitions (currently expected to comprise of approximately 3 million CWG securities),</li> </ul> <p>on a non-underwritten basis, prior to completion of the Proposed Merger. CWG may issue securities from time to time for a range of reasons, including to employees or as consideration for acquisitions, and may do so prior to completion of the Proposed Merger subject to the terms of the MIA.</p> <p>For completeness, as set out in the MIA, the previously agreed placement of 126,947,040 shares to be issued to CWG (or a subsidiary of CWG) at the start of the supply contract on 1 July 2024 will be deferred while the MIA remains on foot and, if the Proposed Merger completes, immediately terminated. If the MIA is terminated, completion of this placement will occur on the later of 1 July 2024 and 20 business days after the MIA is terminated.</p> <p>(d) Details of any fees paid or payable by Sigma to any person for finding, arranging or facilitating the Proposed Merger – no such fees are payable other than customary fees payable by Sigma to its legal, financial, accounting and tax advisers in connection with due diligence and negotiation of the Proposed Merger;</p> <p>(e) Under the MIA, from the date of this announcement until implementation of the Proposed Merger (or termination of the MIA), Sigma has appropriate arrangements in place for CWG to provide to Sigma:</p> <ul style="list-style-type: none"> <li>(i) all the information that Sigma requires to comply with ASX Listing Rule 3.1 and Sigma will give that information to ASX for release to the market if necessary for Sigma to comply with its obligations under the ASX Listing Rules; and</li> <li>(ii) all financial statements that CWG lodges with ASIC and all documents that CWG lodges with ASIC which become public in connection with the Proposed Merger at the same time as they are lodged with ASIC and that these documents will be immediately given to ASX for release to the market,</li> </ul>

For personal use only

Type of information	Details or location of information
	<p>including by requiring CWG to adopt a continuous disclosure and market communications policy on substantially the same terms as the one currently in place in relation to Sigma.</p> <p>(f) Sigma confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of CWG for the Sigma Board to be satisfied that the Proposed Merger is in the interests of Sigma and its securityholders.</p> <p>(g) Sigma confirms it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.</p> <p>(h) ASX takes no responsibility for the contents of this announcement or the Investor Presentation.</p>
<p>Exceptions to escrow arrangements in relation to the Escrowed Holders</p>	<p>Each Escrowed Holder may still deal in any of their Escrowed Shares during the escrow period:</p> <p>(a) if the dealing arises solely as a result of:</p> <p>(i) the acceptance of a bona fide third party offer under a Takeover Bid in relation to those Escrowed Shares, provided that the holders of at least half of Sigma shares that are not subject to any voluntary escrow deed, and to which the offers under the bid relate, have accepted the bid; or</p> <p>(ii) the transfer or cancellation of the Escrowed Shares in Sigma as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that the scheme of arrangement has received all necessary approvals, including all such necessary court and shareholder approvals, provided,</p> <p>in each case, that if for any reason any or all Escrowed Shares are not transferred or cancelled in accordance with such a Takeover Bid or scheme of arrangement (including because the Takeover Bid does not become unconditional), then the Escrowed Shareholder agrees that the restrictions applying to the Escrowed Shares will continue to apply and without limiting the foregoing, any holding lock will be re-applied to all Escrowed Shares not so transferred or cancelled;</p> <p>(b) if the dealing is required by applicable law (including a court of competent jurisdiction), provided that any recipient of the Escrowed Shares will no longer be bound by any holding lock or other restrictions on dealing;</p> <p>(c) upon the death or incapacity of an Escrowed Holder, provided that the transferee will no longer be bound by any holding lock or restrictions on dealing;</p> <p>(d) to another person provided such transferee agrees to be bound by the terms and conditions of this deed for the remainder of the Escrow Period by</p>

For personal use only

Type of information	Details or location of information
	<p>entering into a deed equivalent to the escrow deed and any dealing does not result in a change in the beneficial ownership of the Escrow Shares; or</p> <p>(e) to the extent permitted by Sigma (which may only provide such permission with the consent of each of the independent non-executive directors of Sigma).</p>
Transaction advisers to the Proposed Merger	<p>Goldman Sachs is acting as financial adviser to the Sigma Board in relation to the Proposed Merger and underwriter in respect of the Equity Raising. Gilbert + Tobin is acting as legal adviser to Sigma in relation to the Proposed Merger and Equity Raising. Ernst &amp; Young and KPMG are providing financial and taxation due diligence services, respectively, to Sigma in relation to the Proposed Merger. Additionally, HMC Capital Limited is providing complimentary transaction advisory services to Sigma in connection with the Proposed Merger.</p> <p>Rothschild &amp; Co and Oaktower Partnership are acting as financial advisers and Herbert Smith Freehills is acting as Australian legal counsel to CWG for the Proposed Merger. KPMG is providing financial and taxation due diligence services to CWG in relation to the Proposed Merger.</p>

**Appendix B: Copy of the Merger Implementation Agreement**

For personal use only



HERBERT  
SMITH  
FREEHILLS

# Agreement

Execution version

## Merger Implementation Agreement

---

Sigma Healthcare Limited

CW Group Holdings Limited

For personal use only



# Contents

## Table of contents

---

<b>1</b>	<b>Definitions, interpretation and agreement components</b>	<b>2</b>
1.1	Definitions .....	2
1.2	Interpretation .....	26
1.3	Interpretation of inclusive expressions.....	27
1.4	Agreement components.....	27
<b>2</b>	<b>Agreement to proceed with the Transaction</b>	<b>28</b>
2.1	Chemist Warehouse to propose Scheme .....	28
2.2	Sigma to propose Sigma Resolutions.....	28
<b>3</b>	<b>Directors' recommendations</b>	<b>28</b>
3.1	Chemist Warehouse Directors' recommendation .....	28
3.2	Sigma Directors' recommendation.....	30
<b>4</b>	<b>Transaction announcement and investor presentation</b>	<b>31</b>
4.1	Announcement of Transaction .....	31
4.2	Subsequent announcements .....	31
4.3	Investor Presentation .....	31
<b>5</b>	<b>Transaction steps</b>	<b>32</b>
5.1	Scheme .....	32
5.2	Sigma Resolutions .....	32
5.3	Scheme Consideration .....	32
5.4	New Sigma Shares .....	33
5.5	Ineligible Foreign Shareholders .....	33
5.6	Provision of Chemist Warehouse Share information .....	33
5.7	No amendment to the Scheme without consent .....	34
5.8	Australian tax rollover relief .....	34
5.9	Chemist Warehouse Equity Incentives .....	34
5.10	Sigma Equity Incentives .....	35
<b>6</b>	<b>Implementation</b>	<b>35</b>
6.1	Timetable .....	35
6.2	Chemist Warehouse obligations .....	36
6.3	Sigma obligations.....	38
6.4	Conduct of Court proceedings .....	39
6.5	Appeal process .....	40
<b>7</b>	<b>Disclosure Documents</b>	<b>40</b>
7.1	Responsibility .....	40
7.2	Responsibility statements .....	40
7.3	Consultation on content of Disclosure Documents .....	41
7.4	Verification .....	45
7.5	Confirmations .....	45
<b>8</b>	<b>Conditions Precedent</b>	<b>46</b>
8.1	Conditions Precedent .....	46
8.2	Reasonable endeavours and cooperation .....	46
8.3	Waiver .....	47

For personal use only



## Contents

8.4	ACCC Approval application .....	47
8.5	Other regulatory approvals, rollover relief and consents .....	49
8.6	Further ACCC actions .....	49
8.7	Termination on failure of Condition Precedent .....	50
8.8	Certain notices relating to Conditions Precedent .....	51
<b>9</b>	<b>Access and assistance</b>	<b>51</b>
9.1	Access to information .....	51
9.2	Responses to Government Agencies .....	52
9.3	Change of control provisions .....	53
9.4	Working Party Committee .....	53
<b>10</b>	<b>Conduct of business and prohibited actions</b>	<b>54</b>
10.1	Conduct of business .....	54
10.2	Prohibited actions .....	56
10.3	Permitted activities .....	58
10.4	Chemist Warehouse Permitted Dividends .....	59
10.5	Sigma Permitted Dividends .....	59
10.6	Material developments .....	60
<b>11</b>	<b>No Leakage</b>	<b>61</b>
<b>12</b>	<b>Board composition</b>	<b>62</b>
<b>13</b>	<b>Releases</b>	<b>62</b>
13.1	Chemist Warehouse and Chemist Warehouse directors and officers .....	62
13.2	Sigma and Sigma directors and officers .....	63
<b>14</b>	<b>Exclusivity – Chemist Warehouse</b>	<b>63</b>
14.1	No current discussions regarding a Chemist Warehouse Competing Proposal .....	63
14.2	No shop .....	64
14.3	No talk .....	64
14.4	Fiduciary exception .....	65
14.5	Notification of approaches .....	65
14.6	Matching right .....	66
14.7	Chemist Warehouse IPO .....	68
14.8	Compliance with law .....	68
<b>15</b>	<b>Exclusivity – Sigma</b>	<b>68</b>
15.1	No current discussions regarding a Sigma Competing Proposal .....	68
15.2	No shop .....	69
15.3	No talk .....	69
15.4	Fiduciary exception .....	70
15.5	Notification of approaches .....	70
15.6	Matching right .....	71
15.7	Compliance with law .....	72
<b>16</b>	<b>Break Fee</b>	<b>73</b>
16.1	Background to Break Fee .....	73
16.2	Break Fee triggers .....	73
16.3	Payment of Break Fee .....	74
16.4	Basis of Break Fee .....	74
16.5	Compliance with law .....	75
16.6	Break Fee only payable once .....	75

For personal use only





## Contents

16.7	Other Claims .....	75
16.8	No Break Fee if Scheme Effective .....	75
<b>17</b>	<b>Reverse Break Fee</b>	<b>76</b>
17.1	Background to Reverse Break Fee.....	76
17.2	Reverse Break Fee triggers .....	76
17.3	Payment of Reverse Break Fee.....	76
17.4	Basis of Reverse Break Fee .....	77
17.5	Compliance with law .....	77
17.6	Reverse Break Fee only payable once.....	78
17.7	Other Claims .....	78
17.8	No Reverse Break Fee if Scheme Effective .....	78
<b>18</b>	<b>Treatment of Placement Agreement</b>	<b>78</b>
18.1	Deferment .....	78
18.2	Dividends .....	79
<b>19</b>	<b>Confidentiality</b>	<b>79</b>
<b>20</b>	<b>Warranties</b>	<b>79</b>
20.1	Chemist Warehouse representations and warranties.....	79
20.2	Sigma representations and warranties .....	80
20.3	Qualifications on representations and warranties.....	80
20.4	Survival of representations and warranties .....	80
20.5	Timing of representations and warranties .....	80
20.6	No representation or reliance .....	81
20.7	Notices relating to representations and warranties .....	81
<b>21</b>	<b>Termination</b>	<b>81</b>
21.1	Termination for material breach.....	81
21.2	Termination for breach of representations and warranties .....	82
21.3	Effect of termination .....	83
21.4	Termination .....	83
21.5	No other termination .....	83
<b>22</b>	<b>Duty, costs and expenses</b>	<b>83</b>
22.1	Stamp duty.....	83
22.2	Costs and expenses .....	84
<b>23</b>	<b>GST</b>	<b>84</b>
<b>24</b>	<b>Notices</b>	<b>85</b>
24.1	Form of Notice .....	85
24.2	How Notice must be given and when Notice is received.....	85
<b>25</b>	<b>General</b>	<b>86</b>
25.1	Governing law and jurisdiction .....	86
25.2	No merger .....	86
25.3	Invalidity and enforceability.....	86
25.4	Waiver .....	86
25.5	Variation.....	87
25.6	Assignment of rights .....	87
25.7	Further assurances .....	87
25.8	Entire agreement .....	87

For personal use only



## Contents

25.9 Counterparts .....	87
25.10 Relationship of the parties .....	87
25.11 Remedies cumulative .....	88
25.12 Exercise of rights .....	88
25.13 Attorneys .....	88

### Schedules

#### Schedule 1

<b>Chemist Warehouse Representations and Warranties</b>	<b>90</b>
---------------------------------------------------------	-----------

#### Schedule 2

<b>Sigma Representations and Warranties</b>	<b>93</b>
---------------------------------------------	-----------

#### Schedule 3

<b>Conditions Precedent</b>	<b>97</b>
-----------------------------	-----------

#### Schedule 4

<b>Chemist Warehouse's capital structure</b>	<b>101</b>
----------------------------------------------	------------

#### Schedule 5

<b>Sigma's capital structure</b>	<b>102</b>
----------------------------------	------------

<b>Signing page</b>	<b>103</b>
---------------------	------------

#### Attachment 1

<b>Scheme of arrangement</b>	
------------------------------	--

#### Attachment 2

##### Deed poll

Herbert Smith Freehills owns the copyright in this document and using it without permission is strictly prohibited.

For personal use only



## Merger Implementation Agreement

---

Date ►

Between the parties

---

Sigma

**Sigma Healthcare Limited**

ACN 088 417 403 of Level 6, 2125 Dandenong Road, Clayton VIC 3168

---

Chemist Warehouse

**CW Group Holdings Limited**

ACN 635 851 839 of 6 Albert Street, Preston VIC 3072

---

Recitals

- 1 The parties have agreed that Sigma will acquire all the shares in Chemist Warehouse by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Chemist Warehouse and the Scheme Shareholders, and the Chemist Warehouse Directors are proposing to recommend the Scheme in the absence of a Chemist Warehouse Superior Proposal and subject to the Chemist Warehouse Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Chemist Warehouse Shareholders.
  - 2 The Scheme is conditional on the approval of the Sigma Resolutions by the Sigma Shareholders and the Sigma Directors are proposing to recommend that Sigma Shareholders vote in favour of the Sigma Resolutions in the absence of a Sigma Superior Proposal and subject to the Sigma Independent Expert concluding (and continuing to conclude) that the Related Party Arrangements are fair and reasonable or not fair but reasonable.
  - 3 The parties have agreed to implement the Scheme on the terms and conditions set out in this agreement.
- 

The parties agree as follows:

---



# 1 Definitions, interpretation and agreement components

---

## 1.1 Definitions

The meanings of the terms used in this agreement are set out below.

<b>Term</b>	<b>Meaning</b>
<b>ACCC</b>	Australian Competition and Consumer Commission.
<b>ACCC Approval</b>	the written approval, consent, declaration, order or other indication set out in the Condition Precedent in clause 1.6 of Schedule 3.
<b>Accounting Standards</b>	<ol style="list-style-type: none"><li>1 the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and</li><li>2 if no accounting standard or interpretation applies, the principles set out in Australian Statements of Accounting Concepts.</li></ol>
<b>Adviser</b>	any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice).
<b>Affiliate</b>	in respect of a person ( <b>Primary Person</b> ), a person: <ol style="list-style-type: none"><li>1 Controlled directly or indirectly by the Primary Person;</li><li>2 Controlling directly or indirectly the Primary Person;</li><li>3 directly or indirectly Controlled by a person who Controls the Primary Person (whether alone or with another person or persons); or</li><li>4 directly or indirectly under the common Control of the Primary Person and another person or persons.</li></ol>
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in section 12 of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to this agreement.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.



Term	Meaning
<b>Authorisation</b>	any authorisation, consent, approval, registration, agreement, notice of non-objection, licence, permit, authority or exemption from, by or with a Government Agency.
<b>Break Fee</b>	\$25 million.
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday.
<b>CCA</b>	the <i>Competition and Consumer Act 2010</i> (Cth).
<b>Chemist Warehouse Board</b>	the board of directors of Chemist Warehouse.
<b>Chemist Warehouse Competing Proposal</b>	<ol style="list-style-type: none"> <li>1 a Chemist Warehouse IPO; or</li> <li>2 any proposal, expression of interest, agreement, arrangement or transaction which, if entered into or completed, would result in a Third Party (either alone or together with any Associate): <ul style="list-style-type: none"> <li>– directly or indirectly acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Chemist Warehouse Shares;</li> <li>– acquiring Control of Chemist Warehouse;</li> <li>– directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part of the business or assets of the Chemist Warehouse Group;</li> <li>– being directly or indirectly acquired by Chemist Warehouse for consideration that is or includes Chemist Warehouse Shares and that results in pre-existing shareholders in the Third Party holding (in aggregate) a Relevant Interest in 20% or more of the Chemist Warehouse Shares;</li> <li>– otherwise directly or indirectly acquiring or merging with Chemist Warehouse; or</li> <li>– requiring Chemist Warehouse to abandon, or otherwise fail to proceed with, the Transaction,</li> </ul> </li> </ol> <p>in each case whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company</p>

For personal use only



Term	Meaning
	<p>arrangement, any debt for equity arrangement recapitalisation, refinancing or other transaction or arrangement.</p> <p>Each successive material modification or variation of a Chemist Warehouse Competing Proposal will constitute a new Chemist Warehouse Competing Proposal.</p>
<b>Chemist Warehouse Data Room</b>	<p>the online data room for Project Orbit established by Chemist Warehouse which is accessed at <a href="https://dataroom.ansarada.com/mvc/jmmbcfqavz0%7C141275/6924580/spa/documents">https://dataroom.ansarada.com/mvc/jmmbcfqavz0%7C141275/6924580/spa/documents</a>.</p>
<b>Chemist Warehouse Director</b>	<p>a director of Chemist Warehouse.</p>
<b>Chemist Warehouse Disclosure Materials</b>	<p>the documents and information contained in the folders titled '18. SA Employment Tribunals Claim', '20. Como Disclosure Materials' and 'R1 Franchise and wholesale model' in the Chemist Warehouse Data Room as at 11 December 2023, as included on one or more USBs delivered to Sigma (or its lawyers) on or around the date of this agreement.</p>
<b>Chemist Warehouse Equity Incentive</b>	<p>any option, restricted share or right to Chemist Warehouse Shares issued under employee incentive arrangements of the Chemist Warehouse Group.</p>
<b>Chemist Warehouse Group</b>	<p>Chemist Warehouse and each of its Controlled entities, and a reference to a '<b>Chemist Warehouse Group Member</b>' or a '<b>member of the Chemist Warehouse Group</b>' is to Chemist Warehouse or any of its Controlled entities.</p>
<b>Chemist Warehouse Indemnified Party</b>	<p>Chemist Warehouse, its Related Bodies Corporate and their respective directors, officers and employees.</p>
<b>Chemist Warehouse Independent Expert</b>	<p>the independent expert to be appointed by Chemist Warehouse to prepare the Chemist Warehouse Independent Expert's Report in accordance with clause 6.2(a).</p>
<b>Chemist Warehouse Independent Expert's Report</b>	<p>the report prepared by the Chemist Warehouse Independent Expert in connection with the Scheme for inclusion in the Scheme Booklet opining on whether the Scheme is in the best interests of Chemist Warehouse Shareholders and the reasons for holding that opinion, and includes any update, revision, amendment or supplement to that report.</p>

For personal use only



Term	Meaning
<b>Chemist Warehouse Information</b>	<p>information regarding the Chemist Warehouse Group and the Merged Group provided or prepared by or on behalf of Chemist Warehouse for inclusion in the Disclosure Documents (as applicable), including:</p> <ol style="list-style-type: none"><li>1 any letter from Chemist Warehouse's chair;</li><li>2 any information regarding the Merged Group;</li><li>3 information about Chemist Warehouse, its Related Bodies Corporate, its business, employees and interests; and</li><li>4 any other information required under the Corporations Act, Corporations Regulations or applicable guidance from a Government Agency to enable the Disclosure Documents to be prepared.</li></ol> <p>For the avoidance of doubt, the Chemist Warehouse Information excludes the Sigma Information, the Chemist Warehouse Independent Expert's Report, the Sigma Independent Expert's Report, any investigating accountant's report and any other report or opinion prepared by an external adviser to Chemist Warehouse.</p>
<b>Chemist Warehouse IPO</b>	<p>an initial public offering of shares in Chemist Warehouse or a Chemist Warehouse Group Member (or any company which is proposed by the Chemist Warehouse Board to become the ultimate holding company of the Chemist Warehouse Group or any entity which is established for the purpose of listing the business of the Chemist Warehouse Group) from time to time in connection with a Listing.</p>
<b>Chemist Warehouse Leakage</b>	<ol style="list-style-type: none"><li>1 any dividend or other distribution of profits or assets which is paid or made by any Chemist Warehouse Group Member to or for the benefit of any Chemist Warehouse Shareholder or any of their Affiliates;</li><li>2 any payments made by any Chemist Warehouse Group Member to any Chemist Warehouse Shareholder or any of their Affiliates in respect of any share or loan capital or other securities of a Chemist Warehouse Group Member being issued, redeemed, purchased or repaid, or any other return of capital;</li><li>3 any payment (in cash or in kind) made by or on behalf of Chemist Warehouse Group Member to or for the benefit of any Chemist Warehouse Shareholder or any of their Affiliates;</li><li>4 any incurrence of indebtedness by any Chemist Warehouse Group Member in favour of any Chemist Warehouse Shareholder or any of their Affiliates;</li><li>5 any cancellation, waiver or forgiveness of any amounts or obligations owed to any Chemist Warehouse Group Member by any Chemist Warehouse Shareholder or any of their Affiliates;</li><li>6 any transfer or provision of assets, rights or other benefits by or from any Chemist Warehouse Group Member to any Chemist Warehouse Shareholder or any of their Affiliates; or</li></ol>

For personal use only



Term	Meaning
	<p>7 any agreement or commitment to do any of the things referred to in 1 to 6 above,</p> <p>but excluding in each case any Chemist Warehouse Permitted Leakage.</p>
<p><b>Chemist Warehouse Material Adverse Change</b></p>	<p>1 an order, injunction, decision, judgement or decree is issued by any court or Government Agency which:</p> <ul style="list-style-type: none"> <li>– applies to the Chemist Warehouse Group;</li> <li>– has an impact on the Chemist Warehouse Group that is materially disproportionate to its application to other participants in the pharmacy industry;</li> <li>– has the effect of reasonably requiring a significant adverse change to all or a material part of the Chemist Warehouse Group’s business, structure or operations conducted at the date of this agreement; and</li> <li>– the adverse effect of which cannot be reasonably and substantially overcome or mitigated by actions that can be taken by the Chemist Warehouse Group in compliance with applicable laws; or</li> </ul> <p>2 an event, change, condition, circumstance, matter or thing that occurs, is announced, is disclosed or otherwise becomes known to Chemist Warehouse after the date of this agreement, whether it becomes public or not (each a <b>Specified Event</b>) which, whether individually or when aggregated with all such events, changes, conditions, circumstances, matters, or things of a like kind that have occurred, has had or would be considered reasonably likely to have the effect of, a diminution on a recurring basis in the value of the earnings before interest and tax of the Chemist Warehouse Group, taken as a whole, by at least 15% against what it would reasonably have been expected to have been but for such Specified Event (based on Chemist Warehouse’s reasonable calculation of financial performance, prepared in good faith and in accordance with Accounting Standards and past practice), determined after taking into account any matters which offset the impact of the Specified Event giving rise to the adverse effect, other than an event, change, condition, circumstance, matter or thing:</p> <ul style="list-style-type: none"> <li>– required or expressly permitted by this agreement, the Scheme or the transactions contemplated by any of them;</li> <li>– which directly results from this agreement, the Scheme or the transactions contemplated by any of them (including all amounts payable to Advisers by the Chemist Warehouse Group in relation to the Transaction);</li> <li>– to the extent Fairly Disclosed in the Chemist Warehouse Disclosure Materials;</li> <li>– to the extent Fairly Disclosed in a document lodged with ASIC in the 24 months prior to the date of this agreement;</li> </ul>

For personal use only





Term	Meaning
	<ul style="list-style-type: none"> <li>- to the extent Fairly Disclosed in a publicly available document which would be disclosed in a search of the PPS Register 2 Business Days before the date of this agreement;</li> <li>- arising from changes in economic or business conditions that impact on Chemist Warehouse and its competitors in a similar manner (including interest rates, general economic, political or business conditions, including disruptions to, or fluctuations in, domestic or international financial markets);</li> <li>- which Sigma has previously approved or agreed to in writing or which arises as a result of a Sigma Group Member taking or refusing to take certain action within its control in respect of a Chemist Warehouse Group Member or its business;</li> <li>- arising as a result of any applicable change in law, regulation, generally accepted accounting standards or generally accepted accounting principles or the interpretation of any such standards or principles, or policy of a Government Agency; or</li> <li>- arising from any act of non-cyber terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.</li> </ul>
<b>Chemist Warehouse Material Contract</b>	<p>a contract or commitment under which the revenue or expenditure for the Chemist Warehouse Group:</p> <ol style="list-style-type: none"> <li>1 is greater than \$23 million in any one year; or</li> <li>2 is greater than \$69 million over the term of the contract or commitment,</li> </ol> <p>but excludes this agreement.</p>
<b>Chemist Warehouse Permitted Dividend</b>	<p>has the meaning given in clause 10.4.</p>
<b>Chemist Warehouse Permitted Leakage</b>	<ol style="list-style-type: none"> <li>1 any payment that is expressly permitted or required to be done by or under this agreement;</li> <li>2 the Chemist Warehouse Permitted Dividends and the \$100.9 million dividend declared and paid by Chemist Warehouse in October 2023;</li> <li>3 any payment, performance, elimination or discharge (in whole or part) of any liability or provision provided for, accrued or reserved against (including by way of offset) in the Reference Accounts;</li> <li>4 the performance of any obligation under, or any step contemplated by, any agreement, arrangement or understanding by a Chemist Warehouse Group Member Fairly Disclosed in the Chemist Warehouse Disclosure Materials</li> </ol>

For personal use only



Term	Meaning
	<p>(including any repayment or draw down made under existing financing facilities in place as at the date of this agreement);</p> <p>5 any payment, transaction or other action made, entered into or undertaken by a Chemist Warehouse Group Member in the ordinary course of its business, the nature and overall scale of which is consistent with past practices of the Chemist Warehouse Group, including any such payment, transaction or other action relating to:</p> <ul style="list-style-type: none"> <li>– property lease agreements or arrangements;</li> <li>– provision of seed funding and fit out financing to franchisees of the Chemist Warehouse Group; or</li> <li>– payments made by a Chemist Warehouse Group Member that are recharged to stores or franchisees of the Chemist Warehouse Group;</li> </ul> <p>6 without limiting paragraph 5, remuneration, fees, disbursements, and/or other amounts paid or payable by a Chemist Warehouse Group Member (including employment related taxes or similar deductions), under agreements Fairly Disclosed in the Chemist Warehouse Disclosure Materials, to or for the benefit of a director, officer or employee or any of their Affiliates;</p> <p>7 the procuring of and payment for insurance for a Chemist Warehouse Group Member (and its directors and officers) on market standard terms, in the ordinary course of business and consistent with past practice;</p> <p>8 any Chemist Warehouse Leakage to the extent that the financial impact on the Chemist Warehouse Group of that Chemist Warehouse Leakage has been reversed, eliminated or reduced prior to the Implementation Date;</p> <p>9 any Chemist Warehouse Leakage which:</p> <ul style="list-style-type: none"> <li>– involves an individual amount, benefit or value of an asset less than \$50,000; and</li> <li>– occurs unknowingly, inadvertently or without detection and is not for the purpose of transferring value from the Chemist Warehouse Group to a Chemist Warehouse Shareholder or an Affiliate,</li> </ul> <p>provided that the aggregate amount of all Chemist Warehouse Leakage under this paragraph is less than \$2 million; or</p> <p>10 any payment which is approved in writing by Sigma for the purposes of this definition.</p>
<b>Chemist Warehouse Prescribed Occurrence</b>	<p>other than any matter:</p> <ol style="list-style-type: none"> <li>1 required or expressly permitted by this agreement, the Scheme or the transactions contemplated by any of them;</li> <li>2 Fairly Disclosed in the Chemist Warehouse Disclosure Materials;</li> </ol>

For personal use only



Term	Meaning
	<p>3 Fairly Disclosed in a document lodged with ASIC in the 24 months prior to the date of this agreement;</p> <p>4 required by law or by an order of a court or Government Agency; or</p> <p>5 which Sigma has previously approved or agreed to in writing, the occurrence of any of the following:</p> <p>6 a member of the Chemist Warehouse Group converting all or any of its shares into a larger or smaller number of shares;</p> <p>7 a member of the Chemist Warehouse Group resolving to reduce its share capital in any way;</p> <p>8 a member of the Chemist Warehouse Group:</p> <ul style="list-style-type: none"> <li>– entering into a buy-back agreement; or</li> <li>– resolving to approve the terms of a buy-back agreement under the Corporations Act;</li> </ul> <p>9 a member of the Chemist Warehouse Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;</p> <p>10 a member of the Chemist Warehouse Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property, other than in the ordinary course of business;</p> <p>11 an Insolvency Event occurs in relation to a member of the Chemist Warehouse Group;</p> <p>12 any Chemist Warehouse Group Member pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution, other than a Chemist Warehouse Permitted Dividend;</p> <p>13 any Chemist Warehouse Group Member ceases, or threatens to cease, the whole or a material part of the business of the Chemist Warehouse Group;</p> <p>14 any Chemist Warehouse Group Member creates any new security-based (or phantom security-based) incentive plan or scheme; or</p> <p>15 any Chemist Warehouse Group Member directly or indirectly authorises, commits or agrees to take any of the actions referred to in paragraphs 6 to 14 above.</p>
<b>Chemist Warehouse Registry</b>	Computershare Limited (ACN 005 485 825).
<b>Chemist Warehouse Representations and Warranties</b>	the representations and warranties of Chemist Warehouse set out in Schedule 1.

For personal use only



<b>Term</b>	<b>Meaning</b>
<b>Chemist Warehouse Share</b>	a fully paid ordinary share in the capital of Chemist Warehouse.
<b>Chemist Warehouse Shareholder</b>	a person who is registered as the holder of a Chemist Warehouse Share in the Chemist Warehouse Share Register.
<b>Chemist Warehouse Share Register</b>	the register of members of Chemist Warehouse maintained by the Chemist Warehouse Registry in accordance with the Corporations Act.
<b>Chemist Warehouse Superior Proposal</b>	<p>a bona fide, written Chemist Warehouse Competing Proposal of the kind referred to in paragraph 2 of the definition of Chemist Warehouse Competing Proposal not resulting from a breach by Chemist Warehouse of any of its obligations under clause 14, which the Chemist Warehouse Board, acting in good faith and in order to satisfy what the Chemist Warehouse Board considers to be the Chemist Warehouse Board's statutory or fiduciary duties (after receiving advice from reputable external legal and financial advisers) determines:</p> <ol style="list-style-type: none"><li>1 is reasonably capable of being valued and completed substantially in accordance with its terms within a reasonable timeframe; and</li><li>2 would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to Chemist Warehouse Shareholders (taken as a whole) than the Transaction,</li></ol> <p>taking into account all terms, conditions and other aspects of the Chemist Warehouse Competing Proposal and the Transaction, including conditions, the identity, reputation and financial condition of the person making the proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the proposal being completed).</p>
<b>Claim</b>	<p>any claim, demand, legal proceedings or cause of action, including any claim, demand, legal proceedings or cause of action:</p> <ol style="list-style-type: none"><li>1 based in contract (including breach of any warranty);</li><li>2 based in tort (including misrepresentation or negligence);</li><li>3 under common law or equity; or</li><li>4 under statute (including the Australian Consumer Law (being Schedule 2 of the CCA) or Part VI of the CCA, or like provisions in any state or territory legislation),</li></ol> <p>in any way relating to this agreement or the transaction contemplated by it.</p>

For personal use only



<b>Term</b>	<b>Meaning</b>
<b>Conditions Precedent</b>	the conditions set out in Schedule 3.
<b>Confidentiality Agreement</b>	the confidentiality agreement dated 16 October 2023 between Sigma and Chemist Warehouse.
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act, disregarding subsection 50AA(4).
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	the <i>Corporations Regulations 2001</i> (Cth).
<b>Court</b>	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Chemist Warehouse and Sigma.
<b>CW Retail</b>	CW Retail Holdings Pty Ltd (ACN 608 416 164).
<b>Debt Commitment Letter</b>	the binding, credit approved, executed commitment letter, and accompanying form of term sheet setting out the proposed terms of the Debt Facility Agreement, from certain banks or other financial institutions addressed to Sigma and dated on or prior to the date of this agreement.
<b>Debt Facility Agreement</b>	a debt facility agreement to be entered into pursuant to a Debt Commitment Letter which includes a commitment to provide funding on a certain funds basis.
<b>Debt Finance Documents</b>	the Debt Facility Agreement and related finance documents.
<b>Deed Poll</b>	a deed poll to be entered into by Sigma substantially in the form of which is attached as Attachment 2 under which Sigma covenants in favour of the Scheme Shareholders to perform the obligations attributed to Sigma under the Scheme.
<b>Disclosure Documents</b>	<ol style="list-style-type: none"><li>1 Entitlement Offer Disclosure Documents;</li><li>2 the Scheme Booklet;</li></ol>

For personal use only



<b>Term</b>	<b>Meaning</b>
	<ol style="list-style-type: none"><li>3 Notice of Meeting; and</li><li>4 Re-listing Prospectus.</li></ol>
<b>Effective</b>	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Effective Date</b>	the date on which the Scheme becomes Effective.
<b>End Date</b>	the date that is 12 months after the date of this agreement or such other date and time agreed in writing between Chemist Warehouse and Sigma.
<b>Entitlement Offer</b>	Sigma's proposed entitlement offer to fund working capital and other new business initiatives.
<b>Entitlement Offer Disclosure Documents</b>	<ol style="list-style-type: none"><li>1 the Merger Announcement;</li><li>2 the Investor Presentation;</li><li>3 the notice given to ASX by Sigma under paragraph 708AA(2)(f) of the Corporations Act in respect of the Entitlement Offer, meeting the requirements of subsection 708AA(7) of the Corporations Act as modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; and</li><li>4 the retail offer booklet and accompanying materials relating to the retail component of the Entitlement Offer made available to retail shareholders.</li></ol>
<b>Exclusivity Period</b>	the period from the date of this agreement until the earlier of: <ol style="list-style-type: none"><li>1 the date of termination of this agreement; and</li><li>2 the End Date.</li></ol>
<b>Fairly Disclosed</b>	disclosed in good faith and in sufficient detail to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme and experienced in a business similar to the business of the Chemist Warehouse Group or Sigma Group (as applicable) to identify the nature, scope and impact of the relevant matter, event or circumstance.

For personal use only



<b>Term</b>	<b>Meaning</b>
<b>First Court Date</b>	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing being the <b>First Court Hearing</b> .
<b>Government Agency</b>	any government or governmental, semi-governmental, administrative, monetary, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Chemist Warehouse and Sigma or is ordered by the Court or required by ASX.
<b>Ineligible Foreign Shareholder</b>	a Scheme Shareholder whose address shown in the Chemist Warehouse Share Register on the Scheme Record Date is a place outside Australia and its external territories or New Zealand, unless Sigma (acting reasonably, and after consultation with Chemist Warehouse) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Sigma Shares when the Scheme becomes Effective.
<b>Insolvency Event</b>	in relation to an entity: <ol style="list-style-type: none"><li>1 the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;</li><li>2 a Controller (as defined in the Corporations Act), liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;</li><li>3 an application is made to a court, a meeting is convened or a resolution is passed for the entity to be wound up or dissolved or for the appointment of a Controller (as defined in the Corporations Act), liquidator, provisional liquidator or administrator to the entity of any of its assets;</li><li>4 the entity seeks or obtains protection from its creditors under any statute or any other law;</li><li>5 the entity executing a deed of company arrangement;</li><li>6 the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this agreement;</li><li>7 the entity is or becomes unable to pay its debts when they fall due, is insolvent within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation) or is</li></ol>

For personal use only



<b>Term</b>	<b>Meaning</b>
	<p>otherwise presumed to be insolvent under the Corporations Act or any analogous circumstances arises under any other statute or law; or</p> <p>8 the entity being deregistered as a company or otherwise dissolved (whether pursuant to Chapter 5A of the Corporations Act or otherwise),</p> <p>or any other like event, matter or circumstance occurring in relation to an entity in another jurisdiction.</p>
<b>Investor Presentation</b>	the investor presentation in respect of the Transaction to be released to ASX by Sigma, as agreed between the parties.
<b>Leakage</b>	<p>1 when used in relation to Chemist Warehouse, Chemist Warehouse Leakage; and</p> <p>2 when used in relation to Sigma, Sigma Leakage.</p>
<b>Listing</b>	the admission for trading on a recognised stock exchange of securities (other than merely subordinated debt securities) in any Chemist Warehouse Group Member (or any company which is proposed by the Chemist Warehouse Board to become the ultimate holding company of the Chemist Warehouse Group or any entity which is established for the purpose of listing the Chemist Warehouse Group).
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Merged Group</b>	the merged Chemist Warehouse Group and Sigma Group formed upon implementation of the Scheme.
<b>Merger Announcement</b>	the ASX announcement in respect of the Transaction as agreed between the parties.
<b>New Sigma Share</b>	a Sigma Share to be issued to Scheme Shareholders under the Scheme.
<b>Notice of Meeting</b>	the notice of meeting and explanatory memorandum to be sent to Sigma Shareholders in respect of the Sigma Shareholder Meeting, which will contain (among other things) the Sigma Independent Expert's Report.
<b>OIO</b>	Overseas Investment Office.

For personal use only





<b>Term</b>	<b>Meaning</b>
<b>Placement Agreement</b>	the placement agreement between Sigma and CW Retail dated 31 August 2023.
<b>Placement Completion</b>	completion under the Placement Agreement.
<b>Placement Shares</b>	has the meaning given under the Placement Agreement.
<b>PPSA</b>	the <i>Personal Property Securities Act 2009</i> (Cth).
<b>PPS Register</b>	the register established under the PPSA.
<b>Proceedings</b>	litigation, prosecution, arbitration, mediation, administrative proceedings or other proceedings (including any investigation by a Government Agency).
<b>Reference Accounts</b>	<ol style="list-style-type: none"><li>1 when used in relation to Chemist Warehouse, the audited consolidated balance sheet of the Chemist Warehouse Group on the Reference Accounts Date; and</li><li>2 when used in relation to Sigma, the reviewed consolidated balance sheet of the Sigma Group on the Reference Accounts Date.</li></ol>
<b>Reference Accounts Date</b>	<ol style="list-style-type: none"><li>1 when used in relation to Chemist Warehouse, 30 June 2023; and</li><li>2 when used in relation to Sigma, 31 July 2023.</li></ol>
<b>Registered Address</b>	in relation to a Chemist Warehouse Shareholder, the address shown in the Chemist Warehouse Share Register as at the Scheme Record Date.
<b>Related Body Corporate</b>	has the meaning given in section 50 of the Corporations Act.
<b>Related Party Arrangements</b>	those related party arrangements relating to the Chemist Warehouse Group that require approval under Listing Rule 10.1.
<b>Related Person</b>	in respect of a person or its Related Bodies Corporate: <ol style="list-style-type: none"><li>1 a director, officer or employee of that person;</li></ol>

For personal use only



<b>Term</b>	<b>Meaning</b>
	<ol style="list-style-type: none"><li>2 an Adviser of that person (and each director, officer, employee or contractor of that Adviser);</li><li>3 an agent or representative of that person; and</li><li>4 a Related Body Corporate of that person.</li></ol>
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Re-listing Prospectus</b>	the prospectus to be issued under Chapter 6D of the Corporations Act in respect of the re-compliance listing of Sigma on ASX as required by ASX.
<b>Reverse Break Fee</b>	\$10 million.
<b>RG 60</b>	Regulatory Guide 60 issued by ASIC in September 2020.
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between Chemist Warehouse and the Scheme Shareholders, substantially in the form of which is attached as Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and such other form as agreed to in writing between Chemist Warehouse and Sigma.
<b>Scheme Booklet</b>	<p>the scheme booklet in respect of the Scheme to be prepared by Chemist Warehouse in accordance with clause 7.1(a) to be dispatched to Chemist Warehouse Shareholders, which will contain (among other things):</p> <ol style="list-style-type: none"><li>1 a copy of the Scheme,</li><li>2 an explanatory statement (as that term is defined in section 412 of the Corporations Act) complying with the requirements of the Corporations Act, the Corporations Regulations and RG 60;</li><li>3 the Chemist Warehouse Independent Expert's Report;</li><li>4 any investigating accountant's report;</li><li>5 a copy of the executed Deed Poll;</li><li>6 a notice of meeting in respect of the Scheme Meeting; and</li><li>7 a proxy form.</li></ol>
<b>Scheme Cash Consideration</b>	a cash amount per Scheme Share held by a Scheme Shareholder calculated as follows:

For personal use only



Term	Meaning
	$N = \frac{\$700 \text{ million} + A}{B}$ <p>where:</p> <p>N is the cash amount per Scheme Share held by a Scheme Shareholder;</p> <p>A is the net amount of any Leakage calculated in accordance with clause 11, provided that:</p> <ol style="list-style-type: none"> <li>1 if any Sigma Leakage is greater than any Chemist Warehouse Leakage, A will be positive in accordance with clause 11(d)(1); and</li> <li>2 if any Chemist Warehouse Leakage is greater than any Sigma Leakage, A will be negative in accordance with clause 11(d)(2); and</li> </ol> <p>B is the total number of Scheme Shares.</p>
<b>Scheme Consideration</b>	<p>the consideration to be provided by Sigma to each Scheme Shareholder for the transfer to Sigma of each Scheme Share, being:</p> <ol style="list-style-type: none"> <li>1 the Scheme Cash Consideration; and</li> <li>2 the Scheme Share Consideration,</li> </ol> <p>for each Chemist Warehouse Share held by a Scheme Shareholder as at the Scheme Record Date.</p>
<b>Scheme Meeting</b>	<p>the meeting of Chemist Warehouse Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.</p>
<b>Scheme Record Date</b>	<p>7.00pm on the second Business Day after the Effective Date or such other time and date as Sigma and Chemist Warehouse agree in writing.</p>
<b>Scheme Share</b>	<p>a Chemist Warehouse Share held by a Scheme Shareholder as at the Scheme Record Date.</p>
<b>Scheme Share Consideration</b>	<p>for each Scheme Share held by a Scheme Shareholder, the number of New Sigma Shares calculated as follows:</p> $N = \frac{0.8575 \times \left(\frac{A}{0.1425}\right)}{B}$ <p>where:</p> <p>N is the number of New Sigma Shares;</p>

For personal use only



Term	Meaning
	<p>A is the total number of Sigma Shares on issue on a fully diluted basis (assuming the full conversion of any options, rights or securities that are convertible into Sigma Shares) on the Scheme Record Date, which:</p> <ol style="list-style-type: none"><li>1 excludes any options, rights or securities existing as at the date of this agreement that are convertible into Sigma Shares in respect of which arrangements have been put in place by the Scheme Record Date for them to be cancelled or otherwise extinguished for nil consideration on or before the Implementation Date; and</li><li>2 includes any options, rights or securities existing as at the date of this agreement that are fully or partially convertible into Sigma Shares in respect of which arrangements have been put in place by the Scheme Record Date for them to be settled fully or partially for cash consideration; and</li></ol> <p>B is the total number of Scheme Shares.</p>
<b>Scheme Shareholder</b>	a Chemist Warehouse Shareholder as at the Scheme Record Date.
<b>Second Court Date</b>	the first day on which an application made to the Court for orders under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard, with such hearing being the <b>Second Court Hearing</b> .
<b>Security Interest</b>	any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the PPSA.
<b>Sigma Board</b>	the board of directors of Sigma.
<b>Sigma Competing Proposal</b>	<p>any proposal, expression of interest, agreement, arrangement or transaction which, if entered into or completed, would result in a Third Party (either alone or together with any Associate):</p> <ol style="list-style-type: none"><li>1 directly or indirectly acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Sigma Shares (other than an acquisition that results from a Third Party's participation in the Entitlement Offer (including as underwriter or sub-underwriter) or occurs pursuant to item 9 of section 611);</li><li>2 acquiring Control of Sigma;</li><li>3 directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal,</li></ol>

For personal use only



Term	Meaning
	<p>beneficial or economic interest in, or control of, all or a substantial part of the business or assets of the Sigma Group;</p> <p>4 being directly or indirectly acquired by Sigma for consideration that is or includes Sigma Shares and that results in pre-existing shareholders in the Third Party holding (in aggregate) a Relevant Interest in 20% or more of the Sigma Shares;</p> <p>5 otherwise directly or indirectly acquiring or merging with Sigma; or</p> <p>6 requiring Sigma to abandon, or otherwise fail to proceed with, the Transaction,</p> <p>in each case whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement recapitalisation, refinancing or other transaction or arrangement.</p> <p>Each successive material modification or variation of a Sigma Competing Proposal will constitute a new Sigma Competing Proposal.</p>
<b>Sigma Continuous Disclosure Policy</b>	the continuous disclosure and market communications policy of Sigma with an effective date of 1 July 2023.
<b>Sigma Data Room</b>	the online data room for Project Orbit established by Sigma which is accessed at <a href="https://dataroom.ansarada.com/mvc/qtife8ib2erq%7C140338/7005106/spa/documents">https://dataroom.ansarada.com/mvc/qtife8ib2erq%7C140338/7005106/spa/documents</a> .
<b>Sigma Director</b>	a director of Sigma.
<b>Sigma Disclosure Materials</b>	the documents and information contained in folder 18 of the Sigma Data Room as at 11 December 2023, as included on one or more USBs delivered to Chemist Warehouse (or its lawyers) on or around the date of this agreement.
<b>Sigma Equity Incentive</b>	any option, restricted share or right to Sigma Shares issued under employee incentive arrangements of the Sigma Group.
<b>Sigma Group</b>	Sigma and each of its Controlled entities, and a reference to a ' <b>Sigma Group Member</b> ' or a ' <b>member of the Sigma Group</b> ' is to Sigma or any of its Controlled entities.

For personal use only



<b>Term</b>	<b>Meaning</b>
<b>Sigma Indemnified Party</b>	Sigma, its Related Bodies Corporate and their respective directors, officers and employees.
<b>Sigma Independent Expert</b>	the independent expert to be appointed by Sigma to prepare the Sigma Independent Expert's Report in accordance with clause 6.3(a).
<b>Sigma Independent Expert's Report</b>	the report prepared by the Sigma Independent Expert for inclusion in the Notice of Meeting opining on whether the Related Party Arrangements are fair and reasonable and the reasons for holding that opinion, and includes any update, revision, amendment or supplement to that report.
<b>Sigma Information</b>	<p>information regarding the Sigma Group and the Merged Group provided or prepared by or on behalf of Sigma for inclusion in the Disclosure Documents (as applicable), including:</p> <ol style="list-style-type: none"><li>1 any letter from Sigma's chair;</li><li>2 any information regarding the Merged Group;</li><li>3 information about Sigma, its Related Bodies Corporate, its business, employees and interests; and</li><li>4 any other information required under the Corporations Act, Corporations Regulations or applicable guidance from a Government Agency to enable the Disclosure Documents to be prepared.</li></ol> <p>For the avoidance of doubt, the Sigma Information excludes the Chemist Warehouse Information, the Chemist Warehouse Independent Expert's Report, the Sigma Independent Expert's Report, any investigating accountant's report and any other report or opinion prepared by an external adviser to Sigma.</p>
<b>Sigma Leakage</b>	<ol style="list-style-type: none"><li>1 any dividend or other distribution of profits or assets which is paid or made by any Sigma Group Member to or for the benefit of any Sigma Shareholder or any of their Affiliates;</li><li>2 any payments made by any Sigma Group Member to any Sigma Shareholder or any of their Affiliates in respect of any share or loan capital or other securities of a Sigma Group Member being issued, redeemed, purchased or repaid, or any other return of capital;</li><li>3 any payment (in cash or in kind) made by or on behalf of Sigma Group Member to or for the benefit of any Sigma Shareholder or any of their Affiliates;</li><li>4 any incurrence of indebtedness by any Sigma Group Member in favour of any Sigma Shareholder or any of their Affiliates;</li></ol>

For personal use only



Term	Meaning
	<p>5 any cancellation, waiver or forgiveness of any amounts or obligations owed to any Sigma Group Member by any Sigma Shareholder or any of their Affiliates;</p> <p>6 any transfer or provision of assets, rights or other benefits by or from any Sigma Group Member to any Sigma Shareholder or any of their Affiliates; or</p> <p>7 any agreement or commitment to do any of the things referred to in 1 to 6 above,</p> <p>but excluding in each case any Sigma Permitted Leakage.</p>
<p><b>Sigma Material Adverse Change</b></p>	<p>1 an order, injunction, decision, judgement or decree is issued by any court or Government Agency which:</p> <ul style="list-style-type: none"> <li>– applies to the Sigma Group;</li> <li>– has an impact on the Sigma Group that is materially disproportionate to its application to other participants in the pharmacy industry;</li> <li>– has the effect of reasonably requiring a significant adverse change to all or a material part of the Sigma Group’s business, structure or operations conducted at the date of this agreement; and</li> <li>– the adverse effect of which cannot be reasonably and substantially overcome or mitigated by actions that can be taken by the Sigma Group in compliance with all applicable laws; or</li> </ul> <p>2 an event, change, condition, circumstance, matter or thing that occurs is announced, is disclosed or otherwise becomes known to Sigma after the date of this agreement, whether it becomes public or not (each a <b>Specified Event</b>) which, whether individually or when aggregated with all such events, changes, conditions, circumstances, matters, or things of a like kind that have occurred, has had or would be considered reasonably likely to have the effect of a diminution on a recurring basis in the value of the earnings before interest and tax of the Sigma Group, taken as a whole, by at least \$20 million against what it would reasonably have been expected to have been but for such Specified Event (based on Sigma’s reasonable calculation of financial performance, prepared in good faith and in accordance with Accounting Standards and past practice), determined after taking into account any matters which offset the impact of the Specified Event giving rise to the adverse effect, other than an event, change, condition, circumstance, matter or thing:</p> <ul style="list-style-type: none"> <li>– required or expressly permitted by this agreement, the Scheme or the transactions contemplated by any of them;</li> <li>– which directly results from this agreement, the Scheme or the transactions contemplated by any of them (including all amounts payable to Advisers by the Sigma Group in relation to the Transaction);</li> </ul>

For personal use only



Term	Meaning
	<ul style="list-style-type: none"> <li>- to the extent Fairly Disclosed in the Sigma Disclosure Materials;</li> <li>- to the extent Fairly Disclosed in an announcement made to ASX or in a document lodged with ASIC in the 24 months prior to the date of this agreement;</li> <li>- to the extent Fairly Disclosed in a publicly available document which would be disclosed in a search of the PPS Register 2 Business Days before the date of this agreement;</li> <li>- arising from changes in economic or business conditions that impact on Sigma and its competitors in a similar manner (including interest rates, general economic, political or business conditions, including disruptions to, or fluctuations in, domestic or international financial markets);</li> <li>- which Chemist Warehouse has previously approved or agreed to in writing or which arises as a result of a Chemist Warehouse Group Member taking or refusing to take certain action within its control in respect of a Sigma Group Member or its business;</li> <li>- arising as a result of any applicable change in law, regulation, generally accepted accounting standards or generally accepted accounting principles or the interpretation of any such standards or principles, or policy of a Government Agency; or</li> <li>- arising from any act of non-cyber terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.</li> </ul>
<b>Sigma Material Contract</b>	<p>a contract or commitment under which the revenue or expenditure for the Sigma Group:</p> <ol style="list-style-type: none"> <li>1 is greater than \$950,000 in any one year; or</li> <li>2 is greater than \$2.85 million over the term of the contract or commitment,</li> </ol> <p>but excludes this agreement.</p>
<b>Sigma Permitted Dividend</b>	<p>has the meaning given in clause 10.5.</p>
<b>Sigma Permitted Leakage</b>	<ol style="list-style-type: none"> <li>1 any payment that is expressly permitted or required to be done by or under this agreement;</li> <li>2 the Sigma Permitted Dividends;</li> <li>3 any payment, performance, elimination or discharge (in whole or part) of any liability or provision provided for, accrued or</li> </ol>

For personal use only





Term	Meaning
	<p>reserved against (including by way of offset) in the Reference Accounts;</p> <p>4 the performance of any obligation under, or any step contemplated by, any agreement, arrangement or understanding by a Sigma Group Member Fairly Disclosed in the Sigma Disclosure Materials (including any repayment or draw down made under existing financing facilities in place as at the date of this agreement);</p> <p>5 any payment, transaction or other action made, entered into or undertaken by a Sigma Group Member in the ordinary course of its business, the nature and overall scale of which is and consistent with past practices of the Sigma Group, including any such payment, transaction or other action relating to:</p> <ul style="list-style-type: none"> <li>– property lease agreements or arrangements;</li> <li>– provision of seed funding and fit out financing to franchisees of the Sigma Group; or</li> <li>– payments made by a Sigma Group Member that are recharged to stores or franchisees of the Sigma Group;</li> </ul> <p>6 without limiting paragraph 5, remuneration, fees, disbursements, and/or other amounts paid or payable by a Sigma Group Member (including employment related taxes or similar deductions), under agreements Fairly Disclosed in the Sigma Disclosure Materials, to or for the benefit of a director, officer or employee or any of their Affiliates;</p> <p>7 the procuring of and payment for insurance for a Sigma Group Member (and its directors and officers) on market standard terms, in the ordinary course of business and consistent with past practice;</p> <p>8 any Sigma Leakage to the extent that the financial impact on the Sigma Group of that Sigma Leakage has been reversed, eliminated or reduced prior to the Implementation Date;</p> <p>9 any Sigma Leakage which:</p> <ul style="list-style-type: none"> <li>– involves an individual amount, benefit or value of an asset less than \$50,000; and</li> <li>– occurs unknowingly, inadvertently or without detection and is not for the purpose of transferring value from the Sigma Group to a Sigma Shareholder or an Affiliate,</li> </ul> <p>provided that the aggregate amount of all Sigma Leakage under this paragraph is less than \$2 million; or</p> <p>10 any payment which is approved in writing by Chemist Warehouse for the purposes of this definition.</p>
<b>Sigma Prescribed Occurrence</b>	<p>other than any matter:</p> <p>1 required or expressly permitted by this agreement, the Scheme or the transactions contemplated by any of them;</p> <p>2 Fairly Disclosed in the Sigma Disclosure Materials;</p>

For personal use only



Term	Meaning
	<p>3 Fairly Disclosed in an announcement made to ASX or in a document lodged with ASIC in the 24 months prior to the date of this agreement;</p> <p>4 required by law or by an order of a court or Government Agency; or</p> <p>5 which Chemist Warehouse has previously approved or agreed to in writing,</p> <p>the occurrence of any of the following:</p> <p>6 a member of the Sigma Group converting all or any of its shares into a larger or smaller number of shares;</p> <p>7 a member of the Sigma Group resolving to reduce its share capital in any way;</p> <p>8 a member of the Sigma Group:</p> <ul style="list-style-type: none"> <li>– entering into a buy-back agreement; or</li> <li>– resolving to approve the terms of a buy-back agreement under the Corporations Act;</li> </ul> <p>9 a member of the Sigma Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;</p> <p>10 a member of the Sigma Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property, other than in the ordinary course of business;</p> <p>11 an Insolvency Event occurs in relation to a member of the Sigma Group;</p> <p>12 any Sigma Group Member pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution, other than a Sigma Permitted Dividend;</p> <p>13 any Sigma Group Member ceases, or threatens to cease, the whole or a material part of the business of the Sigma Group;</p> <p>14 any Sigma Group Member creates any new security-based (or phantom security-based) incentive plan or scheme; or</p> <p>15 any Sigma Group Member directly or indirectly authorises, commits or agrees to take any of the actions referred to in paragraphs 6 to 14 above.</p>
<b>Sigma Registry</b>	Link Market Services Limited (ACN 083 214 537).
<b>Sigma Representations and Warranties</b>	the representations and warranties of Sigma set out in Schedule 2.

For personal use only



Term	Meaning
<b>Sigma Resolutions</b>	<ol style="list-style-type: none"><li>1 the ordinary resolution of Sigma Shareholders under Listing Rule 11.1.2 in respect of the significant change to the nature and scale of Sigma's activities;</li><li>2 the ordinary resolution of Sigma Shareholders under Listing Rule 7.1 in respect of the approval of the issuance of Sigma Shares in connection with the Scheme;</li><li>3 the ordinary resolution of Sigma Shareholders under Listing Rule 10.1 in respect of the approval, of certain transactions between Chemist Warehouse and interests associated with some of its directors (including the Related Party Arrangements);</li><li>4 the special resolution of Sigma Shareholders for the purposes of section 260B(2) of the Corporations Act to approve the financial assistance to be provided by the Chemist Warehouse Group in connection with the Transaction arising from, amongst other things, their accession to, and their giving of guarantees and security in respect of, the facility under the Debt Facility Agreement;</li><li>5 the ordinary resolutions of Sigma Shareholders under clause 3.4 of Sigma's constitution to appoint each of the Chemist Warehouse nominees nominated in accordance with clause 11; and</li><li>6 any other resolutions the parties agree are required or desirable in connection with the Transaction.</li></ol>
<b>Sigma Share</b>	a fully paid ordinary share in the capital of Sigma.
<b>Sigma Shareholder</b>	a person who is registered as the holder of a Sigma Share in the Sigma Share Register.
<b>Sigma Shareholder Meeting</b>	the meeting of Sigma Shareholders to consider and vote on the Sigma Resolutions and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Sigma Share Register</b>	the register of members of Sigma maintained by the Sigma Registry in accordance with the Corporations Act.
<b>Sigma Superior Proposal</b>	a bona fide, written Sigma Competing Proposal not resulting from a breach by Sigma of any of its obligations under clause 15, which the Sigma Board, acting in good faith and in order to satisfy what the Sigma Board considers to be the Sigma Board's statutory or fiduciary duties (after receiving advice from reputable external legal and financial advisers) determines:

For personal use only



Term	Meaning
	<p>1 is reasonably capable of being valued and completed substantially in accordance with its terms within a reasonable timeframe; and</p> <p>2 would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to Sigma Shareholders (taken as a whole) than the Transaction, taking into account all terms, conditions and other aspects of the Sigma Competing Proposal and the Transaction, including conditions, the identity, reputation and financial condition of the person making the proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the proposal being completed).</p>
<b>Tax Act</b>	the <i>Income Tax Assessment Act 1936</i> (Cth) or the <i>Income Tax Assessment Act 1997</i> (Cth), or both as the context requires.
<b>Third Party</b>	a person other than Chemist Warehouse, Sigma or their respective Related Bodies Corporate.
<b>Timetable</b>	the indicative timetable for the implementation of the Transaction as agreed between Chemist Warehouse and Sigma.
<b>Transaction</b>	the acquisition of all the Scheme Shares by Sigma through the implementation of the Scheme in accordance with the terms of this agreement.
<b>Underwriting Agreement</b>	the underwriting agreement between Sigma and Goldman Sachs Australia Pty Ltd (ACN 006 797 897) dated on or about the date of this agreement in respect of the Entitlement Offer.

## 1.2 Interpretation

In this agreement:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning.

For personal use only



- (e) A reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (f) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement.
- (g) A reference to any thing (including, but not limited to, any right) includes a part of that thing, but nothing in this clause 1.2(g) implies that performance of part of an obligation constitutes performance of the obligation.
- (h) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (i) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (j) A reference to a party to a document includes that party's successors and permitted assignees.
- (k) A reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (l) A reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death.
- (m) No provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision.
- (n) A reference to '\$' or 'dollars' is to Australian currency unless denominated otherwise.
- (o) A reference to any time is a reference to the time in Melbourne, Australia.
- (p) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.
- (q) A term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this agreement.
- (r) A reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

### 1.3 Interpretation of inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary.

### 1.4 Agreement components

This agreement includes any schedule.



## 2 Agreement to proceed with the Transaction

---

### 2.1 Chemist Warehouse to propose Scheme

- (a) Chemist Warehouse agrees to propose the Scheme on and subject to the terms of this agreement.
- (b) Sigma agrees to assist Chemist Warehouse in proposing the Scheme on and subject to the terms of this agreement.
- (c) Chemist Warehouse and Sigma agree to implement the Scheme on and subject to the terms of this agreement.

### 2.2 Sigma to propose Sigma Resolutions

Sigma agrees to convene the Sigma Shareholder Meeting and propose the Sigma Resolutions to Sigma Shareholders on and subject to the terms of this agreement.

## 3 Directors' recommendations

---

### 3.1 Chemist Warehouse Directors' recommendation

- (a) Chemist Warehouse represents and warrants that all of the Chemist Warehouse Directors have confirmed that, subject to clause 3.1(c):
  - (1) they unanimously recommend that Chemist Warehouse Shareholders vote in favour of the Scheme at the Scheme Meeting; and
  - (2) they will vote, or procure the voting of, all Chemist Warehouse Shares that they own or control in favour of the Scheme at the Scheme Meeting,

in each case in the absence of a Chemist Warehouse Superior Proposal and subject to the Chemist Warehouse Independent Expert concluding (and continuing to conclude) in the Chemist Warehouse Independent Expert's Report that the Scheme is in the best interests of Chemist Warehouse Shareholders.

- (b) Subject to clause 3.1(c), Chemist Warehouse agrees:
  - (1) to include in the Scheme Booklet and all public statements (including statements to Chemist Warehouse Shareholders) relating to the Scheme, a statement to the effect that:
    - (A) the Chemist Warehouse Directors unanimously recommend that Chemist Warehouse Shareholders vote in favour of the Scheme at the Scheme Meeting; and
    - (B) each Chemist Warehouse Director will vote, or procure the voting of, all Chemist Warehouse Shares they own or control in favour of the Scheme at the Scheme Meeting,

in each case in the absence of a Chemist Warehouse Superior Proposal and subject to the Chemist Warehouse Independent Expert concluding (and continuing to conclude) in the Chemist Warehouse Independent Expert's Report that the Scheme is in the best interests of Chemist Warehouse Shareholders;



- (2) not to make any public statement or take any other public action which would suggest that the Scheme is not unanimously recommended by the Chemist Warehouse Directors; and
- (3) to use reasonable endeavours to procure that the Chemist Warehouse Directors collectively, and each Chemist Warehouse Director individually, do not adversely change, withdraw or adversely modify his or her recommendation that Chemist Warehouse Shareholders vote in favour of the Scheme in accordance with clause 3.1(a).
- (c) Chemist Warehouse's obligations under clause 3.1(b) do not apply if:
- (1) the Chemist Warehouse Independent Expert in the Chemist Warehouse Independent Expert's Report (or any update of, or any revision, amendment or supplement to, that report) concludes that the Scheme is not in the best interests of Chemist Warehouse Shareholders;
- (2) each of the following has been satisfied:
- (A) Chemist Warehouse has received, other than as a result of a breach of clause 14, a Chemist Warehouse Competing Proposal;
- (B) the procedure in clause 14.6 has been fully complied with; and
- (C) the Chemist Warehouse Board has determined that the Chemist Warehouse Competing Proposal constitutes a Chemist Warehouse Superior Proposal; or
- (3) the adverse change, withdrawal or adverse modification in respect of a Chemist Warehouse Director occurs because of a requirement by a Government Agency, court of competent jurisdiction or ASIC or the Takeovers Panel that the relevant Chemist Warehouse Director abstains from making a recommendation that Chemist Warehouse Shareholders vote in favour of the Scheme after the date of this agreement.
- (d) For the purposes of this clause 3.1, customary qualifications and explanations contained in the Scheme Booklet or any announcement in relation to a recommendation to vote in favour of the Scheme, including to the effect that:
- (1) the recommendation is made in the absence of a Chemist Warehouse Superior Proposal; or
- (2) the recommendation is made subject to the Chemist Warehouse Independent Expert concluding (and continuing to conclude) in the Chemist Warehouse Independent Expert's Report (including in any update of, or any revision, amendment or supplement to, that report) that the Scheme is in the best interests of Chemist Warehouse Shareholders,
- will not be regarded as a failure to make or a withdrawal of a recommendation in favour of the Scheme.
- (e) Despite anything to the contrary in this clause 3.1 or elsewhere in this agreement, a statement made by Chemist Warehouse, the Chemist Warehouse Board or any Chemist Warehouse Director to the effect that no action should be taken by Chemist Warehouse Shareholders pending the assessment of a Chemist Warehouse Competing Proposal by the Chemist Warehouse Board or

For personal use only

the completion of the matching right process set out in clause 14.6 shall not contravene this clause 3.1 or any other provision of this agreement.

### 3.2 Sigma Directors' recommendation

(a) Sigma represents and warrants that all of the Sigma Directors have confirmed that, subject to clause 3.2(c):

- (1) they unanimously recommend that Sigma Shareholders vote in favour of the Sigma Resolutions; and
- (2) they will vote in favour of the Sigma Resolutions in respect of any Sigma Shares that they own or control,

in each case in the absence of a Sigma Superior Proposal and subject to the Sigma Independent Expert concluding (and continuing to conclude) in the Sigma Independent Expert's Report that the Related Party Arrangements are fair and reasonable or not fair but reasonable.

(b) Subject to clause 3.2(c), Sigma agrees:

- (1) to include in the Notice of Meeting and all public statements relating to the Scheme a statement to the effect that:
  - (A) the Sigma Directors unanimously recommend that Sigma Shareholders vote in favour of the Sigma Resolutions; and
  - (B) each Sigma Director intends to vote in favour of the Sigma Resolutions in respect of any Sigma Shares that they own or control,

in each case in the absence of a Sigma Superior Proposal and subject to the Sigma Independent Expert concluding (and continuing to conclude) in the Sigma Independent Expert's Report that the Related Party Arrangements are fair and reasonable or not fair but reasonable;

- (2) not to make any public statement or take any other public action which would suggest that the Sigma Resolutions are not unanimously recommended by the Sigma Directors; and
- (3) to use reasonable endeavours to procure that the Sigma Directors collectively, and each Sigma Director individually, do not adversely change, withdraw or adversely modify his or her recommendation that Sigma Shareholders vote in favour of the Sigma Resolutions.

(c) Sigma's obligations under clause 3.2(b) do not apply if:

- (1) the Sigma Independent Expert in the Sigma Independent Expert's Report (or any update of, or any revision, amendment or supplement to, that report) concludes that the Related Party Arrangements are both not fair and not reasonable;
- (2) each of the following has been satisfied:
  - (A) Sigma has received, other than as a result of a breach of clause 15, a Sigma Competing Proposal;
  - (B) the procedure in clause 15.6 has been fully complied with; and
  - (C) the Sigma Board has determined that the Sigma Competing Proposal constitutes a Sigma Superior Proposal; or





- (3) the adverse change, withdrawal or adverse modification in respect of a Sigma Director occurs because of a requirement by a Government Agency, court of competent jurisdiction or ASIC or the Takeovers Panel that the relevant Sigma Director abstains from making a recommendation that Sigma Shareholders vote in favour of the Sigma Resolutions after the date of this agreement.
- (d) For the purposes of this clause 3.2, customary qualifications and explanations contained in the Notice of Meeting or any announcement in relation to a recommendation to vote in favour of the Sigma Resolutions, including to the effect that:
- (1) the recommendation is made in the absence of a Sigma Superior Proposal; or
- (2) the recommendation is made subject to the Sigma Independent Expert concluding (and continuing to conclude) in the Sigma Independent Expert's Report (including in any update of, or any revision, amendment or supplement to, that report) that the Related Party Arrangements are fair and reasonable or not fair but reasonable, will not be regarded as a failure to make or a withdrawal of a recommendation in favour of the Sigma Resolutions.
- (e) Despite anything to the contrary in this clause 3.2 or elsewhere in this agreement, a statement made by Sigma, the Sigma Board or any Sigma Director to the effect that no action should be taken by Sigma Shareholders pending the assessment of a Sigma Competing Proposal by the Sigma Board or the completion of the matching right process set out in clause 15.6 shall not contravene this clause 3.2 or any other provision of this agreement.

## 4 Transaction announcement and investor presentation

---

### 4.1 Announcement of Transaction

- (a) Immediately after the execution and exchange of this agreement, Sigma and Chemist Warehouse must issue the Merger Announcement.
- (b) Neither Sigma nor Chemist Warehouse may issue any amended Merger Announcement without the prior written consent of the other party.

### 4.2 Subsequent announcements

Where a party proposes to make any public announcement about the Scheme (which, for the avoidance of doubt, does not include a public announcement in relation to a Chemist Warehouse Competing Proposal or a Sigma Competing Proposal), it must to the extent practicable and lawful to do so, consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

### 4.3 Investor Presentation

- (a) As soon as reasonably practicable after the execution and exchange of this agreement, Sigma and Chemist Warehouse (as applicable) must announce to ASX and present the Investor Presentation.



- (b) Neither Sigma nor Chemist Warehouse may issue, announce or present any amended Investor Presentation without the prior written consent of the other party.

## 5 Transaction steps

---

### 5.1 Scheme

Chemist Warehouse must propose the Scheme to Chemist Warehouse Shareholders in accordance with this agreement and the Scheme.

### 5.2 Sigma Resolutions

Sigma must propose the Sigma Resolutions to Sigma Shareholders in accordance with this agreement.

### 5.3 Scheme Consideration

- (a) Each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder, on and subject to the terms of this agreement and the Scheme.
- (b) Subject to clauses 5.3(c), 5.3(d) and the Scheme becoming Effective, Sigma undertakes and warrants to Chemist Warehouse (in Chemist Warehouse's own right and separately as trustee for each of the Scheme Shareholders) that, in consideration of the transfer to Sigma of all Scheme Shares under the terms of the Scheme, on the Implementation Date Sigma will:
  - (1) accept that transfer; and
  - (2) provide (or procure the provision) to each Scheme Shareholder the Scheme Consideration for each Scheme Share held by that Scheme Shareholder in accordance with the terms of this agreement and the Scheme.
- (c) Where the calculation of the Scheme Cash Consideration or number of New Sigma Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent or New Sigma Share, the fractional entitlement will be rounded down to the nearest whole cent or number of New Sigma Shares, as applicable.
- (d) If Sigma or Chemist Warehouse is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Chemist Warehouse Shares which results in a fractional entitlement to the Scheme Cash Consideration or New Sigma Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Sigma may direct Chemist Warehouse to, and Chemist Warehouse may, give notice to those Scheme Shareholders:
  - (1) setting out the names and Registered Addresses of all of them;
  - (2) stating that opinion; and
  - (3) attributing to one of them specifically identified in the notice the Chemist Warehouse Shares held by all of them,

For personal use only



and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those Chemist Warehouse Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no Chemist Warehouse Shares. Sigma, in complying with the provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

#### 5.4 New Sigma Shares

Sigma covenants in favour of Chemist Warehouse (in its own right and separately as trustee and nominee for each of the Scheme Shareholders) that, subject to Chemist Warehouse's compliance with the terms of this agreement and the accuracy of the Chemist Warehouse Representations and Warranties:

- (a) the New Sigma Shares issued as Scheme Share Consideration will, on their issue, rank equally in all respects with all other Sigma Shares on issue;
- (b) the New Sigma Shares issued as Scheme Share Consideration will be entitled to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Sigma Shares on and from the Implementation Date;
- (c) it will use its reasonable endeavours to ensure that the New Sigma Shares issued as Scheme Share Consideration will be listed for quotation on the official list of ASX with effect from the first Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the first Business Day after the Implementation Date, on an ordinary (T+2) settlement basis; and
- (d) on issue, each New Sigma Share will be duly and validly issued in accordance with all applicable laws and the constitution of Sigma, fully paid and free from any mortgage, charge, lien, encumbrance, pledge or other security interest (including any 'security interest' within the meaning of section 12 of the PPSA).

#### 5.5 Ineligible Foreign Shareholders

- (a) Sigma will ensure that the New Sigma Shares to which an Ineligible Foreign Shareholder would otherwise have been entitled will be issued to a nominee appointed by Sigma and dealt with in accordance with the Scheme.
- (b) Sigma must appoint the nominee on terms reasonably acceptable to Chemist Warehouse at least 5 Business Days before the date of the Scheme Meeting.

#### 5.6 Provision of Chemist Warehouse Share information

- (a) In order to facilitate the provision of the Scheme Consideration, Chemist Warehouse must provide, or procure the provision of, to Sigma or a nominee of Sigma:
  - (1) such information as Sigma reasonably requests in relation to Chemist Warehouse Shareholders from time to time; and
  - (2) a complete copy of the Chemist Warehouse Share Register as at the Scheme Record Date (which must include the name, registered address and registered holding of each Scheme Shareholder as at the



Scheme Record Date), within 1 Business Day after the Scheme Record Date.

- (b) The details and information to be provided under clause 5.6(a) must be provided in such form as Sigma, its nominee or the Sigma Registry may reasonably require.

## 5.7 No amendment to the Scheme without consent

Chemist Warehouse must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Sigma.

## 5.8 Australian tax rollover relief

- (a) Sigma acknowledges that each Scheme Shareholder who is an Australian resident shareholder who holds on capital account is expected to seek scrip-for-scrip rollover relief under subdivision 124-M of the Tax Act, to the extent permitted under the Tax Act.
- (b) Sigma undertakes that it will not make a choice to deny scrip-for-scrip rollover relief to the Scheme Shareholders under subsection 124-795(4) of the Tax Act.

## 5.9 Chemist Warehouse Equity Incentives

- (a) Chemist Warehouse confirms and Sigma acknowledges that Chemist Warehouse must put in place arrangements and take the following actions as is necessary to ensure that, before the Scheme Record Date, all Chemist Warehouse Equity Incentives and any other Chemist Warehouse equity incentives (including future grants of incentives) will vest or lapse in accordance with their terms such that there are no outstanding Chemist Warehouse Equity Incentives (or any other Chemist Warehouse equity incentives) which are not Chemist Warehouse Shares on issue as at the Scheme Record Date, and in relation to those Chemist Warehouse Equity Incentives and any other Chemist Warehouse equity incentives (including future grants of incentives) that will vest:
  - (1) the Chemist Warehouse Board will accelerate the vesting of, or waive any vesting conditions or vesting periods applying to, any or all Chemist Warehouse Equity Incentives and any other Chemist Warehouse equity incentives (subject to the proper exercise of the Chemist Warehouse Board's discretion); and
  - (2) Chemist Warehouse will issue or procure the issue or transfer of such number of Chemist Warehouse Shares as required by the terms of the Chemist Warehouse Equity Incentives and any other Chemist Warehouse equity incentives before the Scheme Record Date so that the holders of Chemist Warehouse Equity Incentives can participate as Scheme Shareholders in the Scheme and receive the Scheme Consideration.
- (b) For the avoidance of doubt, the exercise of any discretion by the Chemist Warehouse Board, or any other action, which is made in accordance with this clause 5.9, will not be a Chemist Warehouse Prescribed Occurrence, Chemist Warehouse Leakage or a breach of any provision of this agreement, or give rise to any right to terminate this agreement.



## 5.10 Sigma Equity Incentives

- (a) Sigma confirms and Chemist Warehouse acknowledges that Sigma must put in place arrangements and take the following actions as is necessary to ensure that, before the Scheme Record Date, all Sigma Equity Incentives and any other Sigma equity incentives (including future grants of incentives) will be dealt with in accordance with terms agreed between the parties before the Scheme Record Date, which actions may include:
- (1) the Sigma Board accelerating the vesting of, or waiving any vesting conditions or vesting periods applying to, any or all Sigma Equity Incentives and any other Sigma equity incentives (subject to the proper exercise of the Sigma Board's discretion); and
  - (2) Sigma issuing or procuring the issue or transfer of such number of Sigma Shares as required by the terms of the Sigma Equity Incentives and any other Sigma equity incentives before the Scheme Record Date.
- (b) For the avoidance of doubt, the exercise of any discretion by the Sigma Board, or any other action, which is made in accordance with this clause 5.10, will not be a Sigma Prescribed Occurrence, Sigma Leakage or a breach of any provision of this agreement, or give rise to any right to terminate this agreement.

## 6 Implementation

---

### 6.1 Timetable

- (a) Subject to clause 6.1(b), but without limiting the parties' obligations under clauses 6 and 7, the parties must use reasonable endeavours to and ensure that their respective officers, employees and Advisers work in good faith and in a timely and cooperative fashion with the other party (including by attending meetings and by providing information) to:
- (1) comply with their respective obligations under clauses 6 and 7; and
  - (2) take all necessary steps and exercise all rights necessary to implement the Transaction,
- in accordance with the Timetable
- (b) Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clause 6.1(a) to the extent that such failure is due to circumstances and matters outside the party's control.
- (c) Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable.
- (d) To the extent that any of the dates or timeframes set out in the Timetable become not achievable due to matters outside of a party's control, the parties will consult in good faith to agree any necessary extension to ensure such matters are completed within the shortest possible timeframe.

For personal use only



## 6.2 Chemist Warehouse obligations

Subject to any change of recommendation by the Chemist Warehouse Board as permitted by clause 3.1 or the Sigma Board as permitted by clause 3.2, Chemist Warehouse must take all steps reasonably necessary to implement the Scheme in accordance with the Timetable and otherwise on and subject to the terms of this agreement, and must consult with Sigma on a regular basis about its progress in satisfying its obligations under this clause 6.2. Without limiting the foregoing, Chemist Warehouse must:

- (a) **Chemist Warehouse Independent Expert:** promptly after the date of this agreement, appoint the Chemist Warehouse Independent Expert and provide all assistance and information reasonably requested by the Chemist Warehouse Independent Expert in connection with the preparation of the Chemist Warehouse Independent Expert's Report for inclusion in the Scheme Booklet (including any update, revision, amendment or supplement to that report);
- (b) **Sigma Independent Expert's Report:** provide any assistance or information reasonably requested by Sigma or its Advisers, or by the Sigma Independent Expert, in connection with the preparation of the Sigma Independent Expert's Report;
- (c) **investigating accountant:** promptly after the date of this agreement, appoint any investigating accountant required in respect of the relevant Disclosure Documents other than the Entitlement Offer Disclosure Documents and provide the investigating accountant with reasonable access (at times mutually agreeable to the parties) to its auditors, accountants, books and records (including financial reports, audited or otherwise) for the sole purpose of preparation of an investigating accountant's report for inclusion in the relevant Disclosure Documents other than the Entitlement Offer Disclosure Document (including any update, revision, amendment or supplement to that report);
- (d) **lodgement of Scheme Booklet:** provide an advanced draft of the Scheme Booklet to ASIC for its review for the purposes of subsection 411(2) of the Corporations Act, provided that such draft must not be provided to ASIC without Sigma's prior written consent in respect of the Sigma Information;
- (e) **approval of Scheme Booklet:** procure that a meeting of the Chemist Warehouse Board (or a sub-committee thereof) is convened to approve the dispatch of the Scheme Booklet to Chemist Warehouse Shareholders, subject to orders of the Court under subsection 411(1) of the Corporations Act;
- (f) **no objection statement:** apply to ASIC for:
  - (1) a letter stating that ASIC does not intend to appear at the First Court Hearing; and
  - (2) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (g) **First Court Hearing:** apply to the Court for orders under subsection 411(1) of the Corporations Act directing Chemist Warehouse to convene the Scheme Meeting;
- (h) **approval and registration of Scheme Booklet:** request that ASIC register the Scheme Booklet in accordance with subsection 412(6) of the Corporations Act;
- (i) **dispatch:** as soon as reasonably practicable following registration of the Scheme Booklet by ASIC, dispatch the Scheme Booklet to Chemist Warehouse Shareholders;



- (j) **Scheme Meeting:** convene and hold the Scheme Meeting to seek Chemist Warehouse Shareholders' agreement to the Scheme in accordance with the orders made by the Court at the First Court Hearing;
- (k) **Conditions Certificate:** at the Second Court Hearing, provide to the Court (through its counsel) a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent (other than the Condition Precedent in clause 1.2 of Schedule 3 (Court approval)) have been satisfied or waived in accordance with this agreement, a draft of which must be provided to Sigma by 5.00pm on the date that is 2 Business Days prior to the Second Court Date;
- (l) **Second Court Hearing:** if the Scheme is approved by Chemist Warehouse Shareholders under subparagraph 411(4)(a)(ii) of the Corporations Act and it can reasonably be expected that all of the Conditions Precedent (other than the Condition Precedent in clause 1.2 of Schedule 3 (Court approval)) will be satisfied or waived in accordance with this agreement before 8.00am on the Second Court Date, apply to the Court for orders under paragraph 411(4)(b) of the Corporations Act approving the Scheme as agreed to by the Chemist Warehouse Shareholders at the Scheme Meeting (and, if it becomes apparent that a Condition Precedent (other than the Condition Precedent in clause 1.2 of Schedule 3 (Court approval)) will not be satisfied or waived in accordance with this agreement before 8.00am on that proposed Second Court Date, apply for an adjournment of that proposed Second Court Date to a date agreed in writing between the parties);
- (m) **Court documents:** prepare, and consult with Sigma in relation to the content of, the documents required for the purpose of each of the Court hearings held for the purpose of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act in relation to the Scheme (including the originating process, affidavits, submissions and draft minutes of Court orders) and:
- (1) provide drafts of those documents to Sigma in a timely manner;
  - (2) provide Sigma with a reasonable opportunity to review and comment on those documents before they are lodged or filed with the Court; and
  - (3) consider in good faith, for the purpose of amending drafts of those documents, comments from Sigma and its Advisers on those documents;
- (n) **representation:** procure that it is represented by counsel at the First Court Hearing and Second Court Hearing;
- (o) **Sigma representation at Court hearings:** allow, and not oppose, any application by Sigma for leave of the Court to be represented by counsel at the First Court Hearing or Second Court Hearing;
- (p) **Lodgement of Court order:** for the purposes of subsection 411(10) of the Corporations Act, lodge with ASIC an office copy of the orders made by the Court under paragraph 411(4)(b) of the Corporations Act before 5.00pm on the Business Day immediately following the day on which the Court order was made (or such later date as agreed in writing by Sigma);
- (q) **Scheme Consideration:** if the Scheme becomes Effective, finalise and close the Chemist Warehouse Share Register as at the Scheme Record Date, and determine entitlements to the Scheme Consideration, in accordance with the Scheme and Deed Poll;



- (r) **transfer and registration:** if the Scheme becomes Effective and subject to Sigma having issued the Scheme Consideration in accordance with the Scheme and Deed Poll:
- (1) execute, on behalf of Scheme Shareholders, instruments of transfer and effect the transfer of all the Scheme Shares to Sigma; and
  - (2) register all transfers of the Scheme Shares to Sigma on the Implementation Date;
- (s) **promote the Scheme:** promote the merits of the Scheme and encourage Chemist Warehouse Shareholders to vote on the Scheme in accordance with the recommendation of the Chemist Warehouse Board, subject to applicable law and ASIC policy;
- (t) **Sigma Information:** without the prior written consent of Sigma, not use the Sigma Information for any purposes other than those expressly contemplated by this agreement or the Scheme;
- (u) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with the terms of this agreement and applicable laws and regulations; and
- (v) **notification:** promptly notify Sigma if Chemist Warehouse becomes aware of anything that makes any of the Chemist Warehouse Representations and Warranties (on the dates they are given) false, inaccurate, misleading or deceptive in any material respect.

### 6.3 Sigma obligations

Subject to any change of recommendation by the Chemist Warehouse Board as permitted by clause 3.1 or the Sigma Board as permitted by clause 3.2, Sigma must take all steps reasonably necessary to implement the Scheme in accordance with the Timetable and otherwise on and subject to the terms of this agreement, and must consult with Chemist Warehouse on a regular basis about its progress in satisfying its obligations under this clause 6.3. Without limiting the foregoing, Sigma must:

- (a) **Sigma Independent Expert:** promptly after the date of this agreement, appoint the Sigma Independent Expert and provide all assistance and information reasonably requested by the Sigma Independent Expert in connection with the preparation of the Sigma Independent Expert's Report;
- (b) **Chemist Warehouse Independent Expert's Report:** provide any assistance or information reasonably requested by Chemist Warehouse or its Advisers, or by the Chemist Warehouse Independent Expert, in connection with the preparation of the Chemist Warehouse Independent Expert's Report;
- (c) **investigating accountant:** promptly after the date of this agreement, appoint any investigating accountant required in respect of the relevant Disclosure Documents other than the Entitlement Offer Disclosure Documents and provide the investigating accountant with reasonable access (at times mutually agreeable to the parties) to its auditors, accountants, books and records (including financial reports, audited or otherwise) for the sole purpose of preparation of an investigating accountant's report for inclusion in the relevant Disclosure Documents other than the Entitlement Offer Disclosure Documents (including any update, revision, amendment or supplement to that report);
- (d) **Deed Poll:** before 5.00pm on the Business Day before the First Court Date, execute the Deed Poll and deliver the executed Deed Poll to Chemist Warehouse;





- (e) **representation:** apply for leave of the Court to be, and if granted be, represented by counsel at the Court Hearings;
- (f) **Conditions Certificate:** before 8.00am on the Second Court Date, provide to Chemist Warehouse for provision to the Court at the Second Court Hearing a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions Precedent (other than the Condition Precedent in clause 1.2 of Schedule 3 (Court approval)) have been satisfied or waived in accordance with this agreement, a draft of which must be provided to Chemist Warehouse by 5.00pm on the date that is 2 Business Days prior to the Second Court Date;
- (g) **Scheme Consideration:** if the Scheme becomes Effective, provide the Scheme Consideration in accordance with this agreement and the terms of the Scheme and Deed Poll;
- (h) **Scrip-for-scrip rollover relief:** to facilitate the availability of scrip-for-scrip rollover relief under subdivision 124-M of the Tax Act for eligible Chemist Warehouse Shareholders:
- (1) provide Chemist Warehouse with such assistance and information as may reasonably be requested by Chemist Warehouse for the purposes of obtaining from the Australian Tax Office rulings in a form reasonably acceptable to Chemist Warehouse confirming the availability of scrip-for-scrip rollover relief in respect of the exchange of the Chemist Warehouse Shares for New Sigma Shares pursuant to the Scheme;
  - (2) not make an election under subsection 124-795(4) of the Tax Act preventing the availability of the rollover relief; and
  - (3) if applicable, make any election required under Subdivision 124-M of the Tax Act in relation to the rollover;
- (i) **quotation of New Sigma Shares:** prior to the Scheme Meeting, apply to ASX for the New Sigma Shares to be issued pursuant to the Scheme to be approved in principle for official quotation (and keep Chemist Warehouse informed of the status of such application), and as soon as practicable following the Scheme Record Date, apply to ASX for final approval in respect of such quotation;
- (j) **share transfer:** if the Scheme becomes Effective, accept a transfer of the Scheme Shares in accordance with this agreement, the Scheme and the Deed Poll and execute instruments of transfer in respect of the Scheme Shares;
- (k) **Chemist Warehouse Information:** without the prior written consent of Chemist Warehouse, not use the Chemist Warehouse Information for any purposes other than those expressly contemplated by this agreement or the Scheme;
- (l) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with the terms of this agreement and applicable laws and regulations; and
- (m) **notification:** promptly notify Chemist Warehouse if Sigma becomes aware of anything that makes any of the Sigma Representations and Warranties (on the dates they are given) false, inaccurate, misleading or deceptive in any material respect.

#### 6.4 Conduct of Court proceedings

- (a) Chemist Warehouse and Sigma are entitled to separate representation at all Court proceedings affecting the Transaction.

For personal use only



- (b) This agreement does not give Chemist Warehouse (on the one hand), or Sigma (on the other hand) any right or power to give undertakings to the Court for or on behalf of Sigma (in the case of Chemist Warehouse) or Chemist Warehouse (in the case of Sigma) without that party's written consent.
- (c) Each party must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this agreement.

## 6.5 Appeal process

If the Court refuses to make any orders directing Chemist Warehouse to convene the Scheme Meeting or approving the Scheme, Chemist Warehouse and Sigma must:

- (a) consult with each other in good faith as to whether to appeal the Court's decision; and
- (b) appeal the Court's decision unless the parties agree otherwise under clause 6.5(a) or an independent senior counsel opines that, in his or her view, an appeal would have no reasonable prospect of success.

## 7 Disclosure Documents

---

### 7.1 Responsibility

Subject to clause 7.2, the parties agree that:

- (a) subject to clauses 7.3(b)(2), 7.3(b)(3) and 7.3(b)(4), Chemist Warehouse will be responsible for preparing and dispatching the Scheme Booklet in accordance with all applicable laws (including the Corporations Act, the Corporations Regulations, RG 60 and any applicable regulatory guidance from a Government Agency); and
- (b) subject to clauses 7.3(a)(2), 7.3(a)(3) and 7.3(a)(4), Sigma will be responsible for preparing and dispatching the Notice of Meeting, Entitlement Offer Disclosure Documents and Re-listing Prospectus in accordance with all applicable laws (including the Corporations Act, the Corporations Regulations and any applicable regulatory guidance from a Government Agency).

### 7.2 Responsibility statements

- (a) The Disclosure Documents (as applicable) must contain a responsibility statement to the effect that:
  - (1) Chemist Warehouse is responsible for the Chemist Warehouse Information contained in the relevant Disclosure Document, and no Sigma Indemnified Party nor their Advisers assumes any responsibility or liability for the accuracy or completeness of the Chemist Warehouse Information;
  - (2) Sigma is responsible for the Sigma Information contained in the relevant Disclosure Document, and no Chemist Warehouse Indemnified Party nor their Advisers assumes any responsibility or liability for the accuracy or completeness of the Sigma Information;
  - (3) the Sigma Independent Expert is responsible for the Sigma Independent Expert's Report, and no Chemist Warehouse Indemnified



Party, Sigma Indemnified Party nor their Advisers, assumes any responsibility or liability for the accuracy or completeness of the Sigma Independent Expert's Report; and

- (4) the Chemist Warehouse Independent Expert is responsible for the Chemist Warehouse Independent Expert's Report, and no Chemist Warehouse Indemnified Party, Sigma Indemnified Party nor their Advisers, assumes any responsibility or liability for the accuracy or completeness of the Chemist Warehouse Independent Expert's Report.
- (b) If Chemist Warehouse and Sigma disagree on the form or content of a Disclosure Document, they must consult in good faith to try to settle an agreed form of the relevant Disclosure Document. If after 5 Business Days of consultation, Chemist Warehouse and Sigma are unable to agree on the form or content of the relevant Disclosure Document:
- (1) where the determination relates to Chemist Warehouse Information, Chemist Warehouse will make the final determination, acting reasonably, as to the form and content of the Chemist Warehouse Information;
  - (2) where the determination relates to Sigma Information, Sigma will make the final determination, acting reasonably, as to the form and content of the Sigma Information; and
  - (3) in any other case, the final determination as to the form and content of the Disclosure Document will be made by the party who is responsible for that document in accordance with clause 7.1, acting reasonably.

### 7.3 Consultation on content of Disclosure Documents

- (a) Chemist Warehouse must:
- (1) **preparation of Scheme Booklet:**
    - (A) promptly provide Sigma with successive advanced drafts of the Scheme Booklet and the Chemist Warehouse Independent Expert's Report to give Sigma a reasonable opportunity to review and make comments, provided that in relation to the Chemist Warehouse Independent Expert's Report, Sigma's review is to be limited to a factual accuracy review;
    - (B) take all timely and reasonable comments made by Sigma into account and consult in good faith when producing revised drafts of the Scheme Booklet;
    - (C) provide Sigma with a proposed final draft of the Scheme Booklet within a reasonable time prior to lodgement with ASIC and dispatch to give Sigma a reasonable opportunity to review and make comments; and
    - (D) seek written approval from Sigma on the form and context in which Sigma Information appears in the Scheme Booklet, with such approval not to be unreasonably withheld or delayed;
  - (2) **assistance with Disclosure Documents:** promptly provide any assistance or information reasonably requested by Sigma or its Advisers in connection with the preparation of the Disclosure

For personal use only



Documents (except the Scheme Booklet), review drafts of the Disclosure Documents (except the Scheme Booklet) and provide comments on those drafts promptly and in good faith (including any supplementary disclosure);

- (3) **provision of input into Merged Group information:** prepare and promptly share with Sigma any information regarding the Chemist Warehouse Group that the parties reasonably require in order to prepare the information regarding the Merged Group for inclusion in the Disclosure Documents (as applicable), and jointly (with Sigma) prepare the pro forma financial information for inclusion in the Disclosure Documents (as applicable);
- (4) **provision of Chemist Warehouse Information for Notice of Meeting, Entitlement Offer Disclosure Documents and Re-listing Prospectus:**
- (A) provide Sigma with Chemist Warehouse Information as reasonably requested by Sigma and required by all applicable laws (including the Corporations Act, the Corporations Regulations and any applicable regulatory guidance from a Government Agency) in a timely manner for inclusion in the Notice of Meeting, Entitlement Offer Disclosure Documents (as relevant following the date of this agreement) and Re-listing Prospectus;
  - (B) allow Sigma a reasonable period to review the Chemist Warehouse Information and consider in good faith any comments provided by or on behalf of Sigma; and
  - (C) subject to Sigma complying with clause 7.3(b)(1), consent to the inclusion of Chemist Warehouse Information in the Notice of Meeting, Entitlement Offer Disclosure Documents (as relevant following the date of this agreement) and Re-listing Prospectus;
- (5) **engagement on the Scheme Booklet:** keep Sigma informed of any material matter raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction and any steps proposed to be taken to address such issues, and to the extent that such issues relate to Sigma Information, Chemist Warehouse must not take any steps to address such issues without Sigma's prior written consent (not to be unreasonably withheld, conditioned or delayed);
- (6) **updated disclosure for Scheme Booklet:** until the date of the Scheme Meeting, promptly update the Scheme Booklet with any information that arises after the Scheme Booklet has been dispatched that is necessary to ensure that the Scheme Booklet does not contain any statement that is or has become false or misleading in any material respect including because of any material omission from that statement. Chemist Warehouse must consult with Sigma in good faith as to the need for, form of, and if applicable, content and presentation of the updated or supplementary Scheme Booklet in the manner contemplated by this clause 7.3(a), and, subject to compliance with this clause 7.3(a)(6), seek the Court's approval for the dispatch of any updated or supplementary Scheme Booklet. To the extent that the supplementary disclosure relates to (or constitutes) Sigma Information, it may only be made with Sigma's prior written consent (not to be unreasonably withheld, conditioned or delayed); and

For personal use only



(7) **updated Chemist Warehouse Information for Notice of Meeting, Entitlement Offer Disclosure Documents and Re-listing Prospectus:** until:

- (A) in the case of the Notice of Meeting, the date of the Sigma Shareholder Meeting;
- (B) in the case of the Entitlement Offer Disclosure Documents, the end of the Entitlement Offer; and
- (C) in the case of the Re-listing Prospectus, the allotment of Sigma securities under that prospectus,

promptly provide Sigma with any Chemist Warehouse Information required to update the Notice of Meeting, Entitlement Offer Disclosure Documents or Re-listing Prospectus as the case may be (each a **relevant document**) after the relevant document has been dispatched that is necessary to ensure that the relevant document does not contain any statement that is or has become false or misleading in any material respect including because of any material omission from that statement.

(b) Sigma must:

(1) **preparation of Disclosure Documents other than Scheme Booklet:**

- (A) promptly provide Chemist Warehouse with successive advanced drafts of the Notice of Meeting, Entitlement Offer Disclosure Documents (as relevant following the date of this agreement), Re-listing Prospectus and the Sigma Independent Expert's Report to give Chemist Warehouse a reasonable opportunity to review and make comments, provided that in relation to the Sigma Independent Expert's Report, Chemist Warehouse's review is to be limited to a factual accuracy review;
- (B) take all timely and reasonable comments made by Chemist Warehouse into account and consult in good faith when producing revised drafts of the Notice of Meeting, Entitlement Offer Disclosure Documents (as relevant following the date of this agreement) and Re-listing Prospectus;
- (C) provide Chemist Warehouse with proposed final drafts of the Notice of Meeting, Entitlement Offer Disclosure Documents (as relevant following the date of this agreement) and Re-listing Prospectus within a reasonable time prior to lodgement with ASIC or ASX or dispatch (as applicable) to give Chemist Warehouse a reasonable opportunity to review and make comments; and
- (D) seek written approval from Chemist Warehouse on the form and context in which Chemist Warehouse Information appears in the Notice of Meeting, Entitlement Offer Disclosure Documents (as relevant following the date of this agreement) and Re-listing Prospectus (if any) (such approval not to be unreasonably withheld or delayed);

(2) **assistance with Scheme Booklet:** promptly provide any assistance or information reasonably requested by Chemist Warehouse or its Advisers in connection with the preparation of the Scheme Booklet,

For personal use only



review drafts of the Scheme Booklet and provide comments on those drafts promptly and in good faith (including any supplementary disclosure);

- (3) **provision of input into Merged Group information:** prepare and promptly share with Chemist Warehouse any information regarding the Sigma Group that the parties reasonably require in order to prepare the information regarding the Merged Group for inclusion in the Disclosure Documents (as applicable), and jointly (with Sigma) prepare the pro forma financial information for inclusion in the Disclosure Documents (as applicable);
- (4) **provision of Sigma Information for Scheme Booklet:**
- (A) provide Chemist Warehouse with Sigma Information as reasonably requested by Chemist Warehouse and required by all applicable laws (including the Corporations Act, the Corporations Regulations, RG 60 and any applicable regulatory guidance from a Government Agency) in a timely manner for inclusion in the Scheme Booklet;
  - (B) allow Chemist Warehouse a reasonable period to review the Sigma Information and consider in good faith any comments provided by or on behalf of Chemist Warehouse; and
  - (C) subject to Chemist Warehouse complying with clause 7.3(a)(1), consent to the inclusion of Sigma Information in the Scheme Booklet;
- (5) **engagement on Disclosure Documents other than Scheme Booklet:** keep Chemist Warehouse informed of any material matter raised by ASIC or ASX in relation to the Notice of Meeting, Entitlement Offer Disclosure Documents, Re-listing Prospectus or the Transaction and any steps proposed to be taken to address such issues, and to the extent that such issues relate to Chemist Warehouse Information, Sigma must not take any steps to address such issues without Chemist Warehouse's prior written consent (not to be unreasonably withheld, conditioned or delayed);
- (6) **updated disclosure:** until:
- (A) in the case of the Notice of Meeting, the date of the Sigma Shareholder Meeting;
  - (B) in the case of the Entitlement Offer Disclosure Documents, the end of the Entitlement Offer; and
  - (C) in the case of the Re-listing Prospectus, the allotment of Sigma securities under that prospectus,

promptly update the Notice of Meeting, Entitlement Offer Disclosure Documents or Re-listing Prospectus as the case may be (each a **relevant document**) with any information that arises after the relevant document has been dispatched that is necessary to ensure that the relevant document does not contain any statement that is or has become false or misleading in any material respect including because of any material omission from that statement. Sigma must consult with Chemist Warehouse in good faith as to the need for, form of, and if applicable, content and presentation of the updated or supplementary relevant document, in the manner contemplated by this clause 7.3(a), and, subject to compliance with this clause 7.3(a)(6) and consultation with any relevant regulator, dispatch any updated or supplementary

For personal use only



relevant document. To the extent that the supplementary disclosure relates to (or constitutes) Chemist Warehouse Information, it may only be made with Chemist Warehouse's prior written consent (not to be unreasonably withheld, conditioned or delayed); and

- (7) **updated Sigma Information for Scheme Booklet:** until the date of the Scheme Meeting, promptly provide Chemist Warehouse with any Sigma Information required to update the Scheme Booklet after the Scheme Booklet has been dispatched that is necessary to ensure that the Scheme Booklet does not contain any statement that is or has become false or misleading in any material respect including because of any material omission from that statement.

#### 7.4 Verification

- (a) Chemist Warehouse must take reasonable verification processes in relation to:
- (1) the information contained in the Scheme Booklet (other than the Sigma Information); and
  - (2) without limiting clause 7.4(a)(1), the Chemist Warehouse Information contained in any Disclosure Document,
- so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (b) Sigma must take reasonable verification processes in relation to:
- (1) the information contained in the Notice of Meeting, Entitlement Offer Disclosure Documents and Re-listing Prospectus (other than the Chemist Warehouse Information); and
  - (2) without limiting clause 7.4(b)(1), the Sigma Information contained in any Disclosure Document,
- so as to ensure that such information is not misleading or deceptive in any material respect (whether by omission or otherwise).
- (c) Chemist Warehouse and Sigma agree to make available to the other party and its Related Persons all verification materials in respect of its processes under clauses 7.4(a) and 7.4(b) if the other party is subject to an investigation, inquiry or request for information from a Government Agency or claim by a Third Party regarding the accuracy or adequacy of disclosure in a Disclosure Document.
- (d) Nothing in clause 7.4(c) requires either party to disclose to the other party any materials the subject matter of which:
- (1) is privileged, and cannot be provided pursuant to common interest privilege, or on an external counsel to counsel basis without waiving such privilege;
  - (2) cannot be disclosed due to the Confidentiality Agreement or confidentiality obligations owed to any Third Party (including any Government Agency); or
  - (3) may cause a breach of the CCA or any other law.

#### 7.5 Confirmations

- (a) Before the draft Scheme Booklet is lodged with ASIC and again before the Scheme Booklet is dispatched to Chemist Warehouse Shareholders:

For personal use only



- (1) Chemist Warehouse must confirm in writing to Sigma that the Chemist Warehouse Information in the Scheme Booklet is not misleading or deceptive in any material respect, including by way of omission; and
- (2) Sigma must confirm in writing to Chemist Warehouse that the Sigma Information in the Scheme Booklet is not misleading or deceptive in any material respect, including by way of omission.
- (b) Before the draft Notice of Meeting is lodged with ASX and again before the Notice of Meeting is dispatched to Sigma Shareholders:
- (1) Sigma must confirm in writing to Chemist Warehouse that the Sigma Information in the Notice of Meeting is not misleading or deceptive in any material respect, including by way of omission; and
- (2) Chemist Warehouse must confirm in writing to Sigma that the Chemist Warehouse Information in the Notice of Meeting is not misleading or deceptive in any material respect, including by way of omission.
- (c) Before any draft Entitlement Offer Disclosure Documents (as relevant following the date of this agreement) are lodged with the relevant regulator and again before the relevant Entitlement Offer Disclosure Document is dispatched:
- (1) Sigma must confirm in writing to Chemist Warehouse that the Sigma Information in the relevant Entitlement Offer Disclosure Documents is not misleading or deceptive in any material respect, including by way of omission; and
- (2) Chemist Warehouse must confirm in writing to Sigma that the Chemist Warehouse Information in the relevant Entitlement Offer Disclosure Documents is not misleading or deceptive in any material respect, including by way of omission.
- (d) Before any pathfinder Re-listing Prospectus is released and again before the Re-listing Prospectus is lodged with ASIC:
- (1) Sigma must confirm in writing to Chemist Warehouse that the Sigma Information in the Re-listing Prospectus is not misleading or deceptive in any material respect, including by way of omission; and
- (2) Chemist Warehouse must confirm in writing to Sigma that the Chemist Warehouse Information in the Re-listing Prospectus is not misleading or deceptive in any material respect, including by way of omission.

## 8 Conditions Precedent

---

### 8.1 Conditions Precedent

Subject to this clause 8, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, unless and until each Condition Precedent is satisfied or waived to the extent and in the manner set out in this clause 8.

### 8.2 Reasonable endeavours and cooperation

- (a) Subject to clause 8.2(b), each party:
- (1) must, to the extent it is within their power to do so, use all reasonable endeavours to satisfy the Conditions Precedent: and





- (2) agrees not to do, or omit to do, anything which will, or is likely to, result in any of the Conditions Precedent being breached.
- (b) A reference in this clause 8 to a Condition Precedent being breached includes a reference to the Condition Precedent not being, or not being capable of being, satisfied.

### 8.3 Waiver

- (a) The Conditions Precedent in clauses 1.3 of Schedule 3 (Court approval), 1.4 of Schedule 3 (Shareholder approval) and 1.5 of Schedule 3 (Sigma Resolutions) cannot be waived.
- (b) The Conditions Precedent in clauses 1.2 of Schedule 3 (Sigma Independent Expert), 1.6 of Schedule 3 (ACCC Approval), 1.7 of Schedule 3 (Regulatory approvals), 1.8 of Schedule 3 (OIO approval), 1.9 of Schedule 3 (Underwriting Agreement), 1.10 of Schedule 3 (Debt Commitment Letter) and 1.15 of Schedule 3 (Restraints) are for the benefit of both Chemist Warehouse and Sigma and may only be waived by written agreement between Chemist Warehouse and Sigma.
- (c) The Conditions Precedent in clauses 1.11 of Schedule 3 (Chemist Warehouse Prescribed Occurrence), 1.12 of Schedule 3 (Chemist Warehouse Material Adverse Change) and 1.17 of Schedule 3 (Chemist Warehouse Equity Incentives) are for the sole benefit of Sigma and may only be waived by Sigma in writing.
- (d) The Conditions Precedent in clauses 1.1 of Schedule 3 (Chemist Warehouse Independent Expert), 1.13 of Schedule 3 (Sigma Prescribed Occurrence), 1.14 of Schedule 3 (Sigma Material Adverse Change) and 1.16 of Schedule 3 (Rollover relief) are for the sole benefit of Chemist Warehouse and may only be waived by Chemist Warehouse in writing.
- (e) Waiver of breach or non-fulfilment of a Condition Precedent does not constitute:
  - (1) a waiver of breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
  - (2) a waiver of breach or non-fulfilment of that Condition Precedent resulting from any other event.

### 8.4 ACCC Approval application

- (a) Without limiting clause 8.1, each of Chemist Warehouse and Sigma must:
  - (1) to the extent not already done so, discuss in good faith the form of application to be lodged with the ACCC and promptly provide notification to and seek informal clearance or merger authorisation from the ACCC for the purposes of satisfying the ACCC Approval;
  - (2) pursue the ACCC Approval as a joint exercise and, in that regard, at all times work cooperatively, and in good faith;
  - (3) consult with the other party or its legal representatives in relation to the preparation of any submission to the ACCC in relation to the ACCC Approval and any other application or evidence in relation to the ACCC Approval, including by providing to the other party a draft copy of the submissions or application that Chemist Warehouse or Sigma prepares (as applicable) and a reasonable opportunity to comment, and consider in good faith any comments made by the other party;

For personal use only



- For personal use only
- (4) keep the other party informed of the progress of, and consult with the other party in relation to, the ACCC Approval (including any material matters raised by, or conditions or other arrangements proposed by, the ACCC or other Government Agency), and provide the other party with a draft copy of any material correspondence, further submissions, responses to any informal requests for information or documents or, as appropriate, section 155 notices to be provided to the ACCC or other Government Agency, or any application or evidence in relation to the ACCC Approval, and a reasonable opportunity to comment, and consider in good faith any comments made by the other party;
  - (5) provide the other party with copies of the final material correspondence, further submissions, responses to any informal requests for information or documents or, as appropriate, section 155 notices to be provided to the ACCC or other Government Agency, and any application or evidence in relation to the ACCC Approval in relation to the ACCC Approval;
  - (6) take all steps it is responsible for as part of the ACCC Approval process, including responding to informal requests for information or documents or section 155 notices from the ACCC or other Government Agency at the earliest practicable time;
  - (7) not attend any meetings or take part in any substantive communications with the ACCC or another Government Agency in connection with the ACCC Approval without first offering an opportunity to, and allowing, the other party (or their external legal advisers) to be present and participate at any such meetings or communications;
  - (8) not take any action that will or is likely to hinder or prevent the procuring of the ACCC Approval, except where any such action is required by law; and
  - (9) provide the other party with all information reasonably requested in connection with the applications for, and progress of, the ACCC Approval,

provided that:

- (10) in respect of this clause 8.4(a), each of Chemist Warehouse and Sigma may withhold or redact information or documents from the other party if and to the extent that they are either confidential to a Third Party or commercially sensitive and confidential to that party or subject to legal professional privilege in favour of that party;
- (11) neither Chemist Warehouse nor Sigma is prevented from taking any step in connection with obtaining the ACCC Approval if the other party has unduly delayed and been notified of the same; and
- (12) nothing in this clause 8.4(a) requires either party to disclose to the other party any information, document, submission or other material or to permit the other party or its representatives to attend meetings the subject matter of which:
  - (A) is privileged, and cannot be provided pursuant to common interest privilege, or on an external counsel to counsel basis without waiving such privilege;
  - (B) cannot be disclosed due to the Confidentiality Agreement or confidentiality obligations owed to any Third Party (including any Government Agency); or



- (C) may cause a breach of the CCA or any other law, provided each party provides such information, documents, submissions or other materials or permits the other party or a reasonable number of its representatives to attend meetings to the extent it is reasonably able to do so.
- (b) If the ACCC, Australian Competition Tribunal or Federal Court of Australia requires Chemist Warehouse or Sigma to enter into an undertaking or agree to any conditions to obtain ACCC Approval, the terms of any undertaking or conditions must be acceptable to each party (acting reasonably).

## 8.5 Other regulatory approvals, rollover relief and consents

Without limiting clause 8.1, each of Chemist Warehouse and Sigma must:

- (a) to the extent not already done so, promptly apply for any approval, consent, clearance, waiver, ruling, relief, confirmation, exemption, declaration or notice required to satisfy the Conditions Precedent in clauses 1.7 of Schedule 3 (Regulatory approvals), 1.8 of Schedule 3 (OIO approval) and 1.16 of Schedule 3 (Rollover relief) and, in that regard, at all times work cooperatively and in good faith;
- (b) consult with the other party or its legal representatives in relation to the preparation of any application or consent in respect of the Conditions Precedent in clauses 1.7 of Schedule 3 (Regulatory approvals), 1.8 of Schedule 3 (OIO approval) and 1.16 of Schedule 3 (Rollover relief), including by providing to the other party a draft copy of any application that Chemist Warehouse or Sigma prepares (as applicable) and a reasonable opportunity to comment, and consider in good faith any comments made by the other party;
- (c) keep the other party informed of the progress of, and consult with the other party in relation to, the Conditions Precedent in clauses 1.7 of Schedule 3 (Regulatory approvals), 1.8 of Schedule 3 (OIO approval) and 1.16 of Schedule 3 (Rollover relief) (including any material matters raised by, or conditions or other arrangements proposed by, a Government Agency or counterparty), and provide the other party with a copy of any material correspondence or further submissions, to be provided to a Government Agency or counterparty, and a reasonable opportunity to comment, and consider in good faith any comments made by the other party;
- (d) not take any action that will or is likely to hinder or prevent the satisfaction of the Conditions Precedent in clauses 1.7 of Schedule 3 (Regulatory approvals), 1.8 of Schedule 3 (OIO approval) or 1.16 of Schedule 3 (Rollover relief), except where any such action is required by law; and
- (e) provide the other party with all information reasonably requested in connection with the applications, consents and progress in respect of the Conditions Precedent in clauses 1.7 of Schedule 3 (Regulatory approvals), 1.8 of Schedule 3 (OIO approval) and 1.16 of Schedule 3 (Rollover relief),

provided that in respect of this clause 8.5, each of Chemist Warehouse and Sigma may withhold or redact information or documents from the other party if and to the extent that they are either confidential to a Third Party or commercially sensitive and confidential to that party or subject to legal professional privilege in favour of that party.

## 8.6 Further ACCC actions

- (a) If merger authorisation is sought from the ACCC and the ACCC does not grant authorisation under section 88 of the CCA in respect of the proposed acquisition



by Sigma of the Chemist Warehouse Shares pursuant to this agreement, then the parties must:

- (1) assess in good faith what options are reasonably available in order for the Scheme to proceed in a manner that is compliant with law and consistent with the terms of this agreement and consult in good faith with each other and their respective Advisers in relation to such options;
  - (2) consult in good faith to agree the course of action and an extension to the End Date (if applicable); and
  - (3) at their own cost, commit any resources reasonably required in order to take any action agreed by the parties to obtain the ACCC Approval, as expeditiously and diligently as possible, including by making available relevant personnel for the purpose of any such action.
- (b) If informal clearance is sought from the ACCC and the ACCC gives notice of its intention to oppose the proposed acquisition by Sigma of the Chemist Warehouse Shares pursuant to this agreement, then the parties must:
- (1) assess in good faith what options are reasonably available in order for the Scheme to proceed in a manner that is compliant with law and consistent with the terms of this agreement and consult in good faith with each other and their respective Advisers in relation to such options;
  - (2) consult in good faith to agree the course of action and an extension to the End Date (if applicable); and
  - (3) at their own cost, commit any resources reasonably required in order to take any action agreed by the parties to obtain the ACCC Approval, as expeditiously and diligently as possible, including by making available relevant personnel for the purpose of any such action.

## 8.7 Termination on failure of Condition Precedent

- (a) If:
- (1) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied; or
  - (2) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied by the time and date specified in this agreement for the satisfaction of that Condition Precedent or such Condition Precedent becomes incapable of being satisfied by the earlier of that time and date and the End Date,

then either party may give the other party written notice (**Consultation Notice**) within 5 Business Days after the relevant notice of the fact being given under clause 8.8, and upon delivery of the Consultation Notice the parties must consult in good faith to:

- (3) consider extending the relevant time or date for satisfaction of the Condition Precedent;
- (4) consider changing the First Court Date or to adjourn the application for order pursuant to subsection 411(1) of the Corporations Act convening the Scheme Meeting to another date agreed by the parties;
- (5) consider changing the Second Court Date or to adjourn the application for orders pursuant to paragraph 411(4)(b) of the

For personal use only



Corporations Act approving the Scheme to another date agreed by the parties;

- (6) consider extending the End Date (as applicable); or
  - (7) consider and, if agreed, determine whether the Scheme or Transaction may proceed by way of alternative means or methods.
- (b) If the parties are unable to reach agreement under clause 8.7(a) by the earliest of:
- (1) 5 Business Days after a Consultation Notice is given;
  - (2) 5 Business Days after the time and date specified in this agreement for the satisfaction of a Condition Precedent; or
  - (3) the End Date,

as appropriate, then, unless that Condition Precedent has been waived in accordance with clause 8.3, either party may terminate this agreement without any liability to the other party because of that termination alone.

- (c) A party will not be entitled to give a Consultation Notice or terminate this agreement pursuant to clause 8.7(b) if the relevant Condition Precedent has not been satisfied as a result of:
- (1) a breach of this agreement by that party; or
  - (2) a deliberate act or omission of that party which directly and materially contributed to that Condition Precedent not being satisfied,

although, for the avoidance of doubt, in such circumstances the other party may still terminate this agreement.

## 8.8 Certain notices relating to Conditions Precedent

Chemist Warehouse and Sigma (as the case may be) must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) promptly notify the other in writing if it becomes aware that any Condition Precedent has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition Precedent is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 8.2).

## 9 Access and assistance

---

### 9.1 Access to information

- (a) From the date of this agreement up to and including the earlier of the Implementation Date and termination of this agreement, each party (**Relevant Party**) must provide to the other party reasonable access to information, premises and such senior executives of the Relevant Party as reasonably requested by the other party at mutually convenient times, and afford the other party reasonable cooperation, for the sole purpose of:
  - (1) preparation of the Disclosure Documents;

For personal use only



- (2) implementation of the Scheme;
- (3) finalising the Debt Facility Agreement and the financier's requirements in that regard; and
- (4) the application to the ACCC for the purpose of the ACCC Approval in accordance with clause 8.4(a)(1).
- (b) In carrying out the obligations in this clause 9.1:
- (1) nothing in this clause will require Chemist Warehouse or Sigma to provide information concerning its directors' and management's consideration of the Scheme, a Chemist Warehouse Competing Proposal or Sigma Competing Proposal;
- (2) information need not be provided if that would result in unreasonable disruptions to the Relevant Party's business or is (in the reasonable opinion of the Relevant Party) commercially sensitive;
- (3) nothing in this clause 9.1, requires either party to disclose to the other party any information the subject matter of which:
- (A) is privileged, and cannot be provided pursuant to common interest privilege, or on an external counsel to counsel basis without waiving such privilege;
- (B) cannot be disclosed due to the Confidentiality Agreement or confidentiality obligations owed to any Third Party (including any Government Agency); or
- (C) may cause a breach of the CCA or any other law; and
- (4) the parties acknowledge that their investigations and obligations under this clause 9 are subject to:
- (A) the Confidentiality Agreement;
- (B) any clean teams and black box processes in respect of the Chemist Warehouse Data Room and Sigma Data Room;
- (C) arrangements between the parties that are intended to preserve legal privilege; and
- (D) all applicable laws and requirements of a Government Agency.

## 9.2 Responses to Government Agencies

From the date of this agreement up to and including the earlier of the end of the Implementation Date and termination of this agreement, and without limiting clauses 8.3, 8.5 and 8.6, each party must:

- (a) consult with the other party or its legal representatives in relation to any feedback, investigation, inquiry or request for information from a Government Agency;
- (b) work cooperatively and in good faith in determining any correspondence, response or submission to a Government Agency in respect of clause 9.2(a); and
- (c) provide to the other party a draft copy of any correspondence, response or submission that Chemist Warehouse or Sigma prepares (as applicable) and a reasonable opportunity to comment, and consider in good faith any comments made by the other party.



### 9.3 Change of control provisions

As soon as practicable after the date of this agreement, Chemist Warehouse and Sigma must seek to identify any change of control provisions in the Chemist Warehouse Material Contracts to which a Chemist Warehouse Group Member is party, or Sigma Material Contracts to which a Sigma Group Member is a party, which will be triggered by the implementation of the Transaction. In respect of those contracts, the parties agree as follows:

- (a) Chemist Warehouse and Sigma will in good faith agree a proposed course of action, and then jointly initiate contact with the relevant counterparties and request that they provide any required consents, waivers or agreements to novate the Chemist Warehouse Material Contracts or Sigma Material Contracts.
- (b) Chemist Warehouse and Sigma must use reasonable efforts to promptly seek to obtain consents, waivers or novation agreements prior to the Implementation Date in accordance with the agreed strategy. Each party and its Related Persons must not contact any counterparties of the other party without the other party being present or without the other party's prior written consent (which is not to be unreasonably withheld or delayed).
- (c) Chemist Warehouse and Sigma must cooperate with, and provide reasonable assistance to, each other to obtain such consents, waivers or novation agreements in accordance with this clause 9.3, including by promptly providing any information reasonably required by counterparties (but nothing in this clause requires either party to incur material expense).
- (d) A failure by a Chemist Warehouse Group Member or Sigma Group Member to obtain any Third Party consent, waiver or novation agreement will not constitute a breach of this agreement and, together with any consequences that arise, will be disregarded when assessing the operation of any other provision of this agreement.

### 9.4 Working Party Committee

- (a) As soon as reasonably practicable after the date of this agreement:
  - (1) Chemist Warehouse and Sigma agree to establish a committee (**Working Party Committee**) comprising two senior executive nominees appointed by Chemist Warehouse and two senior executive nominees appointed by Sigma; and
  - (2) Chemist Warehouse and Sigma must agree protocols to govern the activities of the Working Party Committee (**Working Party Protocols**).
- (b) The role of the Working Party Committee will be to act as a forum for discussion and planning, but not decision making, in relation to overseeing the progress of the Scheme in accordance with this agreement.
- (c) Without limiting clause 9.4(b), from the date of this agreement up to and including the Implementation Date, the Working Party Committee will:
  - (1) oversee implementation of the Scheme;
  - (2) report on key milestones (as determined by the Working Party Committee) in connection with implementation of the Scheme; and
  - (3) agree the process and the necessary steps which will result in:
    - (A) the transfer of the Scheme Shares to Sigma and provision of the Scheme Consideration to Scheme Shareholders in accordance with this agreement and the Scheme;



- (B) draw down under the Debt Finance Documents, and the provision of associated security and guarantees required under the Debt Finance Documents; and
  - (C) the repayment and refinancing of Chemist Warehouse Group debt and the release of any guarantees or security provided by Chemist Warehouse Shareholders or their Affiliates in connection with the obligations or liabilities of the Chemist Warehouse Group.
- (d) Any information provided by one party to the other under this clause 9.4 will be subject to the Confidentiality Agreement.
  - (e) The Working Party Committee will meet at least fortnightly or on such shorter timeframes as Chemist Warehouse and Sigma may agree. Meetings may be held via telephone.
  - (f) The members of the Working Party Committee may agree to invite other persons to attend meetings of the Working Party Committee from time to time (including the parties' respective legal and financial advisers).
  - (g) Chemist Warehouse and Sigma acknowledge that this clause 9.4 is subject to the Working Party Protocols, all applicable laws (including the CCA) and requirements of a Government Agency.
  - (h) Nothing in this clause 9.4:
    - (1) requires either party to act at the direction of the other party or imposes any obligation on a party to conduct its business in accordance with any direction or representation made by the other party; or
    - (2) requires any party to act or participate in any forum to the extent that doing so is contrary to law or the requirements of any Government Agency.

## 10 Conduct of business and prohibited actions

---

### 10.1 Conduct of business

- (a) Subject to clause 10.3(a), from the date of this agreement up to and including the Implementation Date, Chemist Warehouse must:
  - (1) conduct its businesses and operations, and must procure each Chemist Warehouse Group Member to conduct its respective business and operations, in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this agreement, and in compliance in all material respects with all laws and regulations applicable to them;
  - (2) not enter into any significant line of business in which the Chemist Warehouse Group is not engaged as of the date of this agreement;
  - (3) comply, and must procure that each Chemist Warehouse Group Member complies, in all material respects, with all Chemist Warehouse Material Contracts;

For personal use only





- For personal use only
- (4) comply with, and must procure that each Chemist Warehouse Group Member complies with, in all material respects, all Authorisations held or required to be held by the Chemist Warehouse Group which are material to the continued operation of a material part of the Chemist Warehouse business (as conducted in the 12 months before the date of this agreement);
  - (5) use reasonable endeavours to ensure that there is no Chemist Warehouse Prescribed Occurrence; and
  - (6) use reasonable endeavours, and procure that each other Chemist Warehouse Group Member uses reasonable endeavours, to:
    - (A) preserve and maintain the value of the businesses and assets of the Chemist Warehouse Group;
    - (B) keep available the services of the directors, officers and employees of each member of the Chemist Warehouse Group;
    - (C) maintain and preserve their relationships with Government Agencies, customers, suppliers, joint venturers, licensors, licensees and others having business dealings with any Chemist Warehouse Group Member; and
    - (D) maintain (and where necessary, use reasonable endeavours to renew) each of the Authorisations held by a Chemist Warehouse Group Member that is material to the continued operation of a material part of the Chemist Warehouse business (as conducted in the 12 months before the date of this agreement).
- (b) Subject to clause 10.3(b), from the date of this agreement up to and including the Implementation Date, Sigma must:
- (1) conduct its businesses and operations, and must procure each Sigma Group Member to conduct its respective business and operations, in the ordinary and usual course generally consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this agreement, and in compliance in all material respects with all laws and regulations applicable to them (including the Listing Rules);
  - (2) not enter into any significant line of business in which the Sigma Group is not engaged as of the date of this agreement;
  - (3) comply, and must procure that each Sigma Group Member complies, in all material respects, with all Sigma Material Contracts;
  - (4) comply with, and must procure that each Sigma Group Member complies with, in all material respects, all Authorisations held or required to be held by the Sigma Group which are material to the continued operation of a material part of the Sigma business (as conducted in the 12 months before the date of this agreement);
  - (5) use reasonable endeavours to ensure that there is no Sigma Prescribed Occurrence;
  - (6) use reasonable endeavours, and procure that each other Sigma Group Member uses reasonable endeavours, to:
    - (A) preserve and maintain the value of the businesses and assets of the Sigma Group;



- (B) keep available the services of the directors, officers and employees of each member of the Sigma Group;
- (C) maintain and preserve their relationships with Government Agencies, customers, suppliers, joint venturers, licensors, licensees and others having business dealings with any Sigma Group Member; and
- (D) maintain (and where necessary, use reasonable endeavours to renew) each of the Authorisations held by a Sigma Group Member that is material to the continued operation of a material part of the Sigma business (as conducted in the 12 months before the date of this agreement).

## 10.2 Prohibited actions

- (a) Subject to clause 10.3(a), from the date of this agreement up to and including the Implementation Date, Chemist Warehouse must not, and must procure that each Chemist Warehouse Group Member does not:
  - (1) dispose, or agree to dispose of any securities, business, assets, interest in a joint venture, entity or undertaking, the value of which exceeds \$10 million individually, or \$50 million in aggregate, to any person other than another Chemist Warehouse Group Member;
  - (2) acquire, or agree to acquire any securities, business, assets, interest in an entity or undertaking, the price of which exceeds \$10 million individually, or \$50 million in aggregate, from any person other than another Chemist Warehouse Group Member;
  - (3) provide any financial accommodation to a person other than a member of the Chemist Warehouse Group, a store owner or franchisee outside of the ordinary course of business;
  - (4) subject to the CCA, incur or enter into commitments involving capital expenditure of more than \$15 million individually or \$40 million in aggregate;
  - (5) enter into a new employment contract, terminate an employment contract other than for cause, or make any material variation to an existing employment contract, in respect of which the annual fixed remuneration is greater than \$500,000;
  - (6) pay a director or employee a termination payment in excess of \$100,000 other than as provided for in an existing employment contract and provided in the Chemist Warehouse Disclosure Materials;
  - (7) other than in the ordinary course of business, enter into, materially vary, terminate, exercise options under or submit tenders or proposals in relation to any contract or commitment, except for a retail lease, where:
    - (A) the revenue or expenditure for the Chemist Warehouse Group is greater than \$15 million in any one year or \$40 million over the term of the contract or commitment; or
    - (B) the term is greater than 10 years;
  - (8) waive any material Third Party default where the financial impact of the waiver on the Chemist Warehouse Group as a whole will be in excess of \$5 million individually or \$10 million in aggregate;

For personal use only



- For personal use only
- (9) settle or commence any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount or amount claimed or sought in the proceedings exceeds \$5 million individually or \$10 million in aggregate;
  - (10) enter into, materially amend or terminate any lease that is material to the continued operation of a material part of the Chemist Warehouse business (as conducted in the 12 months before the date of this agreement), other than in the ordinary course of business;
  - (11) guarantee or indemnify the obligations of any person other than a member of the Chemist Warehouse Group, other than in the usual and ordinary course of business and consistent with past practice;
  - (12) alter in any material respect any accounting policy of any member of the Chemist Warehouse Group, other than any change required by applicable accounting standards; or
  - (13) agree to do any of the matters set out above.
- (b) Subject to clause 10.3(b), from the date of this agreement up to and including the Implementation Date, Sigma must not, and must procure that each Sigma Group Member does not:
- (1) dispose, or agree to dispose of any securities, business, assets, interest in a joint venture, entity or undertaking, the value of which exceeds \$2 million individually, or \$10 million in aggregate, to any person other than another Sigma Group Member;
  - (2) acquire, or agree to acquire any securities, business, assets, interest in an entity or undertaking, the price of which exceeds \$2 million individually, or \$10 million in aggregate, from any person other than another Sigma Group Member;
  - (3) provide any financial accommodation to a person other than a member of the Sigma Group, a store owner or franchisee outside of the ordinary course of business;
  - (4) subject to the CCA, incur or enter into commitments involving capital expenditure of more than \$2.5 million individually or \$6 million in aggregate;
  - (5) enter into a new employment contract, terminate an employment contract other than for cause, or make any material variation to an existing employment contract, in respect of which the annual fixed remuneration is greater than \$500,000;
  - (6) pay a director or employee a termination payment in excess of \$100,000 other than as provided for in an existing employment contract and provided in the Sigma Disclosure Materials;
  - (7) other than in the ordinary course of business, or in relation to Sigma's wholesale business in the ordinary course of business, enter into, materially vary, terminate, exercise options under or submit tenders or proposals in relation to any contract or commitment, except for retail leases, where:
    - (A) the revenue or expenditure for the Sigma Group is greater than \$2.5 million in any one year or \$6 million over the term of the contract or commitment; or
    - (B) the term is greater than 10 years;



- (8) waive any material Third Party default where the financial impact of the waiver on the Sigma Group as a whole will be in excess of \$1 million individually or \$2 million in aggregate;
- (9) settle or commence any legal proceedings, claim, investigation, arbitration or other like proceeding where the settlement amount or amount claimed or sought in the proceedings exceeds \$2.5 million individually or \$6 million in aggregate;
- (10) enter into, materially amend or terminate any lease that is material to the continued operation of a material part of the Sigma business (as conducted in the 12 months before the date of this agreement), other than in the ordinary course of business;
- (11) guarantee or indemnify the obligations of any person other than a member of the Sigma Group, other than in the usual and ordinary course of business and consistent with past practice;
- (12) alter in any material respect any accounting policy of any member of the Sigma Group, other than any change required by applicable accounting standards; or
- (13) agree to do any of the matters set out above.

### 10.3 Permitted activities

- (a) Nothing in clause 10.1(a) or clause 10.2(a) restricts the ability of Chemist Warehouse (or any Chemist Warehouse Group Member) to take any action:
  - (1) which is required by, or to enable compliance with or to seek to avoid a breach of, the CCA or any applicable law, regulation, Accounting Standards or principles, contract or by a Government Agency;
  - (2) which is required or expressly permitted by this agreement, the Scheme or the Deed Poll;
  - (3) for which Sigma has provided its prior written consent (such consent not to be unreasonably withheld or delayed); or
  - (4) which is Fairly Disclosed:
    - (A) in the Chemist Warehouse Disclosure Materials;
    - (B) in a document lodged with ASIC in the 24 months prior to the date of this agreement; or
    - (C) in a publicly available document which would be disclosed in a search of the PPS Register 2 Business Days before the date of this agreement.
- (b) Nothing in clause 10.1(b) or clause 10.2(b) restricts the ability of Sigma (or any Sigma Group Member) to take any action:
  - (1) which is required by, or to enable compliance with or to seek to avoid a breach of, the CCA or any applicable law, regulation, Accounting Standards or principles, contract or by a Government Agency;
  - (2) which is required or expressly permitted by this agreement, the Scheme or the Deed Poll;
  - (3) for which Chemist Warehouse has provided its prior written consent (such consent not to be unreasonably withheld or delayed); or
  - (4) which is Fairly Disclosed:

For personal use only



- (A) in the Sigma Disclosure Materials;
- (B) in an announcement made to ASX or in a document lodged with ASIC in the 24 months prior to the date of this agreement; or
- (C) in a publicly available document which would be disclosed in a search of the PPS Register 2 Business Days before the date of this agreement.

#### 10.4 Chemist Warehouse Permitted Dividends

- (a) From the date of this agreement until the Implementation Date, Chemist Warehouse may declare and pay one or more cash dividends to Chemist Warehouse Shareholders up to the lesser of:
  - (1) \$22 million per month (or such pro-rata amount for part of a month) for the period commencing on the Reference Accounts Date and ending on the date that the dividend is declared; and
  - (2) an aggregate amount equal to 75% of the Chemist Warehouse Group's net profit after tax (excluding the impact of any asset sales or any item which is non-cash and non-recurring items) for the period commencing on the Reference Accounts Date and ending on the date that the dividend is declared,(each, a **Chemist Warehouse Permitted Dividend**).
- (b) The Chemist Warehouse Group's net profit after tax (excluding the impact of any asset sales) under clause 10.4(a)(2) must be:
  - (1) prepared in accordance with Accounting Standards applied on a consistent basis; and
  - (2) determined reasonably and in good faith by Chemist Warehouse.
- (c) Any Chemist Warehouse Permitted Dividend may be fully or partly franked, provided that the Chemist Warehouse franking account does not fall into deficit upon payment of the Chemist Warehouse Permitted Dividend (or would fall into deficit if any claimed tax refund was received).
- (d) Chemist Warehouse must notify Sigma at least 5 Business Days before it determines to pay a Chemist Warehouse Permitted Dividend of the proposed amount of that Chemist Warehouse Permitted Dividend.

#### 10.5 Sigma Permitted Dividends

- (a) From the date of this agreement until the Implementation Date, Sigma may declare and pay one or more cash dividends to Sigma Shareholders up to the lesser of:
  - (1) an amount determined in accordance with Sigma's dividend policy in effect as at the date of this agreement; and
  - (2) an aggregate amount equal to 75% of the Sigma Group's net profit after tax (excluding the impact of any asset sales or any item which is non-cash and non-recurring) for the period commencing on the Reference Accounts Date and ending on the date that the dividend is declared,(each, a **Sigma Permitted Dividend**).



- (b) The Sigma Group's net profit after tax (excluding the impact of any asset sales) under clause 10.5(a)(2) must be:
- (1) prepared in accordance with Accounting Standards applied on a consistent basis; and
  - (2) determined reasonably and in good faith by Sigma.
- (c) Any Sigma Permitted Dividend may be fully or partly franked, provided that the Sigma franking account does not fall into deficit upon payment of the Sigma Permitted Dividend (or would fall into deficit if any claimed tax refund was received).
- (d) Sigma must notify Chemist Warehouse at least 5 Business Days before it determines to pay a Sigma Permitted Dividend of the proposed amount of that Sigma Permitted Dividend.

### 10.6 Material developments

- (a) The parties acknowledge the need to ensure that Sigma is able to comply with Chapter 3 of the Listing Rules and obligations under Chapter 6CA of the Corporations Act (**Continuous Disclosure Obligations**) in the period between announcement of the Transaction and the earlier of termination of this agreement and the Implementation Date.
- (b) From the date of this agreement up to and including the earlier of the Implementation Date and termination of this agreement, Chemist Warehouse must:
- (1) adopt, and follow, a continuous disclosure and market communications policy on substantially the same terms as the Sigma Continuous Disclosure Policy so Chemist Warehouse has appropriate systems in place to ensure Sigma's compliance with the Continuous Disclosure Obligations;
  - (2) immediately provide Sigma with information in relation to Chemist Warehouse that Sigma requires to comply with the Continuous Disclosure Obligations, which information Sigma may immediately give to ASX for release to the market if it considers that to be necessary to comply with its obligations under the Listing Rules; and
  - (3) immediately provide Sigma with all financial statements that Chemist Warehouse lodges with ASIC and all documents that Chemist Warehouse lodges with ASIC which become public in connection with the Transaction at the same time as they are lodged with ASIC, which documents Sigma may immediately give to ASX for release to the market.
- (c) To the extent practicable and legally permitted, and having regard to the obligation of Sigma to immediately disclose information in accordance with ASX Guidance Note 8, Chemist Warehouse and Sigma must consult in good faith with each other in relation to any relevant disclosure to ASX or otherwise under law which Sigma may have in relation to the information provided to it by Chemist Warehouse.
- (d) In carrying out the obligations in this clause 10.6, nothing in this clause will require Chemist Warehouse to provide information to Sigma:
- (1) concerning its directors' and management's consideration of the Scheme or a Chemist Warehouse Competing Proposal; or

For personal use only



- (2) where that information would not be required to be disclosed to ASX due to the exception under Listing Rule 3.1A.

## 11 No Leakage

---

- (a) Each party represents, warrants and undertakes to the other party that between the Reference Accounts Date up to (and including) the Implementation Date:
- (1) no Leakage has occurred or will occur; and
  - (2) no agreement, arrangement or understanding has occurred or will occur that will result in Leakage.
- (b) Between the date of this agreement and the Implementation Date, within 1 month of the end of each calendar month, each party must give the other party a copy of their consolidated balance sheet as at the end of, and consolidated cash flow statement in respect of, the previous month.
- (c) Each party must:
- (1) notify the other party in writing immediately if it becomes aware of a payment or transaction which constitutes, or which might constitute, a breach of clause 11(a); and
  - (2) without limiting clause 11(c)(1), must deliver to the other party:
    - (A) on the Business Day before the First Court Date; and
    - (B) on the Scheme Record Date,a certificate duly signed by their Chief Financial Officer confirming (as applicable), that so far as he or she is aware (after making reasonable enquiries), either:
    - (C) that no Leakage occurred during that period; or
    - (D) that Leakage did occur during that period (in which case the certificate must include reasonable details, including the amount or value, of each such instance of Leakage, and will be deemed for all purposes under this agreement to constitute an admission by that party of a breach of clause 11(a) in the amounts of the Leakage specified in the certificate),for which the Chief Financial Officer will not have personal liability unless they have engaged in wilful misconduct, wilful concealment or fraud.
- (d) In the event of any breach of clause 11(a) by a party (**defaulting party**), the aggregate Scheme Cash Consideration of the Scheme will:
- (1) if the defaulting party is Sigma, be increased by an amount that represents equivalent value to the amount of the Leakage; and
  - (2) if the defaulting party is Chemist Warehouse, be reduced by an amount that represents equivalent value to the amount of the Leakage.
- (e) The application of, and full compliance by the defaulting party with, clause 11(d), will fully and finally settle any claim the other party may have in respect of a breach of clause 11(a) and such Leakage.

For personal use only



- (f) If the Implementation Date does not occur, each party will have no liability to the other party under this clause 11.

## 12 Board composition

---

- (a) Subject to and with effect from the Implementation Date, and subject to the receipt of the necessary signed consents to act, resignations, background information and information reasonably requested by Chemist Warehouse and Sigma, Chemist Warehouse and Sigma agree that:
- (1) the Sigma Board shall be comprised of 5 Sigma nominees and 4 Chemist Warehouse nominees as follows:
    - (A) Vikesh Ramsunder (Sigma nominee);
    - (B) Michael Sammells (Sigma nominee);
    - (C) Annette Carey (Sigma nominee);
    - (D) Chris Roberts (Sigma nominee);
    - (E) Neville Mitchell (Sigma nominee);
    - (F) Jack Gance (Chemist Warehouse nominee);
    - (G) Mario Verrocchi (Chemist Warehouse nominee);
    - (H) Damien Gance (Chemist Warehouse nominee); and
    - (I) Danielle Di Pilla (Chemist Warehouse nominee); and
  - (2) the Chemist Warehouse Board shall be comprised of those persons determined by the Sigma Board as constituted under clause 12(a)(1).
- (b) Chemist Warehouse and Sigma may agree in writing that:
- (1) a person specified in clause 12(a) will no longer be appointed on the Implementation Date; and
  - (2) another person not specified in clause 12(a) may instead be appointed on the Implementation Date.
- (c) Chemist Warehouse and Sigma must procure the resignation and appointment of directors in accordance with clause 12(a) as soon as practicable on the Implementation Date after the Scheme Consideration has been dispatched to Scheme Shareholders, with such written notice of resignation to confirm that the outgoing director has no claim outstanding against any Chemist Warehouse Group Member or Sigma Group Member as applicable (provided that nothing in this clause 12(c) requires any such director to forego any rights they may have under and subject to any agreement of access and indemnity or policy of directors' and officers' insurance).

## 13 Releases

---

### 13.1 Chemist Warehouse and Chemist Warehouse directors and officers

- (a) Subject to any restrictions imposed by law, Sigma releases its rights, and agrees with Chemist Warehouse that it will not make any claim (including any





Claim) against any Chemist Warehouse Indemnified Party (other than Chemist Warehouse and its Controlled entities) as at the date of this agreement and from time to time in connection with:

- (1) any breach of any representations and warranties of Chemist Warehouse or any other member of the Chemist Warehouse Group in this agreement; or
- (2) any disclosures containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Chemist Warehouse Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 13.1(a) limits Sigma's rights to terminate this agreement under clause 21.2(a).

- (b) This clause 13.1 is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Chemist Warehouse receives and holds the benefit of this clause 13.1 to the extent it relates to each Chemist Warehouse Indemnified Party for the benefit of each of them.

### 13.2 Sigma and Sigma directors and officers

- (a) Subject to any restrictions imposed by law, Chemist Warehouse releases its rights, and agrees with Sigma that it will not make a claim (including any Claim), against any Sigma Indemnified Party (other than Sigma and its Controlled entities) as at the date of this agreement and from time to time in connection with:

- (1) any breach of any representations and warranties of Sigma or any other member of the Sigma Group in this agreement; or
- (2) any disclosure containing any statement which is false or misleading whether in content or by omission,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Sigma Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. For the avoidance of doubt, nothing in this clause 13.2(a) limits Chemist Warehouse's rights to terminate this agreement under clause 21.2(b).

- (b) This clause 13.2 is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Sigma receives and holds the benefit of this clause 13.2 to the extent it relates to each Sigma Indemnified Party for the benefit of each of them.

## 14 Exclusivity – Chemist Warehouse

---

### 14.1 No current discussions regarding a Chemist Warehouse Competing Proposal

- (a) Chemist Warehouse represents and warrants to Sigma that, as at the date of this agreement it and each Chemist Warehouse Group Member:

For personal use only



- (1) is not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating any actual, proposed or potential Chemist Warehouse Competing Proposal;
- (2) is not directly or indirectly participating in any discussions, negotiations or other communications, and has terminated any existing discussions, negotiations or other communications, in relation to any actual, proposed or potential Chemist Warehouse Competing Proposal, or which could reasonably be expected to lead to a Chemist Warehouse Competing Proposal; and
- (3) has ceased to provide or make available any non-public information in relation to the Chemist Warehouse Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Chemist Warehouse Competing Proposal.
- (b) As soon as practicable after the date of this agreement, Chemist Warehouse must use (and must procure that each Chemist Warehouse Group Member uses) reasonable endeavours to exercise any rights it has that enable it to require that any Third Party to which it has disclosed information in the 12 months preceding the date of this agreement in connection with any actual, proposed or potential Chemist Warehouse Competing Proposal, return or destroy that information.

#### 14.2 No shop

During the Exclusivity Period, Chemist Warehouse must not, and must ensure that each of its Related Persons does not solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to lead to the making of, or with a view to obtaining any actual, proposed or potential Chemist Warehouse Competing Proposal or communicate to any person an intention to do anything referred to in this clause 14.2.

#### 14.3 No talk

During the Exclusivity Period, and subject to clause 14.4, Chemist Warehouse must not, and must ensure that each of its Related Persons does not, directly or indirectly:

- (a) facilitate, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion or other communication by any person which would reasonably be expected to lead to the making of, any actual, proposed or potential Chemist Warehouse Competing Proposal;
- (b) negotiate, accept or enter into, or offer to negotiate, accept or enter into, any agreement, arrangement or understanding regarding any actual, proposed or potential Chemist Warehouse Competing Proposal;
- (c) disclose or otherwise provide any non-public information about the business or affairs of the Chemist Warehouse Group to a Third Party (other than a Government Agency) with a view to obtaining, or which would reasonably be expected to lead to receipt of, a Chemist Warehouse Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the Chemist Warehouse Group) whether by that Third Party or another person; or



- (d) communicate to any person an intention to do anything referred to in clause 14.3(a), 14.3(b) or 14.3(c).

in each case, even if the relevant Chemist Warehouse Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by Chemist Warehouse, another Chemist Warehouse Group Member, or a Related Person of a Chemist Warehouse Group Member, but nothing in this clause 14.3 prevents Chemist Warehouse or any of its Related Persons from:

- (e) making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Transaction;
- (f) providing information to its auditors, advisors, lenders, customers, contractors and suppliers acting in that capacity and in the ordinary and usual course of business;
- (g) providing information required to be provided by law, including to satisfy its obligations of disclosure to any Government Agency; or
- (h) engaging with its shareholders (in their capacity as a shareholder) in the ordinary course and consistent with past practice, provided such engagement does not relate to Chemist Warehouse soliciting, inviting, encouraging, facilitating or initiating an actual or proposed or potential Chemist Warehouse Competing Proposal.

#### 14.4 Fiduciary exception

Clause 14.3 does not prohibit any action or inaction by Chemist Warehouse or any of its Related Persons in relation to any actual, proposed or potential Chemist Warehouse Competing Proposal, which the Chemist Warehouse Board acting in good faith determines, having regard to written advice from its external legal and financial advisers:

- (a) that the Chemist Warehouse Competing Proposal is or could reasonably be expected to lead to a Chemist Warehouse Superior Proposal; and
- (b) that the failure to take or not take such action would constitute, or would be likely to constitute, a breach of the fiduciary or statutory duties of the Chemist Warehouse Board,

provided that the actual, proposed or potential Chemist Warehouse Competing Proposal was not brought about by a breach of clause 14.1, 14.2 or 14.3.

#### 14.5 Notification of approaches

- (a) During the Exclusivity Period, Chemist Warehouse must as soon as reasonably practicable (and in any event within 48 hours) notify Sigma in writing if it, or any of its Related Persons, becomes aware of any:
  - (1) negotiations, discussions or other communications, or approach, in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to, or that may reasonably be expected to lead to, any actual, proposed or potential Chemist Warehouse Competing Proposal;
  - (2) approach or proposal made to, or received by, Chemist Warehouse or any of its Related Persons in connection with, or in respect of any exploration or completion of, or that may reasonably be expected to lead to, any actual, proposed or potential Chemist Warehouse Competing Proposal (or which is otherwise, of itself, a Chemist Warehouse Competing Proposal);

For personal use only



- (3) any request made by a Third Party for any material non-public information concerning the business or operations of Chemist Warehouse or the Chemist Warehouse Group other than where the Chemist Warehouse Board reasonably believes that such request is not in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, any actual, proposed or potential Chemist Warehouse Competing Proposal; or
- (4) provision by Chemist Warehouse or any of its Related Persons of any material non-public information concerning the business or operations of Chemist Warehouse or the Chemist Warehouse Group to any Third Party (other than a Government Agency) in connection with any actual, proposed or potential Chemist Warehouse Competing Proposal, or any of the things described in clauses 14.5(a)(1) to 14.5(a)(3) above (inclusive),

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in clauses 14.5(a)(1) to 14.5(a)(4) may only be taken if permitted by clause 14.4.

- (b) A notification given under clause 14.5(a) must include all material terms and conditions of the Chemist Warehouse Competing Proposal to the extent known by Chemist Warehouse or its Related Persons and the identity of the Third Party.

#### 14.6 Matching right

- (a) During the Exclusivity Period, without limiting the remainder of this clause 14, Chemist Warehouse:
  - (1) must not, and must procure that the Chemist Warehouse Group Members do not enter into a legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, Chemist Warehouse or a Chemist Warehouse Group Member proposes to undertake or give effect to an actual, proposed or potential Chemist Warehouse Competing Proposal (for the avoidance of doubt, and subject to this clause 14, any such legally binding agreement, arrangement or understanding does not include a Chemist Warehouse Group Member entering into a confidentiality agreement or like agreement including for the sole or dominant purpose of providing non-public information about Chemist Warehouse in relation to an actual, proposed or potential Chemist Warehouse Competing Proposal); and
  - (2) must use reasonable endeavours to procure that, in relation to a Chemist Warehouse Competing Proposal, no Chemist Warehouse Director:
    - (A) adversely changes, withdraws or adversely modifies their recommendation of the Scheme; or
    - (B) publicly recommends an actual, proposed or potential Chemist Warehouse Competing Proposal or publicly states that he or she no longer recommends the Scheme,(subject to any change of recommendation permitted under clause 3.1),

unless each of the following conditions has been satisfied:

For personal use only



- (3) the Chemist Warehouse Board determines that the Chemist Warehouse Competing Proposal constitutes a Chemist Warehouse Superior Proposal;
- (4) Chemist Warehouse has provided Sigma with the material terms and conditions of the Chemist Warehouse Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Chemist Warehouse Competing Proposal (in each case, to the extent known);
- (5) Chemist Warehouse has given Sigma at least 5 Business Days after the date of the provision of the information referred to in clause 14.6(a)(4) to provide a counterproposal to the Chemist Warehouse Competing Proposal (**Sigma Counterproposal**); and
- (6) Sigma has not announced or otherwise proposed or provided to Chemist Warehouse such a Sigma Counterproposal by the expiry of the 5 Business Day period in clause 14.6(a)(5).
- (b) If Sigma provides to Chemist Warehouse a Sigma Counterproposal within the 5 Business Day period in clause 14.6(a)(5), Chemist Warehouse must procure that the Chemist Warehouse Board considers the Sigma Counterproposal and determines whether, acting reasonably and in good faith after consulting with Chemist Warehouse's financial advisers and reputable external Australian legal advisers, the Sigma Counterproposal would provide an equivalent or superior outcome for Chemist Warehouse Shareholders (as a whole) compared with the Chemist Warehouse Competing Proposal taking into account all terms and conditions and other aspects of:
- (1) the Sigma Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the Sigma Counterproposal being completed compared to the Chemist Warehouse Competing Proposal or other relevant matters); and
- (2) the Chemist Warehouse Competing Proposal.
- (c) Following the determination under clause 14.6(b), Chemist Warehouse must:
- (1) procure that the Chemist Warehouse Board promptly, and in any event within 2 Business Days, notifies Sigma of the determination in writing, stating reasons for that determination; and
- (2) if the determination is that the Sigma Counterproposal would provide an outcome that is an equivalent or superior outcome for Chemist Warehouse Shareholders (as a whole) compared with the Chemist Warehouse Competing Proposal, then for a period of 2 Business Days after Chemist Warehouse delivers to Sigma the notice referred to above, Chemist Warehouse and Sigma must use their best endeavours to agree the transaction documentation (including amendments to this agreement) required to implement the Sigma Counterproposal as soon as reasonably practicable.
- (d) Despite any other provision in this agreement, a statement by Chemist Warehouse, the Chemist Warehouse Board or any Chemist Warehouse Director to the effect that:
- (1) the Chemist Warehouse Board has determined that a Chemist Warehouse Competing Proposal is a Chemist Warehouse Superior Proposal and has commenced the matching right process set out in this clause 14.6; or

For personal use only



- (2) Chemist Warehouse Shareholders should take no action pending the assessment of the Chemist Warehouse Competing Proposal by the Chemist Warehouse Board and completion of the matching right process set out in this clause 14.6,

does not of itself:

- (3) constitute an adverse change, withdrawal, adverse modification or adverse qualification of the recommendation by the Chemist Warehouse Director or an endorsement of a Chemist Warehouse Competing Proposal;
- (4) contravene this agreement;
- (5) give rise to an obligation to pay the Break Fee under clause 16.2; or
- (6) give rise to a termination right under clause 21.1(b).

#### 14.7 Chemist Warehouse IPO

During the Exclusivity Period, Chemist Warehouse must not, and must ensure that each Chemist Warehouse Group Member does not, enter into any agreement, arrangement or understanding, or plan, allocate resources or take any action, to prepare for, develop or undertake a Chemist Warehouse IPO.

#### 14.8 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 14 or any part of it:
- (1) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Chemist Warehouse Board;
- (2) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
- (3) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) Chemist Warehouse will not be obliged to comply with that provision of clause 14.
- (b) The parties must not make or cause to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 14.8.

### 15 Exclusivity – Sigma

---

#### 15.1 No current discussions regarding a Sigma Competing Proposal

- (a) Sigma represents and warrants to Chemist Warehouse that, as at the date of this agreement it and each Sigma Group Member:
- (1) is not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating any actual, proposed or potential Sigma Competing Proposal;
- (2) is not directly or indirectly participating in any discussions, negotiations or other communications, and has terminated any existing discussions, negotiations or other communications, in relation

For personal use only



to any actual, proposed or potential Sigma Competing Proposal, or which could reasonably be expected to lead to a Sigma Competing Proposal; and

- (3) has ceased to provide or make available any non-public information in relation to the Sigma Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Sigma Competing Proposal.
- (b) As soon as practicable after the date of this agreement, Sigma must use (and must procure that each Sigma Group Member uses) reasonable endeavours to exercise any rights it has that enable it to require that any Third Party to which it has disclosed information in the 12 months preceding the date of this agreement in connection with any actual, proposed or potential Sigma Competing Proposal, return or destroy that information.

## 15.2 No shop

During the Exclusivity Period, Sigma must not, and must ensure that each of its Related Persons does not solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to lead to the making of, or with a view to obtaining any actual, proposed or potential Sigma Competing Proposal or communicate to any person an intention to do anything referred to in this clause 15.2.

## 15.3 No talk

During the Exclusivity Period, and subject to clause 15.4, Sigma must not, and must ensure that each of its Related Persons does not, directly or indirectly:

- (a) facilitate, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion or other communication by any person which would reasonably be expected to lead to the making of, any actual, proposed or potential Sigma Competing Proposal;
- (b) negotiate, accept or enter into, or offer to negotiate, accept or enter into, any agreement, arrangement or understanding regarding any actual, proposed or potential Sigma Competing Proposal;
- (c) disclose or otherwise provide any non-public information about the business or affairs of the Sigma Group to a Third Party (other than a Government Agency) with a view to obtaining, or which would reasonably be expected to lead to receipt of, a Sigma Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the Sigma Group) whether by that Third Party or another person; or
- (d) communicate to any person an intention to do anything referred to in clause 15.3(a), 15.3(b) or 15.3(c).

in each case, even if the relevant Sigma Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by Sigma, another Sigma Group Member, or a Related Person of a Sigma Group Member, but nothing in this clause 15.3 prevents Sigma or any of its Related Persons from:

- (e) making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Transaction;

For personal use only



- (f) providing information to its auditors, advisors, lenders, customers, contractors and suppliers acting in that capacity and in the ordinary and usual course of business;
- (g) providing information required to be provided by law, including to satisfy its obligations of disclosure under the Listing Rules or to any Government Agency; or
- (h) engaging with its shareholders (in their capacity as a shareholder) in the ordinary course and consistent with past practice, provided such engagement does not relate to Sigma soliciting, inviting, encouraging, facilitating or initiating an actual or proposed or potential Sigma Competing Proposal.

#### 15.4 Fiduciary exception

Clause 15.3 does not prohibit any action or inaction by Sigma or any of its Related Persons in relation to any actual, proposed or potential Sigma Competing Proposal, which the Sigma Board acting in good faith determines, having regard to written advice from its external legal and financial advisers:

- (a) that the Sigma Competing Proposal is or could reasonably be expected to lead to a Sigma Superior Proposal; and
- (b) that the failure to take or not take such action would constitute, or would be likely to constitute, a breach of the fiduciary or statutory duties of the Sigma Board,

provided that the actual, proposed or potential Sigma Competing Proposal was not brought about by a breach of clause 15.1, 15.2 or 15.3.

#### 15.5 Notification of approaches

- (a) During the Exclusivity Period, Sigma must as soon as reasonably practicable (and in any event within 48 hours) notify Chemist Warehouse in writing if it, or any of its Related Persons, becomes aware of any:
  - (1) negotiations, discussions or other communications, or approach, in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to, or that may reasonably be expected to lead to, any actual, proposed or potential Sigma Competing Proposal;
  - (2) approach or proposal made to, or received by, Sigma or any of its Related Persons in connection with, or in respect of any exploration or completion of, or that may reasonably be expected to lead to, any actual, proposed or potential Sigma Competing Proposal (or which is otherwise, of itself, a Sigma Competing Proposal);
  - (3) any request made by a Third Party for any material non-public information concerning the business or operations of Sigma or the Sigma Group other than where the Sigma Board reasonably believes that such request is not in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, any actual, proposed or potential Sigma Competing Proposal; or
  - (4) provision by Sigma or any of its Related Persons of any material non-public information concerning the business or operations of Sigma or the Sigma Group to any Third Party (other than a Government Agency) in connection with any actual, proposed or potential Sigma

For personal use only





Competing Proposal, or any of the things described in clauses 15.5(a)(1) to 15.5(a)(3) above (inclusive),

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in clauses 15.5(a)(1) to 15.5(a)(4) may only be taken if permitted by clause 15.4.

- (b) A notification given under clause 15.5(a) must include all material terms and conditions of the Sigma Competing Proposal to the extent known by Sigma or its Related Persons and the identity of the Third Party.

## 15.6 Matching right

- (a) During the Exclusivity Period, without limiting the remainder of this clause 15, Sigma:
- (1) must not, and must procure that the Sigma Group Members do not enter into a legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, Sigma or a Sigma Group Member proposes to undertake or give effect to an actual, proposed or potential Sigma Competing Proposal (for the avoidance of doubt, and subject to this clause 15, any such legally binding agreement, arrangement or understanding does not include a Sigma Group Member entering into a confidentiality agreement or like agreement including for the sole or dominant purpose of providing non-public information about Sigma in relation to an actual, proposed or potential Sigma Competing Proposal); and
  - (2) must use reasonable endeavours to procure that, in relation to a Sigma Competing Proposal, no Sigma Director:
    - (A) adversely changes, withdraws or adversely modifies their recommendation of the Sigma Resolutions; or
    - (B) publicly recommends an actual, proposed or potential Sigma Competing Proposal or publicly states that he or she no longer recommends the Sigma Resolutions,(subject to any change of recommendation permitted under clause 3.2),

unless each of the following conditions has been satisfied:

- (3) the Sigma Board determines that the Sigma Competing Proposal constitutes a Sigma Superior Proposal;
- (4) Sigma has provided Chemist Warehouse with the material terms and conditions of the Sigma Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Sigma Competing Proposal (in each case, to the extent known);
- (5) Sigma has given Chemist Warehouse at least 5 Business Days after the date of the provision of the information referred to in clause 15.6(a)(4) to provide a counterproposal to the Sigma Competing Proposal (**Chemist Warehouse Counterproposal**); and
- (6) Chemist Warehouse has not announced or otherwise proposed or provided to Sigma such a Chemist Warehouse Counterproposal by the expiry of the 5 Business Day period in clause 15.6(a)(5).

For personal use only



- (b) If Chemist Warehouse provides to Sigma a Chemist Warehouse Counterproposal within the 5 Business Day period in clause 15.6(a)(5), Sigma must procure that the Sigma Board considers the Chemist Warehouse Counterproposal and determines whether, acting reasonably and in good faith after consulting with Sigma's financial advisers and reputable external Australian legal advisers, the Chemist Warehouse Counterproposal would provide an equivalent or superior outcome for Sigma Shareholders (as a whole) compared with the Sigma Competing Proposal taking into account all terms and conditions and other aspects of:
- (1) the Chemist Warehouse Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the Chemist Warehouse Counterproposal being completed compared to the Sigma Competing Proposal or other relevant matters); and
  - (2) the Sigma Competing Proposal.
- (c) Following the determination under clause 15.6(b), Sigma must:
- (1) procure that the Sigma Board promptly, and in any event within 2 Business Days, notifies Chemist Warehouse of the determination in writing, stating reasons for that determination; and
  - (2) if the determination is that the Chemist Warehouse Counterproposal would provide an outcome that is an equivalent or superior outcome for Sigma Shareholders (as a whole) compared with the Sigma Competing Proposal, then for a period of 2 Business Days after Sigma delivers to Chemist Warehouse the notice referred to above, Sigma and Chemist Warehouse must use their best endeavours to agree the transaction documentation (including amendments to this agreement) required to implement the Chemist Warehouse Counterproposal as soon as reasonably practicable.
- (d) Despite any other provision in this agreement, a statement by Sigma, the Sigma Board or any Sigma Director to the effect that:
- (1) the Sigma Board has determined that a Sigma Competing Proposal is a Sigma Superior Proposal and has commenced the matching right process set out in this clause 15.6; or
  - (2) Sigma Shareholders should take no action pending the assessment of the Sigma Competing Proposal by the Sigma Board and completion of the matching right process set out in this clause 15.6,
- does not of itself:
- (3) constitute an adverse change, withdrawal, adverse modification or adverse qualification of the recommendation by the Sigma Director or an endorsement of a Sigma Competing Proposal;
  - (4) contravene this agreement;
  - (5) give rise to an obligation to pay the Reverse Break Fee under clause 17.2; or
  - (6) give rise to a termination right under clause 21.1(c).

## 15.7 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 15 or any part of it:



- (1) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Sigma Board;
  - (2) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
  - (3) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) Sigma will not be obliged to comply with that provision of clause 15.
- (b) The parties must not make or cause to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 15.7.

## 16 Break Fee

---

### 16.1 Background to Break Fee

- (a) Each party acknowledges that, if they enter into this agreement and the Scheme is subsequently not implemented, Sigma will incur significant costs, including those set out in clause 16.4.
- (b) In these circumstances, the parties have agreed that provision be made for the payment outlined in clause 16.2, without which Sigma would not have entered into this agreement or otherwise agreed to implement the Scheme.
- (c) Chemist Warehouse confirms that the Chemist Warehouse Board believes, having taken advice from its external legal adviser, that the implementation of the Scheme will provide benefits to Chemist Warehouse Shareholders, and that it is appropriate and reasonable that Chemist Warehouse agrees to the payments referred to in clause 16.2 in order to secure Sigma's participation in the Scheme.

### 16.2 Break Fee triggers

Subject to clauses 16.5, 16.6 and 16.8, Chemist Warehouse must pay the Break Fee to Sigma, if:

- (a) before the end of the Exclusivity Period, Chemist Warehouse has terminated the agreement in accordance with clause 21.1(c)(1);
- (b) before the end of the Exclusivity Period, Sigma has terminated the agreement in accordance with clause 21.1(b)(2), unless the Chemist Warehouse Independent Expert concludes in the Independent Expert's Report (or any update, revision, amendment or supplement to that report) that the Scheme is not in the best interests of Chemist Warehouse Shareholders (except where the sole or dominant reason for that conclusion is due to the existence, announcement or publication of a Chemist Warehouse Competing Proposal);
- (c) a Chemist Warehouse Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 9 months of the date of such announcement, a Third Party completes a Chemist Warehouse Competing Proposal of the kind referred to in bullets 2, 3, 4 or 5 of paragraph 2 of the definition of Chemist Warehouse Competing Proposal;



- (d) this agreement is terminated and, within 6 months of the date of termination, a Chemist Warehouse IPO completes, unless the agreement is terminated by Sigma under clause 21.1(b)(1) (Sigma Superior Proposal) or by Chemist Warehouse under:
- (1) clause 21.1(a)(1) (Termination for material breach);
  - (2) clause 21.2(b) (Termination for breach of representations and warranties);
  - (3) clause 21.1(a)(2) (Termination on failure of Condition Precedent) due to a failure of any Condition Precedent other than the Condition Precedent in:
    - (A) clause 1.4 of Schedule 3 (Shareholder approval);
    - (B) clause 1.11 of Schedule 3 (Chemist Warehouse Prescribed Occurrence); or
    - (C) clause 1.12 of Schedule 3 (Chemist Warehouse Material Adverse Change); or
  - (4) clause 21.1(c)(2) (Change of Sigma Director recommendation); or
- (e) Sigma has terminated this agreement pursuant to clauses 21.1(a)(1) or 21.2(a).

### 16.3 Payment of Break Fee

- (a) A demand by Sigma for payment of the Break Fee under clause 16.2 must:
- (1) be in writing;
  - (2) be made after the occurrence of the event in that clause giving rise to the right to payment of the Break Fee;
  - (3) state the circumstances which give rise to the demand; and
  - (4) nominate an account into which Chemist Warehouse is to pay the Break Fee.
- (b) Chemist Warehouse must pay the Break Fee into the account nominated by Sigma, without set-off or withholding, within 15 Business Days after receiving a demand for payment under clause 16.3(a) where Sigma is entitled under clause 16.2 to the Break Fee.

### 16.4 Basis of Break Fee

Chemist Warehouse and Sigma acknowledge and agree that the amount of the Break Fee has been calculated to reimburse Sigma for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction;
- (d) out of pocket expenses incurred by Sigma and Sigma's employees, Advisers and agents in planning and implementing the Transaction; and
- (e) any damage to Sigma's reputation associated with a failed transaction and the implications of that damage to the Sigma business,

For personal use only



in each case, incurred by Sigma directly or indirectly as a result of having entered into this agreement and pursuing the Transaction, and the parties agree that:

- (f) the costs actually incurred by Sigma will be of such a nature that they cannot all be accurately ascertained; and
- (g) the Break Fee is a genuine and reasonable pre-estimate of those costs.

### **16.5 Compliance with law**

- (a) This clause 16 does not impose an obligation on Chemist Warehouse to pay the Break Fee to the extent (and only to the extent) that the obligation to pay the Break Fee:
  - (1) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
  - (2) is determined to be unenforceable or unlawful by a court,and Sigma will refund to Chemist Warehouse within 5 Business Days any amount in excess of its obligation under this clause that Chemist Warehouse has already paid to Sigma when that declaration or determination is made (unless otherwise required by the Takeovers Panel or a court).
- (b) For the avoidance of doubt, any part of the Break Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid by Chemist Warehouse.
- (c) The parties must not make or cause to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 16.5(a).

### **16.6 Break Fee only payable once**

Where the Break Fee becomes payable to Sigma under clause 16.2 and is actually paid to Sigma, Sigma cannot make any claim against Chemist Warehouse for payment of any subsequent Break Fee.

### **16.7 Other Claims**

- (a) Notwithstanding any other provision under this agreement (except clause 25.11), the maximum aggregate liability of Chemist Warehouse for any Claims under this agreement is the Break Fee and in no event will the aggregate liability of Chemist Warehouse for Claims under this agreement and in connection with the Transaction or the Scheme exceed the Break Fee, other than in the event of Chemist Warehouse's fraud or wilful default.
- (b) Nothing in this clause 16 limits Sigma's right to seek and obtain, without limitation, injunctive relief or specific performance if Chemist Warehouse breaches or threatens to breach this agreement.

### **16.8 No Break Fee if Scheme Effective**

Despite anything to the contrary in this agreement, the Break Fee will not be payable to Sigma if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 16.2 and, if this clause 16.8 applies, any amount or part of the Break Fee that has already been paid to Sigma must be refunded by Sigma prior to the Implementation Date.

For personal use only



## 17 Reverse Break Fee

---

### 17.1 Background to Reverse Break Fee

- (a) Each party acknowledges that, if they enter into this agreement and the Scheme is subsequently not implemented, Chemist Warehouse will incur significant costs, including those set out in clause 17.4.
- (b) In these circumstances, the parties have agreed that provision be made for the payment outlined in clause 17.2, without which Chemist Warehouse would not have entered into this agreement or otherwise agreed to implement the Scheme.
- (c) Sigma confirms that the Sigma Board believes, having taken advice from its external legal adviser, that the implementation of the Scheme will provide benefits to Sigma Shareholders, and that it is appropriate and reasonable that Sigma agrees to the payments referred to in clause 17.2 in order to secure Chemist Warehouse's participation in the Scheme.
- (d) Chemist Warehouse and Sigma must not make or cause or permit to be made any application to a court for or in relation to a determination that the Reverse Break Fee is invalid or unenforceable.

### 17.2 Reverse Break Fee triggers

Subject to clauses 17.5, 17.6 and 17.8, Sigma must pay the Reverse Break Fee to Chemist Warehouse, if:

- (a) before the end of the Exclusivity Period, Sigma has terminated the agreement in accordance with clause 21.1(b)(1);
- (b) before the end of the Exclusivity Period, Chemist Warehouse has terminated the agreement in accordance with clause 21.1(c)(2), unless the Sigma Independent Expert concludes in the Sigma Independent Expert's Report (or any update, revision, amendment or supplement to that report) that the Related Party Arrangements are both not fair and not reasonable (except where the sole or dominant reason for that conclusion is due to the existence, announcement or publication of a Sigma Competing Proposal);
- (c) a Sigma Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 9 months of the date of such announcement, a Third Party completes a Sigma Competing Proposal of the kind referred to in paragraphs 2, 3, 4 or 5 of the definition of Sigma Competing Proposal;
- (d) Chemist Warehouse has terminated this agreement pursuant to clauses 21.1(a)(1) or 21.2(b); or
- (e) either party has terminated this agreement pursuant to clause 8.7 as a result of the Condition Precedent in clause 1.9 of Schedule 3 (Underwriting Agreement) or clause 1.10 of Schedule 3 (Debt Commitment Letter) not being satisfied or waived (except where the non-satisfaction of the relevant Condition Precedent is directly caused by an act or omission of Chemist Warehouse or a Chemist Warehouse Material Adverse Change).

### 17.3 Payment of Reverse Break Fee

- (a) A demand by Chemist Warehouse for payment of the Reverse Break Fee under clause 17.2 must:

For personal use only



- (1) be in writing;
  - (2) be made after the occurrence of the event in that clause giving rise to the right to payment of the Reverse Break Fee;
  - (3) state the circumstances which give rise to the demand; and
  - (4) nominate an account into which Sigma is to pay the Reverse Break Fee.
- (b) Sigma must pay the Reverse Break Fee into the account nominated by Chemist Warehouse, without set-off or withholding, within 15 Business Days after receiving a demand for payment under clause 17.3(a) where Chemist Warehouse is entitled under clause 17.2 to the Reverse Break Fee.

#### 17.4 Basis of Reverse Break Fee

The Reverse Break Fee has been calculated to reimburse Chemist Warehouse for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction;
- (d) out of pocket expenses incurred by Chemist Warehouse and Chemist Warehouse's employees, Advisers and agents in planning and implementing the Transaction; and
- (e) damage to Chemist Warehouse's reputation associated with a failed transaction and the implications of that damage to the Chemist Warehouse business,

in each case, incurred by Chemist Warehouse directly or indirectly as a result of having entered into this agreement, and the parties agree that:

- (f) the costs actually incurred by Chemist Warehouse will be of such a nature that they cannot all be accurately ascertained; and
- (g) the genuine and reasonable pre-estimate of those costs would equal or exceed the Reverse Break Fee.

#### 17.5 Compliance with law

- (a) This clause 17 does not impose an obligation on Sigma to pay the Reverse Break Fee to the extent (and only to the extent) that the obligation to pay the Reverse Break Fee:
  - (1) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
  - (2) is determined to be unenforceable or unlawful by a court,and Chemist Warehouse will refund to Sigma within 5 Business Days any amount in excess of its obligation under this clause that Sigma has already paid to Chemist Warehouse when that declaration or determination is made (unless otherwise required by the Takeovers Panel or a court).
- (b) For the avoidance of doubt, any part of the Reverse Break Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid by Sigma.

For personal use only



- (c) The parties must not make or cause to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 17.5(a).

### **17.6 Reverse Break Fee only payable once**

Where the Reverse Break Fee becomes payable to Chemist Warehouse under clause 17.2 and is actually paid to Chemist Warehouse, Chemist Warehouse cannot make any claim against Sigma for payment of any subsequent Reverse Break Fee.

### **17.7 Other Claims**

- (a) Notwithstanding any other provision under this agreement (except clause 25.11), the maximum aggregate liability of Sigma for any Claims under this agreement is the Reverse Break Fee and in no event will the aggregate liability of Sigma for Claims under this agreement and in connection with the Transaction or the Scheme exceed the Reverse Break Fee, other than in the event of Sigma's fraud or wilful default.
- (b) Nothing in this clause 17 limits Chemist Warehouse's right to seek and obtain, without limitation, injunctive relief or specific performance if Sigma breaches or threatens to breach this agreement.
- (c) Nothing in this clause 17 or otherwise in this agreement will limit Sigma's liability under the Deed Poll.

### **17.8 No Reverse Break Fee if Scheme Effective**

Despite anything to the contrary in this agreement, the Reverse Break Fee will not be payable to Chemist Warehouse if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 17.4 and, if this clause 17.8 applies, any amount or part of the Reverse Break Fee that has already been paid to Chemist Warehouse must be refunded by Chemist Warehouse prior to the Implementation Date.

## **18 Treatment of Placement Agreement**

---

### **18.1 Deferment**

The parties acknowledge and agree that:

- (a) unless and until this agreement is terminated:
  - (1) the obligations to issue the Placement Shares under the Placement Agreement will have no force or effect; and
  - (2) each party agrees that it will not be entitled to make, will not make, and irrevocably and unconditionally waives any right it has or may have to make, any claim in respect of the Placement Shares under the Placement Agreement;
- (b) if this agreement terminates, clause 18.1(a) will cease to have any force or effect, and Placement Completion will occur on the later of:
  - (1) 20 Business Days after the date this agreement terminates; and
  - (2) 1 July 2024; and

For personal use only





- (c) if the Scheme becomes Effective, the obligation to issue the Placement Shares under the Placement Agreement will automatically terminate and be of no further force or effect.
- (d) Chemist Warehouse must procure that CW Retail complies with this clause 18 and, on request by Sigma, enters into a separate agreement with Sigma under which each party agrees to comply with the terms of this clause 18.

## 18.2 Dividends

- (a) If:
  - (1) Placement Completion occurs after it has been deferred for a period of time under clause 18.1(a) (such period of time being the **deferral period**); and
  - (2) in that deferral period Sigma pays a dividend which would have been payable on the Placement Shares had they been on issue at that time (with the aggregate amount that would have been payable on all the Placement Shares being the **deferred dividend equivalent payment**),then Sigma must, within 20 Business Days of Placement Completion, pay Chemist Warehouse an amount equal to the deferred dividend equivalent payment (in aggregate).
- (b) For the avoidance of doubt, the deferred dividend equivalent payment will be determined by:
  - (1) ensuring that the dividend per share payable to Sigma Shareholders factors in the sum of the number of Sigma Shares on issue on the record date for that dividend plus the number of Placement Shares; and
  - (2) multiplying the dividend per share under clause 18.2(b)(1) by the number of Placement Shares.

## 19 Confidentiality

---

Chemist Warehouse and Sigma acknowledge and agree that Chemist Warehouse and Sigma continue to be bound by the Confidentiality Agreement after the date of this agreement save that the terms of this agreement will prevail over the Confidentiality Agreement to the extent of any inconsistency.

## 20 Warranties

---

### 20.1 Chemist Warehouse representations and warranties

Chemist Warehouse represents and warrants to Sigma (in its own right and separately as trustee or nominee for each of the other Sigma Indemnified Parties) each of the Chemist Warehouse Representations and Warranties.

For personal use only



## 20.2 Sigma representations and warranties

Sigma represents and warrants to Chemist Warehouse (in its own right and separately as trustee or nominee for each of the other Chemist Warehouse Indemnified Parties) each of the Sigma Representations and Warranties.

## 20.3 Qualifications on representations and warranties

- (a) The Chemist Warehouse Representations and Warranties in clause 20.1 are each subject to matters that:
- (1) are within the actual knowledge of a Sigma Group Member in relation to the Transaction or the Scheme as at the date of this agreement;
  - (2) have been Fairly Disclosed in the Chemist Warehouse Disclosure Materials;
  - (3) have been Fairly Disclosed by Chemist Warehouse in a document lodged with ASIC in the 24 months prior to the date of this agreement; or
  - (4) have been Fairly Disclosed in a publicly available document which would be disclosed in a search of the PPS Register 2 Business Days before the date of this agreement.
- (b) The Sigma Representations and Warranties in clause 20.2 are each subject to matters that:
- (1) are within the actual knowledge of a Chemist Warehouse Group Member in relation to the Transaction or the Scheme as at the date of this agreement;
  - (2) have been Fairly Disclosed in the Sigma Disclosure Materials;
  - (3) have been Fairly Disclosed by Sigma in an announcement made to ASX or in a document lodged with ASIC in the 24 months prior to the date of this agreement; or
  - (4) have been Fairly Disclosed in a publicly available document which would be disclosed in a search of the PPS Register 2 Business Days before the date of this agreement.

## 20.4 Survival of representations and warranties

Each representation and warranty in clauses 20.1 and 20.2:

- (a) is severable;
- (b) survives the termination of this agreement; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this agreement.

## 20.5 Timing of representations and warranties

Each representation and warranty made or given under clauses 20.1 or 20.2 is given at the date of this agreement and repeated continuously thereafter until the last day of the Exclusivity Period, unless that representation or warranty is expressed to be given at a particular time, in which case it is given at that time.

For personal use only



## 20.6 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it, are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.

## 20.7 Notices relating to representations and warranties

Each party must promptly notify the other in writing if it becomes aware of any fact, matter, change, event or circumstance causing, or which, so far as reasonably be foreseen, would cause a representation or warranty provided in this agreement by the relevant party to be false or misleading in any material respect.

## 21 Termination

---

### 21.1 Termination for material breach

- (a) Either party may terminate this agreement by written notice to the other party if at any time before 8.00am on the Second Court Date:
  - (1) other than in respect of a breach of either a Chemist Warehouse Representation and Warranty or a Sigma Representation and Warranty (which are dealt with in clause 21.2), the other party has materially breached this agreement, the party entitled to terminate has given written notice to the party in breach of this agreement setting out the relevant circumstances and stating an intention to terminate this agreement, and the other party has failed to remedy the breach within 10 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the date on which the notice is given (in which case termination under this clause 21.1(a)(1) will take effect at the expiry of that period);
  - (2) the termination occurs in the circumstances set out in, and in accordance with, clause 8.7; or
  - (3) a court of competent jurisdiction or Government Agency has issued any temporary, preliminary or final order, decree, law, regulation, injunction, decision or ruling, or taken other action, that prevents, makes illegal or prohibits the Scheme.
- (b) Sigma may terminate this agreement by written notice to Chemist Warehouse at any time before 8.00am on the Second Court Date if:
  - (1) Sigma enters into a legally binding agreement with a Third Party to undertake or give effect to an actual Sigma Superior Proposal where expressly permitted by, and in accordance with, this agreement; or
  - (2) any Chemist Warehouse Director:

For personal use only



- (A) adversely changes, withdraws or adversely modifies their recommendation that Chemist Warehouse Shareholders vote in favour of the Scheme at the Scheme Meeting in the manner described in clause 3.1(a); or
- (B) makes a public statement that he or she no longer recommends the Scheme or recommends a Chemist Warehouse Competing Proposal (but excluding a statement that Chemist Warehouse Shareholders should take no action pending the assessment of the Chemist Warehouse Competing Proposal by the Chemist Warehouse Board).
- (c) Chemist Warehouse may terminate this agreement by written notice to Sigma at any time before 8.00am on the Second Court Date if:
- (1) Chemist Warehouse enters into a legally binding agreement with a Third Party to undertake or give effect to an actual Chemist Warehouse Superior Proposal where expressly permitted by, and in accordance with, this agreement; or
- (2) any Sigma Director:
- (A) adversely changes, withdraws or adversely modifies their recommendation of the Sigma Resolutions in the manner described in clause 3.2(a); or
- (B) makes a public statement that he or she no longer recommends the Sigma Resolutions or recommends a Sigma Competing Proposal (but excluding a statement that Sigma Shareholders should take no action pending the assessment of the Sigma Competing Proposal by the Sigma Board).
- (d) A failure to recommend or an adverse change, withdrawal or adverse modification of a recommendation due to a court, Government Agency, ASIC or Takeovers Panel requirement or request that a Chemist Warehouse Director or Sigma Director abstains from making a recommendation will be disregarded under clauses 21.1(b) and 21.1(c).

## 21.2 Termination for breach of representations and warranties

- (a) Sigma may, at any time before 8.00am on the Second Court Date, terminate this agreement for material breach of a Chemist Warehouse Representation and Warranty only if:
- (1) Sigma has given written notice to Chemist Warehouse setting out the relevant circumstances and stating an intention to terminate this agreement;
- (2) the relevant breach continues to exist 10 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the date on which the notice is given under clause 21.2(a)(1); and
- (3) the relevant breach is material in the context of the Scheme taken as a whole.
- (b) Chemist Warehouse may, at any time before 8.00am on the Second Court Date, terminate this agreement for material breach of a Sigma Representation and Warranty only if:

For personal use only



- (1) Chemist Warehouse has given written notice to Sigma setting out the relevant circumstances and stating an intention to terminate this agreement;
- (2) the relevant breach continues to exist 10 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the date on which the notice is given under clause 21.2(b)(1); and
- (3) the relevant breach is material in the context of the Scheme taken as a whole.

### 21.3 Effect of termination

If this agreement is terminated by a party under clauses 8.7, 21.1 or 21.2:

- (a) each party will be released from its obligations under this agreement, except that this clause 21.3, and clauses 13, 16, 17, 17.8, 20.3, 20.6, 23, 24, and 25 (except clause 25.7), will survive termination and remain in force;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Scheme.

### 21.4 Termination

Where a party has a right to terminate this agreement, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this agreement and the provision under which it is terminating this agreement and otherwise complies with the requirements of the relevant clause of this agreement.

### 21.5 No other termination

Neither party may terminate or rescind this agreement, except as permitted under clauses 8.7, 21.1 or 21.2.

## 22 Duty, costs and expenses

---

### 22.1 Stamp duty

- (a) Sigma:
  - (1) must pay all stamp duty and duty imposed in any jurisdiction and any interest, fines and penalties with respect to stamp duty or duty in respect of this agreement, the Scheme or the transactions contemplated by this agreement; and
  - (2) indemnifies Chemist Warehouse against any liability arising from its failure to comply with clause 22.1(a)(1).
- (b) Chemist Warehouse must cooperate with, and provide assistance to, Sigma as reasonably requested by Sigma to assist in fulfilment of clause 22.1(a)(1), including but not limited to providing any information in Chemist Warehouse's possession to assist with timely stamp duty lodgement and payment.



## 22.2 Costs and expenses

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this agreement and the proposed, attempted or actual implementation of this agreement and the Scheme.

## 23 GST

---

- (a) Any consideration or amount payable under this agreement, including any non-monetary consideration (as reduced in accordance with clause 23(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this agreement, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 23(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 23(b):
- (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this agreement if an amount payable under or in connection with this agreement (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.



- (g) Any term starting with a capital letter that is not defined in this agreement has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

## 24 Notices

---

### 24.1 Form of Notice

A notice or other communication to a party under this agreement (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in the table below (or any alternative details nominated to the sending party by Notice).

Party	Address	Addressee	Email
<b>Sigma</b>	Level 6, 2125 Dandenong Road, Clayton VIC 3168	Kara McGowan	<a href="mailto:Kara.McGowan@sigmahealthcare.com.au">Kara.McGowan@sigmahealthcare.com.au</a>
<b>Chemist Warehouse</b>	6 Albert Street, Preston VIC 3072	Joe Gottlieb	<a href="mailto:legal@bsapadmin.com.au">legal@bsapadmin.com.au</a>

### 24.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The earlier of:

For personal use only



Method of giving Notice	When Notice is regarded as given and received
	<ol style="list-style-type: none"> <li>1 when the party sending the email receives notification that the email was successfully transmitted and read by the receiving party;</li> <li>2 the time that the recipient confirms receipt of the email by reply email to the sender; and</li> <li>3 four hours after the email was sent (as recorded on the device from which the sender sent the email), unless the party sending the email receives, within that four hour period, an automated message that the email was not successfully transmitted.</li> </ol>

**25 General**

**25.1 Governing law and jurisdiction**

- (a) This agreement is governed by the law in force in Victoria.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

**25.2 No merger**

The rights and obligations of the parties do not merge on completion of the transaction contemplated by this agreement. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the transaction contemplated by this agreement.

**25.3 Invalidity and enforceability**

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 25.3(a) does not apply where enforcement of the provision of this agreement in accordance with clause 25.3(a) would materially affect the nature or effect of the parties' obligations under this agreement.

**25.4 Waiver**

No party to this agreement may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 25.4 are set out below.

For personal use only





Term	Meaning
<b>conduct</b>	includes delay in the exercise of a right.
<b>right</b>	any right arising under or in connection with this agreement and includes the right to rely on this clause.
<b>waiver</b>	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

### 25.5 Variation

A variation of any term of this agreement must be in writing and signed by the parties.

### 25.6 Assignment of rights

- (a) A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this agreement without the prior written consent of the other party or as expressly provided in this agreement.
- (b) A breach of clause 25.6(a) by a party shall be deemed to be a material breach for the purposes of clause 21.1(a)(1).
- (c) Clause 25.6(b) does not affect the construction of any other part of this agreement.

### 25.7 Further assurances

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

### 25.8 Entire agreement

This agreement, together with the Confidentiality Agreement and all other documents referred to in this agreement or initialled by or on behalf of the parties on or about the date of this agreement, states all the express terms agreed by the parties in respect of their subject matter. These supersede all prior discussions, negotiations, understandings and agreements in respect of its subject matter (other than the Confidentiality Agreement (excluding any inconsistent provisions)).

### 25.9 Counterparts

This agreement may be executed in any number of counterparts.

### 25.10 Relationship of the parties

- (a) Nothing in this agreement gives a party authority to bind any other party in any way.
- (b) Nothing in this agreement imposes any fiduciary duties on a party in relation to any other party.

For personal use only



### 25.11 Remedies cumulative

- (a) Except as provided in this agreement and permitted by law, the rights, powers and remedies provided in this agreement are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this agreement.
- (b) Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of this agreement and that either party is entitled to seek and obtain, without limitation, injunctive relief or specific performance if either party breaches, or threatens to breach this agreement, regardless of whether the Break Fee or Reverse Break Fee has been paid.

### 25.12 Exercise of rights

- (a) Unless expressly required by the terms of this agreement, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this agreement.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.
- (c) An obligation to act reasonably (or not unreasonably) under this agreement is taken to refer to an obligation to act reasonably (or not unreasonably) in the context of the parties' intentions to implement the Scheme on the terms of this agreement.

### 25.13 Attorneys

Each of the attorneys executing this agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

For personal use only



## Schedules

### Table of contents

---

<b>Chemist Warehouse Representations and Warranties</b>	<b>90</b>
<b>Sigma Representations and Warranties</b>	<b>93</b>
<b>Conditions Precedent</b>	<b>97</b>
<b>Chemist Warehouse's capital structure</b>	<b>101</b>
<b>Sigma's capital structure</b>	<b>102</b>

For personal use only



## Schedule 1

### Chemist Warehouse Representations and Warranties

---

Chemist Warehouse represents and warrants to Sigma (in its own right and separately as trustee or nominee for each of the other Sigma Indemnified Parties) that:

- (a) **Chemist Warehouse Information:** the Chemist Warehouse Information contained in the Disclosure Documents, as at the date the Disclosure Documents are dispatched, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion having been honestly held and formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of Chemist Warehouse Information:** the Chemist Warehouse Information:
  - (1) will be prepared and included in the Disclosure Documents in good faith and on the understanding that Sigma and each other Sigma Indemnified Party will rely on that information for the purpose of determining to proceed with the Transaction; and
  - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 and applicable guidance from a Government Agency;
- (c) **provision of information to the independent experts:** all information provided by Chemist Warehouse to the Chemist Warehouse Independent Expert and the Sigma Independent Expert (as applicable) will be provided in good faith and on the understanding that the Chemist Warehouse Independent Expert and Sigma Independent Expert (as applicable) will rely on that information for the purpose of preparing the Chemist Warehouse Independent Expert's Report and Sigma Independent Expert's Report (as applicable);
- (d) **new information:** it will, as a continuing obligation (but in respect of the Sigma Information, only to the extent that Sigma provides Chemist Warehouse with updates to the Sigma Information), ensure that the Scheme Booklet is updated to include all further or new information which arises after dispatch until the date of the Scheme Meeting as is necessary to ensure that the Scheme Booklet is not misleading or deceptive (including by way of omission) in any material respect;
- (e) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (f) **authority:** the execution and delivery of this agreement has been properly authorised by all necessary corporate action of Chemist Warehouse and Chemist Warehouse has taken or will take all necessary corporate action to authorise the performance by Chemist Warehouse of this agreement and the transactions contemplated by this agreement;
- (g) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this agreement;
- (h) **agreement binding:** this agreement constitutes legal, valid and binding obligations of Chemist Warehouse, enforceable in accordance with its terms, and does not result in a breach of or default under the constituent documents of

For personal use only



Chemist Warehouse or under any other agreement or deed, writ, order or injunction, rule or regulation to which Chemist Warehouse or another Chemist Warehouse Group Member is a party or to which they are bound;

- (i) **capital structure:** as at the date of this agreement, its capital structure, including all issued securities, is as set out in Schedule 4 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Chemist Warehouse Shares other than as set out in Schedule 4 and it is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any Chemist Warehouse Shares, options, warrants, performance rights or other securities or instruments in Chemist Warehouse;
- (j) **Authorisations:** the Chemist Warehouse Group holds all material Authorisations necessary for it to conduct the business of the Chemist Warehouse Group as conducted as at the date of this agreement, and no member of the Chemist Warehouse Group:
- (1) is in material breach of, or default under, any such Authorisation as at the date of this agreement; or
  - (2) has received any notice in respect of the termination, revocation, variation or non-renewal of any such Authorisation;
- (k) **no regulatory approvals:** as at the date of this agreement, it does not require any approval, consent, clearance, waiver, ruling, relief, confirmation, exemption, declaration or notice from any Government Agency in order to execute and perform this agreement, other than, for the avoidance of doubt, any regulatory approvals contemplated by this agreement;
- (l) **material contracts:** with respect to each Chemist Warehouse Material Contract to which a Chemist Warehouse Group Member is a party, so far as Chemist Warehouse is aware:
- (1) no Chemist Warehouse Group Member is in default, or would be in default but for the requirements of notice or lapse of time, under a Chemist Warehouse Material Contract;
  - (2) no other party to any Chemist Warehouse Material Contract is in default, or would be in default but for the requirements of notice or lapse of time, under that contact; or
  - (3) no Chemist Warehouse Group Member has received, or given, any notice of termination of any Chemist Warehouse Material Contract;
- (m) **no Insolvency Event:** neither Chemist Warehouse nor any Chemist Warehouse Group Member is affected by an Insolvency Event, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict performance of this agreement;
- (n) **no contravention:** as at the date of this agreement, so far as Chemist Warehouse is aware, Chemist Warehouse and each Chemist Warehouse Group Member has complied in all material respects with all laws or regulations applicable to them and neither it nor any Chemist Warehouse Group Member has received notice from any Government Agency of any material breach of Australian and foreign laws or regulations applicable to them or orders of Australian and foreign Government Agencies having jurisdiction over them;
- (o) **litigation:** as at the date of this agreement, there are no current Proceedings under which the amount in dispute, claimed or for which a Chemist Warehouse

For personal use only



Group Member may be liable exceeds \$5 million, and so far as Chemist Warehouse is aware:

- (1) there are no Proceedings pending or threatened against any Chemist Warehouse Group Member and Chemist Warehouse is not aware of any facts, matters or circumstances that may give rise to Proceedings under which the amount in dispute, claimed or for which a Chemist Warehouse Group Member may be liable is likely to exceed \$5 million;
  - (2) no Chemist Warehouse Group Member is subject to any outstanding or unsatisfied settlement, judgement, decree, award, order or other decisions of any court, quasi-judicial body or Government Agency; and
  - (3) no Chemist Warehouse Group Member has given any undertaking or assurance (whether legally binding or otherwise) to any court or Government Agency in the 3 years prior to the date of this agreement;
- (p) **financial information:** Chemist Warehouse's financial statements for the financial year ended 30 June 2023:
- (1) comply with applicable statutory requirements and were prepared in accordance with the Accounting Standards;
  - (2) give a true and fair view of the Chemist Warehouse Group's financial position as at 30 June 2023 and of its financial performance for the year then ended;
  - (3) are not misleading or deceptive or likely to mislead or deceive (in each case whether by omission or otherwise); and
  - (4) are not affected by any unusual, abnormal, extraordinary or non-recurring items, other than those items specifically disclosed in those financial statements; and
- (q) **Chemist Warehouse Disclosure Materials:** it has:
- (1) collated and made available all of the Chemist Warehouse Disclosure Materials in good faith for the purposes of a due diligence process and in this context, as far as Chemist Warehouse is aware, the Chemist Warehouse Disclosure Materials have been collated with all reasonable care and skill and are accurate in all material respects and not materially misleading (including by omission); and
  - (2) not knowingly withheld any information that could be material to Sigma's evaluation of Chemist Warehouse and the merits of the Transaction.

For the purpose of this clause (q), the Chemist Warehouse Disclosure Materials are deemed not to include any information, document, representation, statement, view or opinion to the extent that it contains or expresses a forecast, prediction or projection or is otherwise forward looking at the date of this agreement.

For personal use only



## Schedule 2

### Sigma Representations and Warranties

---

Sigma represents and warrants to Chemist Warehouse (in its own right and separately as trustee or nominee for each of the other Chemist Warehouse Indemnified Parties) that:

- (a) **Sigma Information:** the Sigma Information contained in the Disclosure Documents, as at the date the Disclosure Documents are dispatched, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion having been honestly held and formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of Sigma Information:** the Sigma Information:
- (1) will be prepared and included in the Disclosure Documents in good faith and on the understanding that Chemist Warehouse and each other Chemist Warehouse Indemnified Party will rely on that information; and
  - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60 (for the Scheme Booklet) and applicable guidance from a Government Agency;
- (c) **provision of information to the independent experts:** all information provided by Sigma to the Chemist Warehouse Independent Expert and the Sigma Independent Expert (as applicable) will be provided in good faith and on the understanding that the Chemist Warehouse Independent Expert and Sigma Independent Expert (as applicable) will rely on that information for the purpose of preparing the Chemist Warehouse Independent Expert's Report and Sigma Independent Expert's Report (as applicable);
- (d) **new information:** it will, as a continuing obligation (but in respect of the Chemist Warehouse Information, only to the extent that Chemist Warehouse provides Sigma with updates to the Chemist Warehouse Information), ensure that the Disclosure Documents for which it is responsible are updated to include all further or new information which arises after dispatch until:
- (1) in the case of the Notice of Meeting, the date of the Sigma Shareholder Meeting;
  - (2) in the case of the Entitlement Offer Disclosure Documents, the end of the Entitlement Offer; and
  - (3) in the case of the Re-listing Prospectus, the allotment of Sigma securities under that prospectus,
- as is necessary to ensure that the Disclosure Documents (as applicable) are not misleading or deceptive (including by way of omission) in any material respect;
- (e) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (f) **authority:** the execution and delivery of this agreement has been properly authorised by all necessary corporate action of Sigma and Sigma has taken or will take all necessary corporate action to authorise the performance by Sigma



of this agreement, the Scheme, the Deed Poll and the transactions contemplated by this agreement;

- (g) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this agreement;
- (h) **agreement binding:** this agreement constitutes legal, valid and binding obligations of Sigma, enforceable in accordance with its terms, and does not result in a breach of or default under the constituent documents of Sigma or under any other agreement or deed, writ, order or injunction, rule or regulation to which Sigma or another Sigma Group Member is a party or to which they are bound;
- (i) **capital structure:** as at the date of this agreement, its capital structure, including all issued securities, is as set out in Schedule 5 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Sigma Shares other than as set out in Schedule 5 and it is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any Sigma Shares, options, warrants, performance rights or other securities or instruments in Sigma;
- (j) **Authorisations:** the Sigma Group holds all material Authorisations necessary for it to conduct the business of the Sigma Group as conducted as at the date of this agreement, and no member of the Sigma Group:
- (1) is in material breach of, or default under, any such Authorisation as at the date of this agreement; or
  - (2) has received any notice in respect of the termination, revocation, variation or non-renewal of any such Authorisation;
- (k) **no regulatory approvals:** as at the date of this agreement, it does not require any approval, consent, clearance, waiver, ruling, relief, confirmation, exemption, declaration or notice from any Government Agency in order to execute and perform this agreement, other than, for the avoidance of doubt, any regulatory approvals contemplated by this agreement;
- (l) **material contracts:** with respect to each Sigma Material Contract to which a Sigma Group Member is a party, so far as Sigma is aware:
- (1) no Sigma Group Member is in default, or would be in default but for the requirements of notice or lapse of time, under a Sigma Material Contract;
  - (2) no other party to any Sigma Material Contract is in default, or would be in default but for the requirements of notice or lapse of time, under that contract; or
  - (3) no Sigma Group Member has received, or given, any notice of termination of any Sigma Material Contract;
- (m) **no Insolvency Event:** neither Sigma nor any Sigma Group Member is affected by an Insolvency Event, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict performance of this agreement, the Scheme or the Deed Poll;
- (n) **financing commitments:** Sigma has given to Chemist Warehouse true, correct and complete copies of the Debt Commitment Letter and Underwriting Agreement;
- (o) **due execution and enforceability of financing commitments:** each of the Debt Commitment Letter and the Underwriting Agreement:

For personal use only





- (1) has been duly executed by each party to it;
- (2) constitute legal, valid and binding obligations of those parties;
- (3) are enforceable in accordance with its terms;
- (4) so far as Sigma is aware, is not the subject of a default by any party, or would be the subject of a default by any party but for the requirements of notice or lapse of time; and
- (5) has not been terminated;
- (p) **Debt Facility Agreement:** Sigma has a reasonable basis to expect that it will be able to agree the Debt Finance Documents on final terms that are acceptable having regard to the nature, scope and activities of the business of Chemist Warehouse and Sigma and is not aware of any matter which would reasonably lead it to expect that a condition precedent to drawdown under the proposed debt facility will not be fulfilled which will, or is reasonably likely to, prejudice Sigma's ability to pay the Scheme Cash Consideration in accordance with this agreement;
- (q) **no contravention:** as at the date of this agreement, so far as Sigma is aware, Sigma and each Sigma Group Member has complied in all material respects with all laws or regulations applicable to them and neither it nor any Sigma Group Member has received notice from any Government Agency of any material breach of Australian and foreign laws or regulations applicable to them or orders of Australian and foreign Government Agencies having jurisdiction over them;
- (r) **continuous disclosure:** Sigma has complied, and is in compliance, in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, as at the date of this agreement, other than for the Transaction, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;
- (s) **litigation:** as at the date of this agreement, there are no current Proceedings under which the amount in dispute, claimed or for which a Sigma Group Member may be liable exceeds \$1 million, and so far as Sigma is aware:
- (1) there are no Proceedings pending or threatened against any Sigma Group Member and Sigma is not aware of any facts, matters or circumstances that may give rise to Proceedings under which the amount in dispute, claimed or for which a Sigma Group Member may be liable is likely to exceed \$1 million;
- (2) no Sigma Group Member is subject to any outstanding or unsatisfied settlement, judgement, decree, award, order or other decisions of any court, quasi-judicial body or Government Agency; and
- (3) no Sigma Group Member has given any undertaking or assurance (whether legally binding or otherwise) to any court or Government Agency in the 3 years prior to the date of this agreement;
- (t) **financial information:**
- (1) Sigma's financial statements for the financial year ended 31 January 2023:
- (A) comply with applicable statutory requirements and were prepared in accordance with the Accounting Standards;
- (B) give a true and fair view of the Sigma Group's financial position as at 31 January 2023 and of its financial performance for the year then ended;



- (C) are not misleading or deceptive or likely to mislead or deceive (in each case whether by omission or otherwise); and
- (D) are not affected by any unusual, abnormal, extraordinary or non-recurring items, other than those items specifically disclosed in those financial statements;
- (2) Sigma's financial statements for the half year ended 31 July 2023:
- (A) comply with applicable statutory requirements and were prepared in accordance with the Accounting Standards;
- (B) give a true and fair view of the Sigma Group's financial position as at 31 July 2023 and of its financial performance for the half year then ended;
- (C) are not misleading or deceptive or likely to mislead or deceive (in each case whether by omission or otherwise); and
- (D) are not affected by any unusual, abnormal, extraordinary or non-recurring items, other than those items specifically disclosed in those financial statements; and
- (u) **Sigma Disclosure Materials:** it has:
- (1) collated and made available all of the Sigma Disclosure Materials in good faith for the purposes of a due diligence process and in this context, as far as Sigma is aware, the Sigma Disclosure Materials have been collated with all reasonable care and skill and are accurate in all material respects and not materially misleading (including by omission); and
- (2) not knowingly withheld any information that could be material to Chemist Warehouse's evaluation of Sigma and the merits of the Transaction.

For the purpose of this clause (u), the Sigma Disclosure Materials are deemed not to include any information, document, representation, statement, view or opinion to the extent that it contains or expresses a forecast, prediction or projection or is otherwise forward looking at the date of this agreement.

For personal use only



## Schedule 3

### Conditions Precedent

---

#### 1.1 Chemist Warehouse Independent Expert

The Chemist Warehouse Independent Expert:

- (a) issues the Chemist Warehouse Independent Expert's Report which concludes that the Scheme is in the best interests of Chemist Warehouse Shareholders before the time when the Scheme Booklet is registered by ASIC; and
- (b) does not change its conclusion in any written update to the Chemist Warehouse Independent Expert's Report or withdraw the Chemist Warehouse Independent Expert's Report before 8.00am on the Second Court Date.

#### 1.2 Sigma Independent Expert

The Sigma Independent Expert:

- (a) issues the Sigma Independent Expert's Report which concludes that the Related Party Arrangements are fair and reasonable or not fair but reasonable; and
- (b) does not change its conclusion in any written update to the Sigma Independent Expert's Report or withdraw the Sigma Independent Expert's Report before 8.00am on the Second Court Date.

#### 1.3 Court approval

The Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.

#### 1.4 Shareholder approval

Chemist Warehouse Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.

#### 1.5 Sigma Resolutions

Sigma Shareholders approve the Sigma Resolutions at the Sigma Shareholder Meeting by the requisite majority.

#### 1.6 ACCC Approval

Between the date of this agreement and 8.00am on the Second Court Date, one of the following has occurred:

- (a) the ACCC has notified Sigma in writing to the effect that the ACCC does not propose to intervene in the proposed acquisition by Sigma of the Chemist Warehouse Shares pursuant to this agreement;



- (b) the ACCC has made a final determination to authorise the proposed acquisition by Sigma of the Chemist Warehouse Shares pursuant to this agreement;
- (c) if there is a valid application to the Australian Competition Tribunal for a review of the ACCC's determination, the Australian Competition Tribunal has made a final determination to authorise the proposed acquisition by Sigma of the Chemist Warehouse Shares pursuant to this agreement and a valid application for review of that determination or notice of appeal has not been lodged or the time prescribed for any application or notice of appeal has expired; or
- (d) the Federal Court of Australia has made a declaration that the proposed acquisition by Sigma of the Chemist Warehouse Shares pursuant to this agreement would not result in a contravention of section 50 of the CCA and a valid application for review of the declaration or notice of appeal has not been lodged or the time prescribed for any application or notice of appeal has expired; or
- (e) the Federal Court of Australia has dismissed an application by the ACCC for an injunction to prevent the proposed acquisition by Sigma of the Chemist Warehouse Shares pursuant to this agreement on the basis that it would result in a contravention of section 50 of the CCA and a valid application for review of the decision or notice of appeal has not been lodged or the time prescribed for any application or notice of appeal has expired,

where clauses 1.6(a) to 1.6(d) are each subject to the relevant non-opposition of, or final determination to authorise, the proposed acquisition by Sigma of the Chemist Warehouse Shares that is unconditional or on conditions that are acceptable to Sigma and Chemist Warehouse, acting reasonably.

## 1.7 Regulatory approvals

Before 8.00am on the Second Court Date, all other approval waivers, consents, exemptions, or declarations of a Government Agency that Chemist Warehouse and Sigma agree are necessary or desirable to implement the Scheme are granted, given, made or obtained, in each case, either unconditionally or on terms that Chemist Warehouse and Sigma consider to be acceptable (acting reasonably) and those approvals or waivers have not been withdrawn, cancelled, varied or revoked.

## 1.8 OIO approval

Before 8.00am on the Second Court Date, Sigma has received all consents required under the *Overseas Investment Act 2005* (NZ) and the *Overseas Investment Regulations 2005* (NZ) for the implementation of the Scheme either unconditionally or subject only to conditions imposed by the OIO that are substantially the same as the conditions of a kind commonly imposed by the OIO on such a consent and referred to as the 'Standard Conditions' and such other conditions that are acceptable to Sigma and Chemist Warehouse (acting reasonably), and such consents have not been withdrawn, suspended or revoked before 8.00am on the Second Court Date.

## 1.9 Underwriting Agreement

Between the date of this agreement and completion of the retail component of the Entitlement Offer:

- (a) all conditions under the Underwriting Agreement have been fully satisfied or waived;

For personal use only



- (b) there is no breach, default or non-compliance by any party, which has not been remedied to the satisfaction of each other party, of the Underwriting Agreement; and
- (c) the Underwriting Agreement has not been terminated and no party has provided a notice or indicated an intention to terminate the Underwriting Agreement.

#### **1.10 Debt Commitment Letter**

Between the date of this agreement and 8.00am on the Second Court Date:

- (a) all conditions under the Debt Commitment Letter have been fully satisfied or waived;
- (b) there is no breach, default or non-compliance by any party, which has not been remedied to the satisfaction of each other party, of the Debt Commitment Letter;
- (c) the Debt Commitment Letter has not been terminated and no party has provided a notice or indicated an intention to terminate the Debt Commitment Letter;
- (d) the relevant parties have entered into the Debt Finance Documents; and
- (e) all conditions precedent to drawing under the Debt Finance Documents have been fully satisfied or waived.

#### **1.11 Chemist Warehouse Prescribed Occurrence**

Between the date of this agreement and 8.00am on the Second Court Date, no Chemist Warehouse Prescribed Occurrence occurs.

#### **1.12 Chemist Warehouse Material Adverse Change**

Between the date of this agreement and 8.00am on the Second Court Date, no Chemist Warehouse Material Adverse Change occurs.

#### **1.13 Sigma Prescribed Occurrence**

Between the date of this agreement and 8.00am on the Second Court Date, no Sigma Prescribed Occurrence occurs.

#### **1.14 Sigma Material Adverse Change**

Between the date of this agreement and 8.00am on the Second Court Date, no Sigma Material Adverse Change occurs.

#### **1.15 Restraints**

No temporary, preliminary or final order, decree, law, regulation, injunction, decision or ruling, or other action, that prevents, makes illegal or prohibits the Scheme, in each case issued by a court of competent jurisdiction or a Government Agency, is in effect at 8.00am on the Second Court Date.

#### **1.16 Rollover relief**

Between the date of this agreement and 8.00am on the Second Court Date, Chemist Warehouse has obtained a draft ruling from the Australian Tax Office confirming that

For personal use only



scrip-for-scrip rollover relief under subdivision 124-M of the Tax Act will be available for eligible Chemist Warehouse Shareholders in respect of the consideration payable under the Scheme comprising of New Sigma Shares.

### **1.17 Chemist Warehouse Equity Incentives**

Before 8.00am on the Second Court Date, arrangements have been put in place to deal with the Chemist Warehouse Equity Incentives in accordance with clause 5.9, such that no Chemist Warehouse Equity Incentives (or any other securities in Chemist Warehouse other than the Scheme Shares) are in existence on the Scheme Record Date.



## Schedule 4

### Chemist Warehouse's capital structure

---

<b>Security</b>	<b>Number on issue</b>
Chemist Warehouse Shares	1,553,456,840
Chemist Warehouse Equity Incentives	446,765

---



## Schedule 5

### Sigma's capital structure

Security	Number on issue
Sigma Shares	1,059,276,416*
Sigma Equity Incentives	15,939,941

\* This number also includes Sigma Shares issued under loan-funded share plans. These Sigma Shares are also Sigma Equity Incentives for the purposes of this agreement as they are subject to certain restrictions, but they have not been included as Sigma Equity Incentives in the table above to avoid duplication.

For personal use only





HERBERT  
SMITH  
FREEHILLS

## Signing page


Executed as an agreement

---


### Chemist Warehouse

Signed by  
**CW Group Holdings Limited**

by

sign here ▶   
B602E41E491F4D8...  
Company Secretary/Director

print name \_\_\_\_\_  
Mario Verrocchi

sign here ▶   
9FC555FF2DE94D3...  
Director

print name \_\_\_\_\_  
Damien Gance

For personal use only



HERBERT  
SMITH  
FREEHILLS

**Sigma**

Signed by  
**Sigma Healthcare Limited**  
by

*sign here* ▶   
\_\_\_\_\_  
Company Secretary/Director

*print name* Kara McGowan  
\_\_\_\_\_

*sign here* ▶ Michael Sammells  
Michael Sammells (Dec 11, 2023 06:09 GMT+11)  
\_\_\_\_\_  
Director

*print name* Michael Sammells  
\_\_\_\_\_

For personal use only



## Attachment 1

### Scheme of arrangement

---

For personal use only



HERBERT  
SMITH  
FREEHILLS

## Scheme of arrangement

---

CW Group Holdings Limited

Scheme Shareholders

For personal use only



# Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

**CW Group Holdings Limited**

ACN 635 851 839 of 6 Albert Street, Preston VIC 3072

The **Scheme Shareholders**

## 1 Definitions, interpretation and scheme components

---

### 1.1 Definitions

The meanings of the terms used in this Scheme are set out below.

<b>Term</b>	<b>Meaning</b>
<b>ADI</b>	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
<b>Business Day</b>	a day on which banks are open for business in Melbourne, other than a Saturday, Sunday or public holiday.
<b>Chemist Warehouse</b>	CW Group Holdings Limited (ACN 635 851 839).
<b>Chemist Warehouse Leakage</b>	has the meaning given in the Merger Implementation Agreement.

For personal use only



<b>Term</b>	<b>Meaning</b>
<b>Chemist Warehouse Registry</b>	Computershare Limited (ACN 005 485 825).
<b>Chemist Warehouse Share</b>	a fully paid ordinary share in the capital of Chemist Warehouse.
<b>Chemist Warehouse Shareholder</b>	a person who is registered as the holder of a Chemist Warehouse Share in the Chemist Warehouse Share Register.
<b>Chemist Warehouse Share Register</b>	the register of members of Chemist Warehouse maintained by the Chemist Warehouse Registry in accordance with the Corporations Act.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Chemist Warehouse and Sigma.
<b>Deed Poll</b>	the deed poll under which Sigma covenants in favour of the Scheme Shareholders to perform the obligations attributed to Sigma under this Scheme.
<b>Effective</b>	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
<b>Effective Date</b>	the date on which this Scheme becomes Effective.
<b>End Date</b>	has the meaning given in the Merger Implementation Agreement.
<b>Government Agency</b>	has the meaning given in the Merger Implementation Agreement.
<b>Implementation Date</b>	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Chemist Warehouse and Sigma or is ordered by the Court or required by ASX.

For personal use only



Term	Meaning
<b>Ineligible Foreign Shareholder</b>	a Scheme Shareholder whose address shown in the Chemist Warehouse Share Register on the Scheme Record Date is a place outside Australia and its external territories or New Zealand, unless Sigma (acting reasonably, and after consultation with Chemist Warehouse) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Sigma Shares when the Scheme becomes Effective.
<b>Leakage</b>	has the meaning given in the Merger Implementation Agreement.
<b>Merger Implementation Agreement</b>	the merger implementation agreement dated 11 December 2023 between Chemist Warehouse and Sigma relating to the implementation of this Scheme.
<b>New Sigma Share</b>	a Sigma Share to be issued to Scheme Shareholders under this Scheme.
<b>PPSA</b>	the <i>Personal Property Securities Act 2009</i> (Cth).
<b>Registered Address</b>	in relation to a Chemist Warehouse Shareholder, the address shown in the Chemist Warehouse Share Register as at the Scheme Record Date.
<b>Sale Agent</b>	the sale agent appointed under clause 5.5 of the Merger Implementation Agreement to sell the New Sigma Shares that are to be issued under clause 5.5(a)(1) of this Scheme.
<b>Scheme</b>	this scheme of arrangement under Part 5.1 of the Corporations Act between Chemist Warehouse and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and such other form as agreed to in writing between Chemist Warehouse and Sigma.
<b>Scheme Cash Consideration</b>	<p>a cash amount per Scheme Share held by a Scheme Shareholder calculated as follows:</p> $N = \frac{\$700 \text{ million} + A}{B}$ <p>where:</p> <p>N is the cash amount per Scheme Share held by a Scheme Shareholder;</p> <p>A is the net amount of any Leakage calculated in accordance with clause 11 of the Merger Implementation Agreement, provided that:</p>



Term	Meaning
	<ol style="list-style-type: none"><li>1 if any Sigma Leakage is greater than any Chemist Warehouse Leakage, A will be positive in accordance with clause 11(d)(1) of the Merger Implementation Agreement; and</li><li>2 if any Chemist Warehouse Leakage is greater than any Sigma Leakage, A will be negative in accordance with clause 11(d)(2) of the Merger Implementation Agreement; and</li></ol> <p>B is the total number of Scheme Shares.</p>
<b>Scheme Consideration</b>	<p>the consideration to be provided by Sigma to each Scheme Shareholder for the transfer to Sigma of each Scheme Share, being:</p> <ol style="list-style-type: none"><li>1 the Scheme Cash Consideration; and</li><li>2 the Scheme Share Consideration,</li></ol> <p>for each Chemist Warehouse Share held by a Scheme Shareholder as at the Scheme Record Date.</p>
<b>Scheme Meeting</b>	<p>the meeting of Chemist Warehouse Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.</p>
<b>Scheme Record Date</b>	<p>7.00pm on the second Business Day after the Effective Date or such other time and date as agreed in writing by Chemist Warehouse and Sigma.</p>
<b>Scheme Share Consideration</b>	<p>for each Scheme Share held by a Scheme Shareholder, the number of New Sigma Shares calculated as follows:</p> $N = \frac{0.8575 \times \left(\frac{A}{0.1425}\right)}{B}$ <p>where:</p> <p>N is the number of New Sigma Shares;</p> <p>A is the total number of Sigma Shares on issue on a fully diluted basis (assuming the full conversion of any options, rights or securities that are convertible into Sigma Shares) on the Scheme Record Date, which:</p> <ol style="list-style-type: none"><li>1 excludes any options, rights or securities existing as at the date of this agreement that are convertible into Sigma Shares in respect of which arrangements have been put in place by the Scheme Record Date for them to be cancelled or otherwise extinguished for nil consideration on or before the Implementation Date; and</li><li>2 includes any options, rights or securities existing as at the date of this agreement that are fully or partially convertible into Sigma Shares in respect of which arrangements have been put in place by the Scheme Record Date for them to be settled fully or partially for cash consideration; and</li></ol>

For personal use only





<b>Term</b>	<b>Meaning</b>
	B is the total number of Scheme Shares.
<b>Scheme Shareholder</b>	a Chemist Warehouse Shareholder as at the Scheme Record Date.
<b>Scheme Shares</b>	all Chemist Warehouse Shares held by the Scheme Shareholders as at the Scheme Record Date.
<b>Scheme Transfer</b>	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Sigma as transferee, which may be a master transfer of all or part of the Scheme Shares.
<b>Second Court Date</b>	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
<b>Sigma</b>	Sigma Healthcare Limited (ACN 088 417 403).
<b>Sigma Leakage</b>	has the meaning given in the Merger Implementation Agreement.
<b>Sigma Registry</b>	Link Market Services Limited (ACN 083 214 537).
<b>Sigma Share</b>	a fully paid ordinary share in the capital of Sigma.
<b>Sigma Share Register</b>	the register of members of Sigma maintained by the Sigma Registry in accordance with the Corporations Act.
<b>Unclaimed Money Act</b>	the <i>Unclaimed Money Act 2008</i> (Vic).

## 1.2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;

For personal use only



- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Melbourne, Victoria;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
- (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
- is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.

### **1.3 Interpretation of inclusive expressions**

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### **1.4 Business Day**

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



## 2 Preliminary matters

---

- (a) Chemist Warehouse is an unlisted public company limited by shares, incorporated in Australia and registered in Victoria, Australia.
- (b) Sigma is a public company limited by shares, incorporated in Australia and registered in New South Wales, Australia. The Sigma Shares are quoted for trading on the ASX.
- (c) Chemist Warehouse and Sigma have agreed, by executing the Merger Implementation Agreement, to implement this Scheme on the terms and conditions of the Merger Implementation Agreement.
- (d) If this Scheme becomes Effective, each of the following will occur:
  - (1) all of the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Sigma on the Implementation Date;
  - (2) in consideration of the transfer of the Scheme Shares to Sigma, Sigma will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
  - (3) Chemist Warehouse will enter Sigma's name in the Chemist Warehouse Share Register as the holder of all of the Scheme Shares.
- (e) This Scheme attributes actions to Sigma but does not itself impose an obligation on it to perform those actions. Sigma has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders subject to this Scheme becoming Effective.

## 3 Conditions

---

### 3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in Schedule 3 of the Merger Implementation Agreement (other than the condition in clause 1.3 of Schedule 3 of the Merger Implementation Agreement relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Merger Implementation Agreement by 8.00am on the Second Court Date;
- (b) neither the Merger Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Sigma and Chemist Warehouse;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Sigma and Chemist Warehouse having been satisfied or waived; and



- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Chemist Warehouse and Sigma agree in writing).

### 3.2 Certificate

- (a) Chemist Warehouse and Sigma will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

### 3.3 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Merger Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless Chemist Warehouse and Sigma otherwise agree in writing.

## 4 Implementation of this Scheme

---

### 4.1 Lodgement of Court orders with ASIC

Chemist Warehouse must lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act, approving this Scheme by no later than 5.00pm on the first Business Day after the date on which the Court order was made (or such other date as agreed in writing by Sigma).

### 4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.2(b), 5.2(c) and 5.3(a), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Sigma, without the need for any further act by any Scheme Shareholder (other than acts performed by Chemist Warehouse as attorney and agent for Scheme Shareholders under clause 7.5), by:
  - (1) Chemist Warehouse delivering to Sigma a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Chemist Warehouse, for registration; and
  - (2) Sigma duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Chemist Warehouse for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required),



Chemist Warehouse must enter, or procure the entry of, the name of Sigma in the Chemist Warehouse Share Register as the registered holder of all the Scheme Shares transferred to Sigma in accordance with this Scheme.

## 5 Scheme Consideration

---

### 5.1 Provision of Scheme Consideration

The Scheme Consideration in respect of each Scheme Share is:

- (a) the Scheme Cash Consideration; and
- (b) the Scheme Share Consideration.

### 5.2 Provision of Scheme Cash Consideration

- (a) Sigma must by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate Scheme Cash Consideration payable to all Scheme Shareholders under the Scheme, into an Australian dollar denominated trust account with an ADI operated by Chemist Warehouse as trustee for the Scheme Shareholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Sigma's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.2(a), Chemist Warehouse must pay or procure the payment of the Scheme Cash Consideration to each Scheme Shareholder in respect of all of that Scheme Shareholder's Scheme Shares from the trust account referred to in clause 5.2(a).
- (c) The obligations of Chemist Warehouse under clause 5.2(b) will be satisfied by Chemist Warehouse (in its absolute discretion, and despite any election referred to in clause 5.2(c)(1) or authority referred to in clause 5.2(c)(2) made or given by the Scheme Shareholder):
  - (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Chemist Warehouse Registry to receive dividend payments from Chemist Warehouse by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Chemist Warehouse; or
  - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.4).
- (d) To the extent that, following satisfaction of Chemist Warehouse's obligations under clause 5.2(b), there is a surplus in the amount held by Chemist

For personal use only



Warehouse as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus must be paid by Chemist Warehouse to Sigma.

### 5.3 Provision of Scheme Share Consideration

Sigma must, subject to clauses 5.4, 5.5, 5.6 and 5.8:

- (a) on or before the Implementation Date, issue the Scheme Share Consideration to each Scheme Shareholder and procure that the name and address of each Scheme Shareholder is entered in the Sigma Share Register in respect of those New Sigma Shares; and
- (b) procure that on or before the date that is 10 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Sigma Shares issued to the Scheme Shareholder pursuant to this Scheme.

### 5.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.2(c), the Scheme Cash Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Chemist Warehouse, the holder whose name appears first in the Chemist Warehouse Share Register as at the Scheme Record Date or to the joint holders;
- (b) the New Sigma Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Chemist Warehouse, the holder whose name appears first in the Chemist Warehouse Share Register as at the Scheme Record Date or to the joint holders.

### 5.5 Ineligible Foreign Shareholders

- (a) Sigma will be under no obligation to issue any New Sigma Shares under this Scheme to any Ineligible Foreign Shareholder and instead:
  - (1) subject to clauses 5.6 and 5.8, Sigma must, on or before the Implementation Date, issue the New Sigma Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;
  - (2) Sigma must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with Sigma, sells or procures the sale of all the New Sigma Shares issued to the Sale Agent and remits to Chemist Warehouse the proceeds of the sale (after deduction of any applicable brokerage, stamp duty and other costs, taxes and charges) (**Proceeds**);
  - (3) promptly after receiving the Proceeds in respect of the sale of all of the New Sigma Shares referred to in clause 5.5(a)(1), Chemist Warehouse must pay, or procure the payment of, to each Ineligible Foreign Shareholder, the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:



$$A = \left(\frac{B}{C}\right) \times D$$

where

B = the number of New Sigma Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of New Sigma Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.5(a)(2)).

- (b) The Ineligible Foreign Shareholders acknowledge that none of Sigma, Chemist Warehouse or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Sigma Shares described in clause 5.5(a).
- (c) Chemist Warehouse must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.5(a) by either (in the absolute discretion of Chemist Warehouse, and despite any election referred to in clause 5.5(c)(1) or authority referred to in clause 5.5(c)(2) made or given by the Scheme Shareholder):
- (1) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Chemist Warehouse Registry to receive dividend payments from Chemist Warehouse by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority from the Ineligible Foreign Shareholder to Chemist Warehouse; or
  - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.4).
- (d) If Chemist Warehouse receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Shareholder, Chemist Warehouse is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.5(a)(3)). Chemist Warehouse must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.
- (e) Each Ineligible Foreign Shareholder appoints Chemist Warehouse as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the



Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.

- (f) Payment of the amount 'A' calculated in accordance with clause 5.5(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.4(c) satisfies in full the Ineligible Foreign Shareholder's right to Scheme Share Consideration.

## 5.6 Fractional entitlements and splitting

- (a) Where the calculation of the Scheme Cash Consideration or number of New Sigma Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent or New Sigma Share, the fractional entitlement will be rounded down to the nearest whole cent or number of New Sigma Shares, as applicable.
- (b) If Sigma or Chemist Warehouse is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Chemist Warehouse Shares which results in a fractional entitlement to the Scheme Cash Consideration or New Sigma Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Sigma may direct Chemist Warehouse to, and Chemist Warehouse may, give notice to those Scheme Shareholders:
- (1) setting out the names and Registered Addresses of all of them;
  - (2) stating that opinion; and
  - (3) attributing to one of them specifically identified in the notice the Chemist Warehouse Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Chemist Warehouse Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Chemist Warehouse Shares.

## 5.7 Unclaimed money

- (a) Chemist Warehouse may cancel a cheque issued under this clause 5 if the cheque:
- (1) is returned to Chemist Warehouse; or
  - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Chemist Warehouse (or the Chemist Warehouse Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), Chemist Warehouse must reissue a cheque that was previously cancelled under this clause 5.7.
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the Unclaimed Money Act) but any interest or other benefit accrued from the unclaimed Scheme Consideration will be for the benefit of Sigma.

For personal use only





## 5.8 Orders of a court or Government Agency

If written notice is given to Chemist Warehouse (or the Chemist Warehouse Registry) or Sigma (or the Sigma Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Chemist Warehouse or Sigma in accordance with this clause 5, then Chemist Warehouse or Sigma (as applicable) shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Chemist Warehouse or Sigma from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Chemist Warehouse or Sigma shall be entitled to (as applicable):
  - (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; and
  - (2) not to issue (or direct Sigma to issue), or to issue to a trustee or nominee, such number of New Sigma Shares as that Scheme Shareholder would otherwise be entitled under clause 5.3,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

## 5.9 Status of New Sigma Shares

Subject to this Scheme becoming Effective, Sigma must:

- (a) issue the New Sigma Shares required to be issued by it under this Scheme on terms such that each such New Sigma Share will:
  - (1) rank equally in all respects with all other Sigma Shares on issue; and
  - (2) be entitled to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Sigma Shares on and from the Implementation Date;
- (b) use its reasonable endeavours to ensure that the New Sigma Shares issued as Scheme Share Consideration will be listed for quotation on the official list of ASX with effect from the first Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis and, with effect from the first Business Day after the Implementation Date, on an ordinary (T+2) settlement basis; and
- (c) ensure that each such New Sigma Share is duly and validly issued in accordance with all applicable laws and the constitution of Sigma, fully paid and free from any mortgage, charge, lien, encumbrance, pledge or other security interest (including any 'security interest' within the meaning of section 12 of the PPSA).



## 6 Dealings in Chemist Warehouse Shares

---

### 6.1 Determination of Scheme Shareholders

- (a) To establish the identity of the Scheme Shareholders, dealings in Chemist Warehouse Shares or other alterations to the Chemist Warehouse Share Register will only be recognised if registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Chemist Warehouse Share Register is kept.
- (b) Chemist Warehouse must not accept for registration, nor recognise for any purpose (except a transfer to Sigma pursuant to this Scheme and any subsequent transfer by Sigma or its successors in title), any transfer or transmission application or other request received after the Scheme Record Date, or received prior to such times but not in registrable or actionable form, as appropriate.

### 6.2 Register

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Chemist Warehouse shall be entitled to disregard any such disposal or other dealing.
- (b) For the purpose of determining entitlements to the Scheme Consideration, Chemist Warehouse must maintain the Chemist Warehouse Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been provided to the Scheme Shareholders. The Chemist Warehouse Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (c) All statements of holding for Chemist Warehouse Shares (other than statements of holding in favour of Sigma) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Chemist Warehouse Share Register (other than entries on the Chemist Warehouse Share Register in respect of Sigma) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Chemist Warehouse Shares relating to that entry.
- (d) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Chemist Warehouse will ensure that details of the names, Registered Addresses and holdings of Chemist Warehouse Shares for each Scheme Shareholder as shown in the Chemist Warehouse Share Register are available to Sigma in the form Sigma reasonably requires.
- (e) Without limiting Chemist Warehouse's obligations under clause 6.2(d), Chemist Warehouse must provide, or procure the provision, to Sigma, such other information as Sigma may reasonably require in connection with the provision of the Scheme Consideration to the Scheme Shareholders in accordance with this Scheme.



- (f) Each Scheme Shareholder agrees that the information referred to in clause 6.2(e) may be disclosed to Sigma, the Sigma Registry and Sigma's advisers and other service providers to the extent necessary to effect this Scheme.

## 7 General Scheme provisions

---

### 7.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Chemist Warehouse may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Sigma has consented in writing; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Chemist Warehouse has consented to.

### 7.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Chemist Warehouse Shares together with all rights and entitlements attaching to those Chemist Warehouse Shares in accordance with this Scheme;
  - (2) agrees to the variation, cancellation or modification of the rights attached to their Chemist Warehouse Shares constituted by or resulting from this Scheme;
  - (3) agrees to, on the direction of Sigma, destroy any share certificates or holding statements relating to their Chemist Warehouse Shares;
  - (4) that is issued New Sigma Shares agrees to become a member of Sigma and to be bound by the terms of the constitution of Sigma; and
  - (5) acknowledges and agrees that this Scheme binds Chemist Warehouse and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Chemist Warehouse and Sigma on the Implementation Date, and appointed and authorised Chemist Warehouse as its attorney and agent to warrant to Sigma on the Implementation Date, that:
- (1) all their Chemist Warehouse Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the PPSA) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
  - (2) they have full power and capacity to transfer their Chemist Warehouse Shares to Sigma together with any rights and entitlements attaching to those shares.
- (c) Chemist Warehouse undertakes that it will provide such warranty in clause 7.2(b) to Sigma as agent and attorney of each Scheme Shareholder.



### 7.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Sigma will, at the time of transfer of them to Sigma vest in Sigma free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the PPSA) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.2(b), 5.2(c) and 5.3(a) Sigma will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Chemist Warehouse of Sigma in the Chemist Warehouse Share Register as the holder of the Scheme Shares.

### 7.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.2(b), 5.2(c) and 5.3(a) and until Chemist Warehouse registers Sigma as the holder of all Scheme Shares in the Chemist Warehouse Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Sigma as attorney and agent (and directed Sigma in each such capacity) to appoint any director, officer, secretary or agent nominated by Sigma as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 7.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Sigma reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 7.4(a), Sigma and any director, officer, secretary or agent nominated by Sigma under clause 7.4(a) may act in the best interests of Sigma as the intended registered holder of the Scheme Shares.

### 7.5 Authority given to Chemist Warehouse

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Chemist Warehouse and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Sigma, and Chemist Warehouse undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Sigma on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Chemist Warehouse and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation):



- (1) executing the Scheme Transfer; and
- (2) executing and delivering any deed or document required by Sigma, that causes each Scheme Shareholder to become a shareholder of Sigma and to be bound by the constitution of Sigma,

and Chemist Warehouse accepts each such appointment. Chemist Warehouse as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

## 7.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Chemist Warehouse that are binding or deemed binding between the Scheme Shareholder and Chemist Warehouse relating to Chemist Warehouse or Chemist Warehouse Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Chemist Warehouse Shares; and
- (c) notices or other communications from Chemist Warehouse (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Sigma in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Sigma and to be a binding instruction, notification or election to, and accepted by, Sigma in respect of the New Sigma Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Sigma at its registry.

## 7.7 Binding effect of Scheme

This Scheme binds Chemist Warehouse and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Chemist Warehouse.

## 8 General

---

### 8.1 Stamp duty

Sigma:

- (a) must pay all duty, if applicable (including applicable stamp duties and any fines and penalties with respect to any such duty) in respect of this Scheme, the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this Scheme and the Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 8.1(a).

### 8.2 Consent

Each of the Scheme Shareholders consents to Chemist Warehouse doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme and the



transactions contemplated by it, whether on behalf of the Scheme Shareholders, Chemist Warehouse or otherwise.

### **8.3 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Chemist Warehouse, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Chemist Warehouse's registered office or at the office of the Chemist Warehouse Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Chemist Warehouse Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### **8.4 Governing law**

- (a) This Scheme is governed by the laws in force in Victoria.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

### **8.5 Further action**

Chemist Warehouse must do all things and execute all documents (whether on its own behalf or on behalf of each Scheme Shareholder) necessary to give full effect to this Scheme and the transactions contemplated by it.

### **8.6 No liability when acting in good faith**

Each Scheme Shareholder agrees that neither Chemist Warehouse nor Sigma, nor any of their respective directors, officers, secretaries or employees, shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



## Attachment 2

Deed poll

---

For personal use only



HERBERT  
SMITH  
FREEHILLS

Deed

## Deed poll

---

Sigma Healthcare Limited

For personal use only





## Deed poll

---

Date ►

This deed poll is made

---

By **Sigma Healthcare Limited**  
ACN 088 417 403 of Level 6, 2125 Dandenong Road, Clayton VIC  
3168  
**(Sigma)**

in favour of each Scheme Shareholder

Recitals

- 1 Chemist Warehouse and Sigma entered into the Merger Implementation Agreement.
- 2 In the Merger Implementation Agreement, Sigma agreed to make this deed poll.
- 3 Sigma is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform its obligations under the Scheme.

---

This deed poll provides as follows:

---

## 1 Definitions and interpretation

---

### 1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
------	---------

---

<b>Chemist Warehouse</b>	CW Group Holdings Limited (ACN 635 851 839).
--------------------------	----------------------------------------------

---

<b>First Court Date</b>	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
-------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

---

For personal use only



Term	Meaning
<b>Merger Implementation Agreement</b>	the merger implementation agreement dated 11 December 2023 between Chemist Warehouse and Sigma relating to the implementation of the Scheme.
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between Chemist Warehouse and the Scheme Shareholders, substantially in the form attached to the Merger Implementation Agreement, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Chemist Warehouse and Sigma.

- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

## 1.2 Interpretation

Clauses 1.2, 1.3 and 1.4 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

## 1.3 Nature of deed poll

Sigma acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Chemist Warehouse and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Sigma.

## 2 Conditions to obligations

### 2.1 Conditions

This deed poll and the obligations of Sigma under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

The obligations of Sigma under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Merger Implementation Agreement is terminated in accordance with its terms; or
- (b) the Scheme has not become Effective on or before the End Date, unless Chemist Warehouse and Sigma otherwise agree in writing.

For personal use only



## 2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Sigma is released from its obligations to further perform this deed poll except those obligations under clause 7.1; and
- (b) each Scheme Shareholder retains the rights they have against Sigma in respect of any breach of this deed poll which occurred before this deed poll was terminated.

## 3 Scheme obligations

---

### 3.1 Undertaking to provide Scheme Consideration

Subject to clause 2, Sigma undertakes in favour of each Scheme Shareholder to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme by:
  - (1) in relation to the Scheme Cash Consideration, by no later than the Business Day before the Implementation Date, depositing, or procuring the deposit of, in cleared funds, an amount equal to the aggregate Scheme Cash Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account with an ADI operated by Chemist Warehouse as trustee for the Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Sigma's account); and
  - (2) in relation to the Scheme Share Consideration, on or before the Implementation Date, issuing the Scheme Share Consideration to each Scheme Shareholder; and
- (b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

### 3.2 Shares to rank equally

Sigma covenants in favour of each Scheme Shareholder that the New Sigma Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) rank equally with all other Sigma Shares on issue as set out in clause 5.9(a)(1) of the Scheme; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance, pledge or other security interest (including any 'security interest' within the meaning of section 12 of the PPSA).



## 4 Warranties

---

Sigma represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in a breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

## 5 Continuing obligations

---

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

- (a) Sigma having fully performed its obligations under this deed poll; and
- (b) the termination of this deed poll.

## 6 Notices

---

### 6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to Sigma in accordance with the details set out below (or any alternative details nominated by Sigma by Notice).

**Attention** Kara McGowan

---

**Address** Level 6, 2125 Dandenong Road, Clayton VIC 3168

---

**Email address** [Kara.McGowan@sigmahealthcare.com.au](mailto:Kara.McGowan@sigmahealthcare.com.au)

---

For personal use only



## 6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The earlier of: <ol style="list-style-type: none"> <li>1 when the party sending the email receives notification that the email was successfully transmitted and read by the receiving party;</li> <li>2 the time that the recipient confirms receipt of the email by reply email to the sender; and</li> <li>3 four hours after the email was sent (as recorded on the device from which the sender sent the email), unless the party sending the email receives, within that four hour period, an automated message that the email was not successfully transmitted.</li> </ol>

## 6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than by email as permitted in clause 6.2).

## 7 General

### 7.1 Stamp duty

Sigma:

- (a) must pay all stamp duty and any related fines and penalties in respect of the Scheme, this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

For personal use only



## 7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Victoria.
- (b) Sigma irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Sigma irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

## 7.3 Waiver

- (a) Sigma may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Sigma as a waiver of any right unless the waiver is in writing and signed by Sigma.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

## 7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Chemist Warehouse; or
- (b) if on or after the First Court Date, the variation is agreed to by Chemist Warehouse and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Sigma will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

## 7.5 Cumulative rights

The rights, powers and remedies of Sigma and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

For personal use only



## 7.6 Assignment

- (a) The rights created by this deed poll are personal to Sigma and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Sigma.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

## 7.7 Further action

Sigma must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it



## Signing page

Executed as a deed poll

---

### **Sigma**

Signed sealed and delivered by  
**Sigma Healthcare Limited**  
by

*sign here* ► \_\_\_\_\_  
Company Secretary/Director

*sign here* ► \_\_\_\_\_  
Director

*print name* \_\_\_\_\_

*print name* \_\_\_\_\_

For personal use only



# Transformational Merger with Chemist Warehouse Group and Sigma Equity Raising

Investor Presentation

11 December 2023



For personal use only

# Important Notice and Disclaimer

## Important Notices and Disclaimer

By accepting, accessing or reviewing this investor presentation (**Presentation**) or attending an investor presentation or briefing, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it. You are advised to read these important notices and disclaimers carefully before reading or making any other use of this Presentation or any information contained in this Presentation.

## Purpose of this Presentation

This Presentation has been prepared by Sigma Healthcare Limited (ACN 088 417 403) (**Sigma**) and is dated 11 December 2023. This Presentation has been prepared in connection with Sigma's proposed pro rata accelerated non-renounceable entitlement offer of new fully-paid ordinary shares (**Shares**) in Sigma (**New Shares**) to certain eligible Sigma shareholders (**Entitlement Offer** or **Offer**) and the Proposed Merger (as defined below). The Entitlement Offer is being made to eligible institutional shareholders in certain permitted jurisdictions and to retail shareholders in Australia and New Zealand under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission (**ASIC**) *Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.

## CWG information and considerations relating to the Proposed Merger

On 11 December 2023, Sigma announced that it had entered into a merger implementation agreement under which it agreed to acquire 100% of the shares in CW Group Holdings Limited (ACN 635 851 839) (**CWG** or **Chemist Warehouse Group**) by way of a scheme of arrangement under Part 5.1 of the *Corporations Act* (**Proposed Merger**). The Proposed Merger is subject to the satisfaction of certain conditions precedent and if the conditions precedent are not satisfied within the required timeframe (or waived, where capable of being waived), the Proposed Merger may not complete. Please see the ASX Announcement (defined below) for further details regarding the conditions precedent. Certain information in this Presentation has been sourced from, or is based on information sourced from, CWG or its representatives or associates (including the table on page 42 of this Investor Presentation). While steps have been taken to confirm that information to the extent practicable, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, completeness, reliability or adequacy. Sigma undertook a due diligence process in respect of the Proposed Merger, which relied in part on legal, financial, taxation, synergies and operational due diligence information provided by CWG. If any such information provided to, and relied upon by, Sigma in its due diligence, and in its preparation of this Presentation, proves to be incorrect, incomplete or misleading, or if any of those due diligence enquiries failed to identify potential issues, there is a risk that the actual financial position and performance of CWG may be materially different to Sigma's understanding, or the realisable synergies from the Proposed Merger are less than anticipated. Either of these could have a material adverse effect on the merged entity's financial condition or performance. There is also a risk that new issues may arise after the date of this Presentation which could have a material impact on the merged entity (for example, Sigma may discover CWG liabilities or defects which were not identified through due diligence or for which there is no contractual protection), or there might be adverse developments in CWG's business or prospects or issues previously identified in due diligence could have a more significant impact on CWG (or Sigma) than Sigma anticipated or accounted for. This could adversely impact upon the operations, financial performance and/or financial position of the merged entity. Please see Appendix E of this Presentation for additional risks associated with CWG's business and the Proposed Merger.

Certain forward-looking information in this Presentation, including information about potential synergies in connection with the Proposed Merger, may assume the successful integration of CWG into Sigma's business. The success of this (like any of Sigma's commercial strategies) is based on certain assumptions which may prove to be incorrect. The success of the Proposed Merger is subject to uncertainties and contingencies, some of which are beyond Sigma's control, and no assurance can be given that the integration will be successful or that the anticipated benefits from Sigma's commercial strategies (including the Proposed Merger) will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Please refer to the "Key Risks" section in Appendix E of this Presentation for a non-exhaustive summary of certain risk factors that impact Sigma's business and the business of the merged entity. In addition, Appendix E contains specific risks relating to CWG, as well as risks relating to the success of the Proposed Merger. These risks should be considered before making any investment decision.

This Presentation does not purport to contain all the information that investors may require in order to assess the Proposed Merger. It contains select information only. Further information about CWG and the Proposed Merger will be contained in the transaction documents described in the announcement in relation to the Proposed Merger and the Offer released by Sigma to ASX on the same date as this Presentation (**ASX Announcement**).

Estimates and forward-looking information contained in this Presentation and relating to Sigma's business post-completion of the Proposed Merger are illustrative and are not representations as to future matters, are based on many assumptions and are subject to significant uncertainties and contingencies that are subject to change without notice and involve known and unknown risks, many (if not all) of which are outside the control of Sigma and CWG and their respective directors and management. Actual events or results may differ significantly from the events or results expressed or implied by any estimate, forward-looking information or other information in this Presentation. No representation is made that any estimate contained in this Presentation will be achieved and forward-looking information will not be warranted. You should make your own independent assessment of the Proposed Merger.

# Important Notice and Disclaimer

## Summary information only

This Presentation contains summary information about Sigma and CWG and their respective activities, current as at the date of this Presentation. This Presentation is for information purposes only and is not, and does not comprise all of the information which would be required to be disclosed in, a prospectus, product disclosure statement or other disclosure document under Australian law or any other law. The information in this Presentation should be read in conjunction with Sigma's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at [www.asx.com.au](http://www.asx.com.au) under Sigma's ticker code (ASX:SIG). Information in this Presentation is current as at the date of this Presentation (being 11 December 2023, unless otherwise indicated) and remains subject to change without notice.

## Release or distribution of this Presentation outside Australia

The "International Offer Restrictions" in Appendix F of this Presentation are important, as the distribution of this Presentation outside Australia may be restricted by law. By accessing this Presentation you agree to comply with the restrictions in Appendix F. If you are in a jurisdiction that is not listed in Appendix F, then you are not eligible to participate in the Offer. No offers, sales, resales or delivery of any securities referred to in this Presentation or distribution of any material relating to those securities may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations.

## Not for release or distribution in the United States

This Presentation may not be distributed or released in the United States or to any person acting for the account or benefit of a person in the United States. This Presentation and the information contained herein does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which Sigma has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

## Not an offer

This Presentation is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. This Presentation is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act or any other law. This Presentation has not been, and will not be, lodged with ASIC or any foreign regulator. The retail component of the Offer will be made on the basis of the information contained a retail offer booklet to be prepared for eligible retail Shareholders in Australia and New Zealand (**Retail Offer Booklet**). Any eligible retail shareholder in Australia or New Zealand should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer.

## Not investment or financial product advice

This Presentation is not financial product or investment advice or a recommendation to acquire Shares or accounting, legal or tax advice and does not and will not form any part of any contract or commitment for the acquisition of Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Sigma and the impact that different future outcomes might have on Sigma. Information in this Presentation is of a general nature, is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek financial, legal and taxation advice appropriate to their jurisdiction. Sigma is not licensed to provide financial product advice in respect of the New Shares.

# Important Notice and Disclaimer

## Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless stated otherwise. This Presentation includes certain historical financial information of Sigma as at 31 July 2023 or certain financial information of CWG as at 30 June 2023 unless stated otherwise (**Financial Information**). The Financial Information has been included in this Presentation in relation to the Offer and should not be used for any other purpose. The Financial Information is intended to present investors with information to assist them in understanding the underlying historical financial position of Sigma. The directors of Sigma (the **Directors**) are responsible for the preparation and presentation of the Financial Information.

Please see the notes to page 42 for details about the basis of preparation of the aggregated financial information contained on that page and which is used throughout this presentation. The aggregated financial information is not pro-forma financial information of the merged group.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Certain financial measures included in this Presentation are (i) "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" and (ii) non-GAAP financial measures under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include earnings before interest and taxes (**EBIT**), EBIT margin and earnings before interest, taxes, depreciation and amortisation (**EBITDA**). While Sigma believes that this non-IFRS financial information provide, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of Sigma and CWG, non-IFRS and non-GAAP financial measures do not have standardised meanings prescribed by AAS or International Financial Reporting Standards (**IFRS**), may not be comparable to the calculation of similar measures of other companies and, as presented, may not be permissible in a registration statement under the U.S. Securities Act. Therefore, you should not place undue reliance on any non-IFRS financial information or non-GAAP financial measures included in this Presentation or construe them as alternatives to other financial measures determined in accordance with AAS or IFRS.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding.

## Future performance and forward looking statements

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "likely", "should", "could", "may", "will", "aim", "intend", "propose", "believe", "opinion", "consider", "predict", "plan", "scenario", "project", "outlook", "guidance", "forecast", "anticipates", "target" "estimate" and other similar expressions within the meaning of securities laws of applicable jurisdictions are intended to identify forward-looking statements.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic and geo-political climate and dynamic interest rate environment. Any forward-looking statements, opinions and estimates in this Presentation speak only as of the date of this Presentation and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Any such statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Sigma, CWG and their respective directors and management, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Sigma or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), Sigma disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

# Important Notice and Disclaimer

---

## Disclaimer of liability

See Appendix H for the basis upon which this Presentation is provided.

## Past performance

Past performance and aggregated historical information of Sigma and CWG given in this Presentation and the pro forma balance sheet given on page 39 of this Presentation are given for illustrative purposes only and should not be relied upon as (and is not) an indication of Sigma's views on its future performance or condition. Investors should note that past performance, including past share price performance, of Sigma or CWG cannot be relied upon as an indicator of (and provides no guidance as to) future performance of Sigma or CWG, including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to ASX. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

The information given on page 42 of this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Sigma's views on its future performance or condition following completion of the Proposed Merger; they are not representations as to future matters. Importantly, such information is subject to the assumptions and qualifications set out in the notes on page 42 of this Presentation. The information about the likely financial effect of the Proposed Merger on Sigma is based on historical financial information of Sigma and CWG. Past performance should not be relied upon as an indicator of future performance.

## Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Market data should not be relied upon as an indication or guarantee of future performance. None of Sigma, CWG, or their respective representatives or advisors have independently verified any such market or industry data provided by third parties or industry or general publications nor give any guarantee, representation or warranty, express or implied, is made as to the likelihood or achievement of any market data.

## Timetable, withdrawal and cooling-off

Sigma reserves the right to withdraw the Offer. Sigma may vary the timetable (with the agreement of the Underwriter). Cooling-off rights do not apply to the acquisition of New Shares.

## Confirmations by ASX

As outlined in Appendix A of the ASX Announcement, Sigma has obtained in-principle advice from ASX that ASX Listing Rule 11.1.3 does not apply to the Proposed Merger (among other confirmations), meaning Sigma is not required to re-comply with ASX's admission and quotation requirements. This is subject to certain conditions including that Sigma provides disclosure to the market of the Proposed Merger and of CWG that is satisfactory to ASX. **ASX takes no responsibility for the contents of the ASX Announcement or this Investor Presentation.**

# Today's Presenters

---



**Michael Sammells**  
Chairman  
Sigma Healthcare

*Proposed MergeCo Chairman*



**Vikesh Ramsunder**  
CEO & Managing Director  
Sigma Healthcare

*Proposed MergeCo CEO & Managing Director*



**Mark Conway**  
CFO  
Sigma Healthcare

*Proposed MergeCo Senior Finance Executive*



**Mario Verrocchi**  
Co-Founder, CEO & Managing Director  
Chemist Warehouse Group

*Proposed MergeCo Executive Director*



**Damien Gance**  
Chief Commercial Officer  
Chemist Warehouse Group

*Proposed MergeCo Executive Director*



**Mark Davis**  
CFO  
Chemist Warehouse Group

*Proposed MergeCo CFO*

For personal use only

# Transformational Merger between Sigma and Chemist Warehouse Group, and \$400m Equity Raising for Sigma to Fund Growth

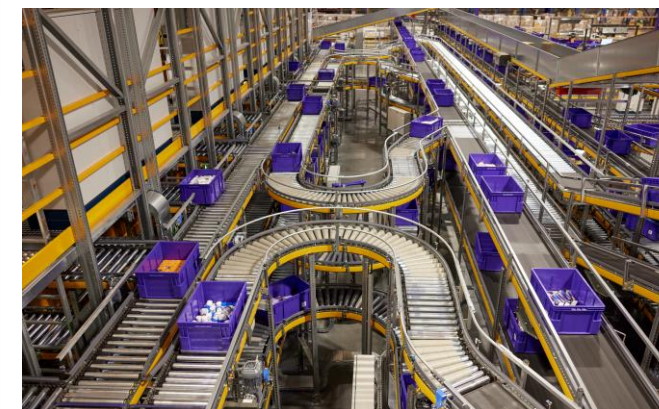
## Proposed Merger with Chemist Warehouse Group

Transformational merger between Sigma and Chemist Warehouse Group (**CWG**) to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor (**Proposed Merger**)

- Proposed Merger to be effected by Sigma acquiring CWG via a scheme of arrangement in exchange for Sigma shares<sup>1</sup> and \$700m cash consideration<sup>2</sup>
- CWG shareholders to hold 85.75% and Sigma shareholders to hold 14.25% of MergeCo upon completion of the Proposed Merger<sup>1</sup>
- Proposed Merger has the potential to unlock significant efficiencies, with cost synergies initially estimated at c.\$60m per annum, expected to be realised four years post completion<sup>3</sup>

## Sigma Equity Raising

Sigma to undertake a pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of approximately \$400m to fund increased working capital required to implement the new Chemist Warehouse supply contract commencing 1 July 2024 and progress new business growth initiatives (**Equity Raising**)<sup>4</sup>

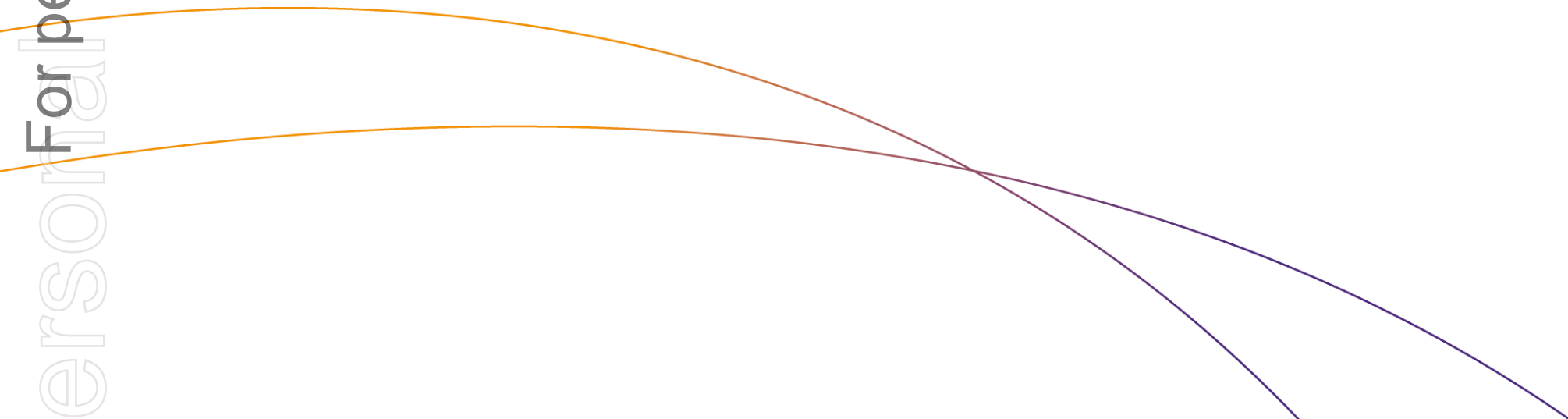


### Notes:

1. CWG shareholders will receive such number of Sigma shares that results in CWG shareholders owning 85.75% of MergeCo (on a fully diluted basis, including cash-settled and share-based rights, grants or other incentive arrangements which have either been exercised, exchanged or converted for cash since 11 December 2023 or remain outstanding upon completion of the Proposed Merger). In conjunction with entering into the Merger Implementation Agreement (**MIA**), Sigma and CWG have agreed to defer the issuance of 126,947,040 Sigma shares already agreed to be issued to CWG on 31 August 2023 in conjunction with the CWG supply agreement due to commence on 1 July 2024 (**Placement Shares**) while the MIA remains on foot. If the Proposed Merger completes, these Placement Shares will not be issued. If the MIA is terminated, the Placement Shares will be issued to CWG (or a subsidiary of CWG) on the later of 1 July 2024 and 20 business days post termination of the MIA
2. Subject to any leakage adjustment under the MIA
3. On a run-rate basis. One-off costs to achieve estimated at c.\$75m. Refer to page 28 for further detail
4. In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders

For personal use only

# Sigma Equity Raising





# Sigma has an Attractive Standalone Investment Thesis

For personal use only

<p>State-of-the-art distribution infrastructure following completion of \$400m capital investment program</p>	<ul style="list-style-type: none"> <li>Over 220 million units per year distributed to pharmacies across Australia – 99% dispatch on time and 99% delivery in full</li> <li>Capacity to absorb future growth – Chemist Warehouse supply contract, 3PL opportunity</li> </ul>
<p>Strong heritage brands in Amcal and Discount Drug Stores</p>	<ul style="list-style-type: none"> <li>Amcal brand relaunch underway leveraging more than 85 years heritage in Australia</li> <li>Continued investment in Discount Drug Stores</li> </ul>
<p>Margin enhancement through greater penetration of private label</p>	<ul style="list-style-type: none"> <li>New team focused on pipeline of new products, supplier relationships and sourcing</li> <li>On track to launch over 250 private label and exclusive products in FY25, further diversifying income and product mix</li> </ul>
<p>Further potential for cost efficiencies</p>	<ul style="list-style-type: none"> <li>ERP stability has been achieved</li> <li>Further working capital and cost-out opportunities</li> </ul>
<p>Significant opportunity to drive growth in 3PL</p>	<ul style="list-style-type: none"> <li>Significant capacity to support growth in margin-accretive 3PL</li> <li>Offered across six states in Australia, providing improved availability and flexibility to meet customer needs</li> </ul>

**Sigma FY24 YTD Trading Update<sup>1</sup>**

- Like-for-like (LFL) wholesale sales (excluding Rapid Antigen Tests) of \$2.3 billion, up \$146 million or 6.8% on pcp
- Total expenses of \$192 million, down \$48 million or 20% on pcp reflecting ongoing benefit of improved cost management
- Sigma remains on track to achieve reaffirmed full year FY24 EBIT guidance of \$26 million - \$31 million<sup>2</sup>**

Notes:

- For the nine months ending 31 October 2023
- Excluding transaction costs related to the Proposed Merger with CWG and Sigma Equity Raising. Consistent with Sigma's disclosure at its 1H24 results release on 20 September 2023, FY24 EBIT guidance is inclusive of other one-off costs anticipated in 2H24

# Sigma Equity Raising Overview

## Equity Raising Overview

- Fully underwritten 1 for 1.85 pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of approximately \$400 million (**Entitlement Offer**)
- Approximately 572.6 million new Sigma ordinary shares (**New Shares**) to be issued under the Entitlement Offer, equivalent to approximately 54.1% of existing shares on issue
- HMC Capital Limited (**HMC**), the manager of Sigma's largest shareholder, HMC Capital Partners Fund I (**Major Shareholder**)<sup>1</sup>, has committed to sub-underwrite the Major Shareholder's full entitlement under the Entitlement Offer

## Rationale and Use of Proceeds for Equity Raising

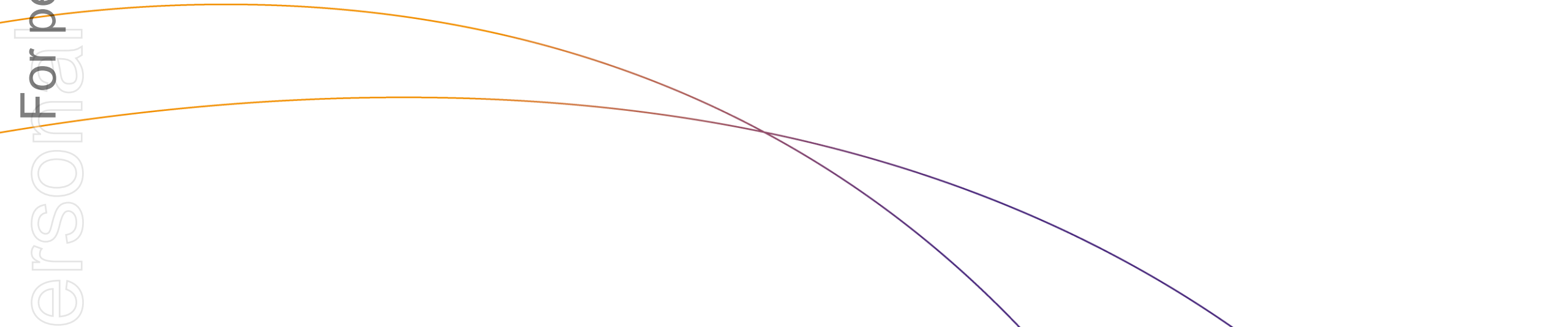
- ✓ **Support the delivery of the new Chemist Warehouse supply contract**<sup>2</sup> which is expected to generate a **minimum of \$3 billion revenue** in the first full year of the contract, through funding the procurement of inventory prior to contract commencement in July 2024. Working capital build to support this contract expected to commence from April 2024
- ✓ **Provide funding for key growth initiatives**, including the roll-out of Sigma's private label range and investment in the pharmacy brand strategy (Amcal)
- ✓ **Positions Sigma for growth with a strong balance sheet and net cash balance** post Entitlement Offer
  - Allows Sigma to **retain ownership of strategically important DCs** at Truganina, Canning Vale and Townsville
- ✓ Positions Sigma to accelerate its path to delivering a **targeted EBIT margin of 1.5 – 2.5%**<sup>3</sup>
- In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives, some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders

### Notes:

1. Position is held in the fund via HMC Capital Partners Holdings Pty Ltd as trustee of HMC Capital Partners Holding Trust. Major Shareholder holds 19.07% of Sigma shares on issue, with an entitlement under the Entitlement Offer that is equivalent to c.\$76 million. Refer to page 38 for details on how this commitment is structured
2. Signed 31 August 2023. See Sigma ASX Announcement dated 31 August 2023
3. On a standalone basis

For personal use only

# Overview of Proposed Merger with Chemist Warehouse Group



# Key Terms of the Proposed Merger

## Proposed Merger of CWG and Sigma

- Acquisition of CWG by Sigma, to be effected via a CWG scheme of arrangement (**Proposed Merger**)
- Unanimously recommended by the Sigma Board and each Sigma director intends to vote, at the Sigma EGM, all of the Sigma shares they hold or control in favour of the resolutions that require the approval of Sigma's shareholders for the Proposed Merger, in each case in the absence of a superior proposal for Sigma<sup>1</sup>
- Both HMC and HMC Capital Partners Fund I have advised Sigma that they support the Proposed Merger and intend to vote all of the Sigma shares that they hold at the date of the Sigma EGM in favour of the Sigma resolutions to approve the Proposed Merger, in the absence of a superior proposal<sup>1</sup>
- Unanimously recommended by the CWG Board and each CWG Director intends to vote in favour of the Proposed Merger all of the CWG shares that they own or control (being 71% of the fully diluted CWG shares on issue as at today's announcement), in each case in the absence of a superior proposal for CWG<sup>2</sup>

## Consideration and relative shareholding

- CWG shareholders will receive in aggregate, \$700 million in cash subject to any leakage adjustment under the MIA. CWG shareholders will also receive such number of Sigma shares that results in CWG shareholders owning 85.75% of MergeCo<sup>3</sup>
  - Sigma has received a credit approved commitment letter from ANZ<sup>4</sup> and NAB<sup>5</sup> for a new \$1.0 billion debt facility to fund the cash consideration required under the Proposed Merger and to refinance existing CWG indebtedness.<sup>6</sup> To the extent proceeds from the equity raising announced today have not already been applied to meet working capital requirements and to fund new business initiatives as discussed in this Presentation, some of the net proceeds may instead be used to partially fund the cash consideration to CWG shareholders
- Upon completion of the Proposed Merger, CWG shareholders will own 85.75% of MergeCo, and Sigma shareholders will hold the remaining 14.25%<sup>3</sup>

## Key conditions and approvals

- Proposed Merger subject to a number of conditions including:<sup>7</sup>
  - ACCC and (if required) OIO<sup>8</sup> approvals
  - Approval of the Proposed Merger by the requisite majorities of CWG shareholders<sup>9</sup>
  - Court approval of the scheme in accordance with the Corporations Act 2001 (Cth) (**Corporations Act**)
  - Sigma shareholder approvals, including pursuant to ASX Listing Rule 11.1.2 (change of scale of Sigma), ASX Listing Rule 7.1 (issuance of securities under the transaction), ASX Listing Rule 10.1 (in relation to certain business arrangements between MergeCo and its directors and holders of 10% or more of its shares)<sup>10</sup> and under Sigma's constitution to appoint the CWG nominees to the board (all 50% ordinary resolutions) as well as a resolution of Sigma shareholders under Part 2J.3 of the Corporations Act in relation to the proposed new debt facility (a 75% special resolution)
  - Neither company being affected by a material adverse change or prescribed occurrence and other customary conditions

## Board and senior management

- Post completion of the Proposed Merger, the MergeCo Board will comprise four independent directors from Sigma, four directors from CWG and Vikesh Ramsunder as Managing Director
- Michael Sammells to be Independent Chair of MergeCo, Vikesh Ramsunder to be Chief Executive Officer and Mark Davis to be Chief Financial Officer
- Mario Verrocchi, current Chief Executive Officer & Managing Director of CWG, to continue to lead the CWG business post completion of the Proposed Merger and also be appointed as an Executive Director of MergeCo

## Transaction timing

- Subject to the ACCC approval process, and the satisfaction (or waiver) of the conditions under the MIA, the Proposed Merger is expected to complete in 2H CY24
- Sigma will provide an update on the transaction with FY24 results in March 2024

Notes: 1. In addition, subject to the Sigma independent expert concluding (and continuing to conclude) that the related party arrangements relating to CWG are fair and reasonable or not fair but reasonable. 2. In addition, subject to the CWG independent expert concluding (and continuing to conclude) that the Proposed Merger is in the best interests of CWG shareholders. 3. On a fully diluted basis, including cash-settled and share-based rights, grants or other incentive arrangements which have either been exercised, exchanged or converted for cash since 11 December 2023 or remain outstanding upon completion of the Proposed Merger. In conjunction with entering into the MIA, Sigma and CWG have agreed to defer the issuance of the Placement Shares while the MIA remains on foot. If the Proposed Merger completes, these Placement Shares will not be issued. If the MIA is terminated, the Placement Shares will be issued to CWG (or a subsidiary of CWG) on the later of 1 July 2024 and 20 business days post termination of the MIA. 4. Australia and New Zealand Banking Group Limited (ABN 11 005 357 522). 5. National Australia Bank Limited (ABN 12 004 044 937). 6. Refer to page 29 for detail on the commitment letter. 7. The full list of conditions precedent to implementation of the Proposed Merger is included in the MIA attached as Appendix B in the ASX Announcement, which was lodged with ASX today. Appendix A of the ASX Announcement contains further information about the key shareholder approvals and documents to be issued by the parties in connection with the Proposed Merger. 8. The New Zealand Overseas Investment Office. 9. At least 75% of the votes cast and a majority in number of CWG shareholders voting on the resolution (in person or by proxy). 10. See ASX Announcement for further detail on the business arrangements that may require Sigma shareholder approval under ASX Listing Rule 10.1

# Transformational Merger of Sigma and Chemist Warehouse Group

Proposed Merger to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor

For personal use only

Retail Pharmacy Franchisor

- Supports a combined retail system supplying over 1,000 stores, with a complementary suite of brands
- Scale of marketing investment and reach a key differentiator



Wholesaler and Distributor

- Leading distribution player with a combined network of 16 DCs with 284,200 sqm of capacity
- 3PL services across pharmaceutical, medical consumables and fast-moving consumer goods



Own / Private Label / Licensed Brands

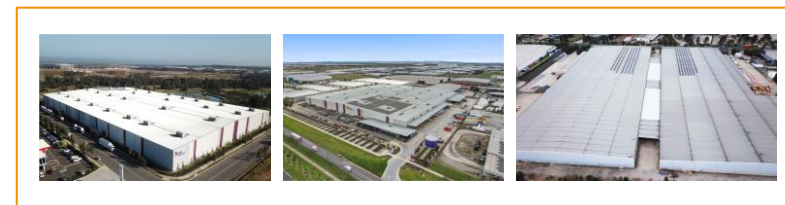
- Extensive own, private label and licensed brands across health and wellness categories with significant growth potential



**A leading healthcare wholesaler, distributor and retail pharmacy franchisor**

- Creation of a full-service wholesaler, distributor and retail pharmacy franchisor
- Combines Sigma's extensive and state-of-the-art distribution infrastructure with CWG's leading retailing know-how

CWG + Sigma



*Selected Private Label and Own Brands<sup>2</sup>*

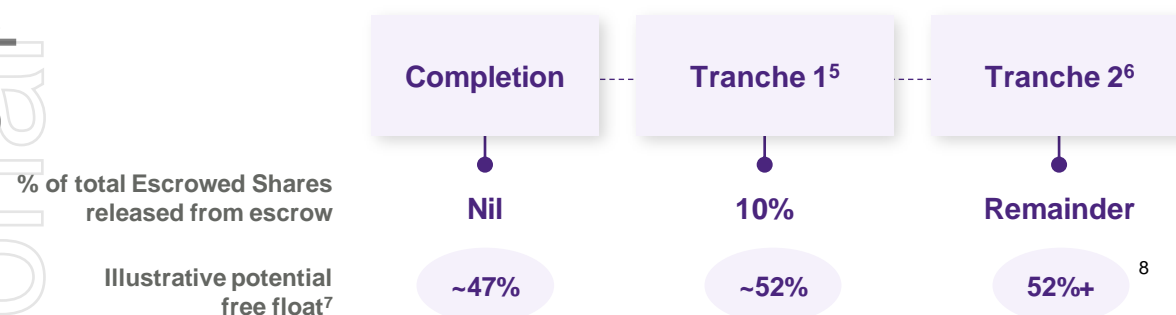
Notes:

1. In the process of being acquired by CWG. Expected to complete prior to the completion of the Proposed Merger
2. Includes full and partly owned brands. Ownership structure and commercial arrangements differ for each business

# Ongoing Commitment and Alignment of Key CWG Founder Shareholders

## CWG shareholder escrow arrangements

- CWG today has c.200 individual shareholders, including the CWG founders
- CWG founders Mario Verrocchi, Jack Gance and Sam Gance (**Escrowed Holders**), who will collectively hold c.49% of MergeCo at completion of the Proposed Merger, have agreed to escrow arrangements with Sigma in relation to those shares (**Escrowed Shares**)<sup>1</sup>
- The remaining CWG shareholders will collectively hold c.37% of MergeCo post completion and will not be subject to escrow arrangements. It is anticipated that these shareholders will be treated as free float holders<sup>2</sup>, supporting MergeCo's eligibility for entry into the S&P/ASX200 Index<sup>3</sup>
- Under the terms of the escrow deeds, Escrowed Holders will be restricted from dealing in their Escrowed Shares<sup>4</sup>, with shares to be released from escrow in tranches per the schedule below



### Notes:

1. Implementation of the restrictions in the escrow arrangements is conditional upon Sigma obtaining certain technical relief from ASIC under the Corporations Act, which Sigma will seek in due course prior to implementation. 2. Other than those shareholders to be appointed to the MergeCo Board and officers of MergeCo. MergeCo Key Management Personnel (KMP) and directors, and their associates, will be subject to the Sigma Share Trading Policy. 3. Refer to the notes on page 30 of this presentation for further detail. 4. Subject to certain exceptions as set out in Appendix A of the ASX Announcement. 5. To be released on the earlier of 31 August 2025 and the release of the financial results for the period ending 30 June 2025 (which is subject to the Board resolving to change the Sigma financial year end to 30 June). 6. To be released on the earlier of 31 August 2026 and the release of the financial results for the period ending 30 June 2026 (which is subject to the Board resolving to change the Sigma financial year end to 30 June). 7. Illustrative potential free float excludes Escrowed Holders and directors and officers of MergeCo. Represents potential free float should Escrowed Holders elect to sell down the full amount of shares released from escrow. Determination of MergeCo's free float is ultimately at the absolute discretion of S&P Dow Jones Indices. 8. Illustrative potential free float will increase to the extent Escrowed Holders elect to sell down any shares once released from escrow. 9. On a fully diluted basis (including cash-settled and share-based rights, grants or other incentive arrangements which have either been exercised, exchanged or converted for cash since 11 December 2023 or remain outstanding upon completion of the Proposed Merger).<sup>10</sup> Based on estimated MergeCo shares at completion of the Proposed Merger of 11.6 billion (including shares issued in the \$400 million capital raising announced today) and based on Sigma's last traded price of \$0.7625/sh on 6 December 2023

Escrowed Holder	No. of Escrowed Shares (m)	% of MergeCo at completion (fully diluted basis) <sup>9</sup>	% of MergeCo at completion (shares on issue) <sup>10</sup>
Mario Verrocchi	2,579.3	22.31%	22.33%
Jack Gance	1,607.2	13.90%	13.91%
Sam Gance	1,474.3	12.75%	12.76%
<b>Total Escrowed Holders</b>	<b>5,660.8</b>	<b>48.95 %</b>	<b>49.00 %</b>
Non-escrowed holders	No. of non-escrowed shares (m)	% of MergeCo at completion (fully diluted basis) <sup>9</sup>	% of MergeCo at completion (shares on issue) <sup>10</sup>
Other shareholders	4,254.9	36.80 %	36.83 %
<b>Total CWG shareholders</b>		<b>85.75 %</b>	<b>85.83 %</b>

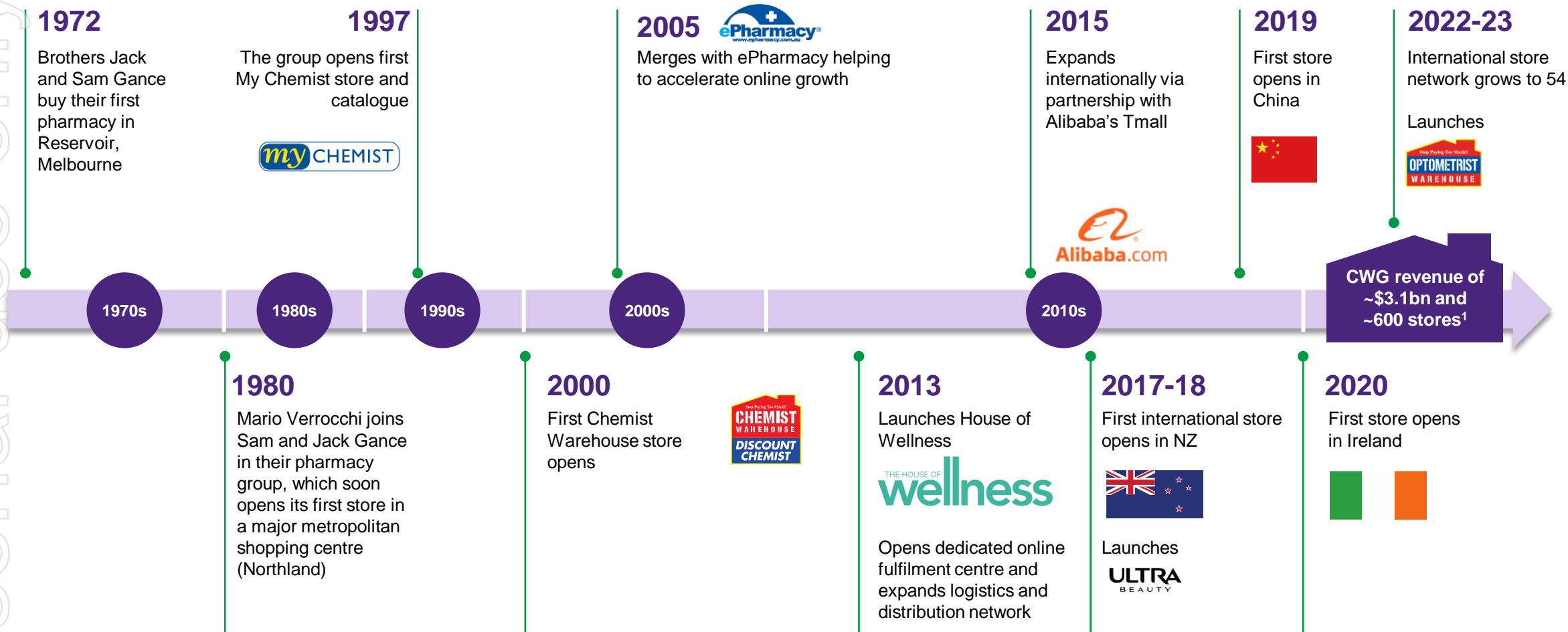
For personal use only

# Overview of Chemist Warehouse Group



# Success Built Over a 50 Year History

For personal use only



Notes:

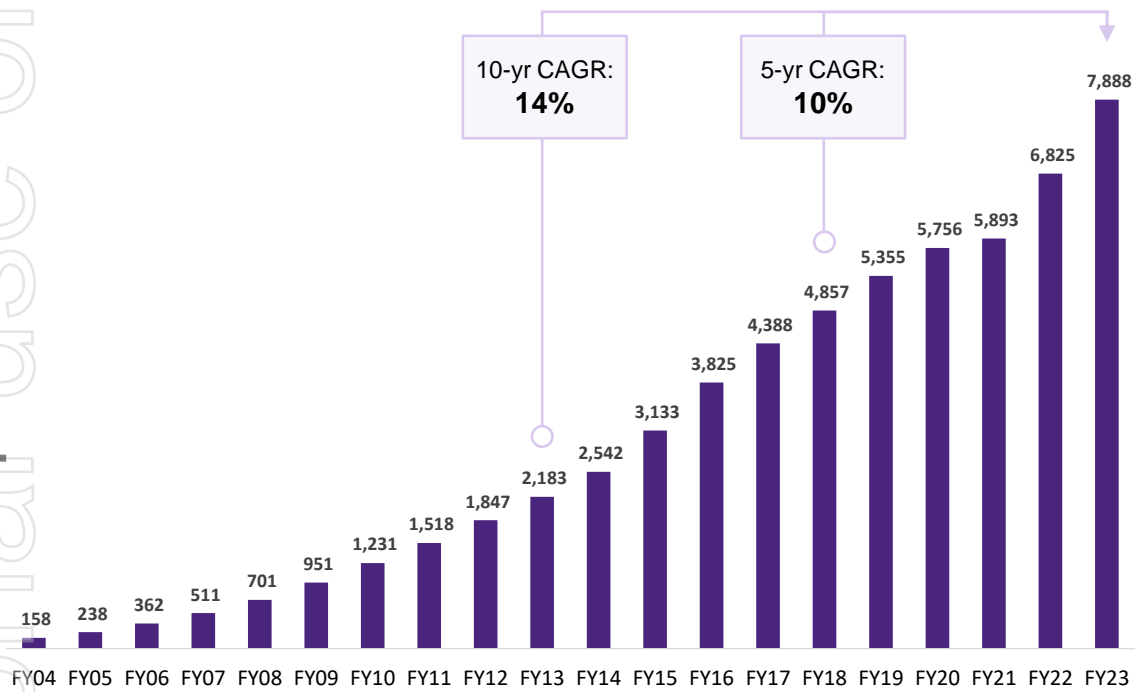
1. Retail Network as at 30 June 2023; represents a combination of franchised stores in Australia and wholly and part owned stores across New Zealand, China and Ireland. All Chemist Warehouse and My Chemist pharmacies are franchised in Australia



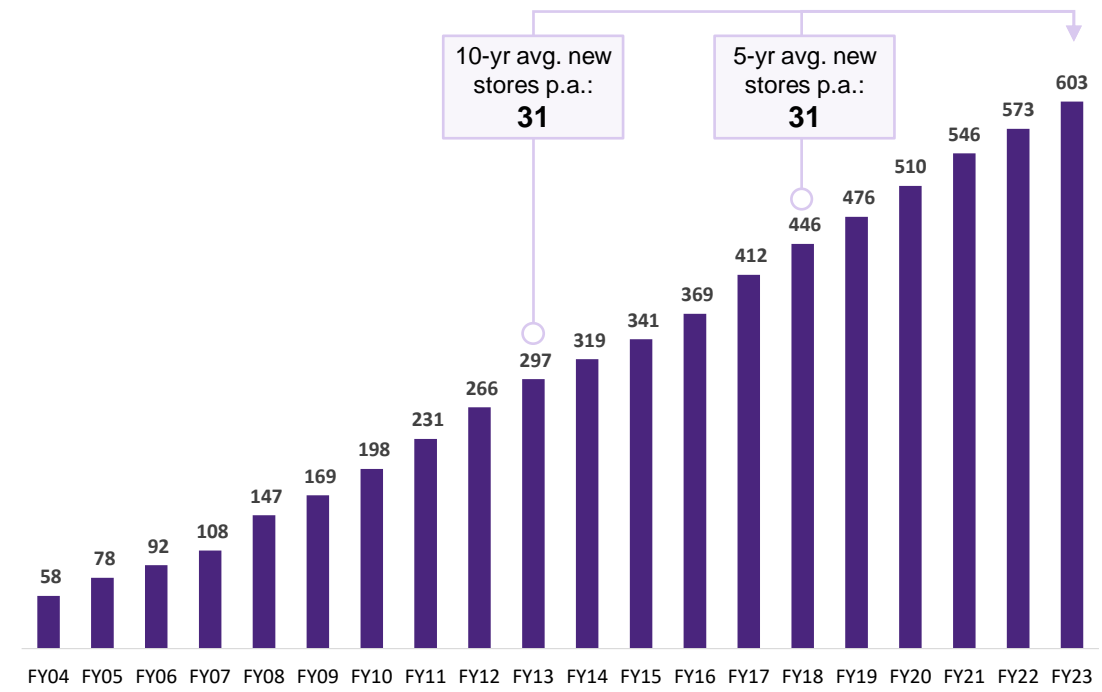
# The Retail Network has Grown Significantly Over the Last 20 Years

Total Network Sales have increased by 50x and the number of Retail Network stores by 10x since 2004<sup>2</sup>

Total Network Sales evolution (\$m)<sup>1,2</sup>



Retail Network evolution (no. of stores)<sup>2,3</sup>







Notes:

1. Total Network Sales includes a combination of the Retail Network's in-store and CWG's online sales. Australian Network Sales and New Zealand Network Sales are not consolidated into CWG revenue
2. Based on CWG management information
3. The "Retail Network" includes a combination of franchised stores in Australia, wholly and part owned stores across New Zealand, China and Ireland. All Chemist Warehouse and My Chemist pharmacies are franchised in Australia

For personal use only

# A Multi-National Retail Network of ~600 Stores, Mainly Under the Highly Recognised Chemist Warehouse Brand

## Retail brands

Brands	Stores <sup>1</sup>	Description
	557	<ul style="list-style-type: none"> <li>Flagship brand</li> <li>Big box format, with a focus on fragrances, vitamins, beauty and skincare products, along with discounted prescription pharmaceuticals</li> </ul>
Pipeline stores	24	<ul style="list-style-type: none"> <li>Unbranded stores included in total network with plans to be converted into Chemist Warehouse stores</li> </ul>
	21	<ul style="list-style-type: none"> <li>Full service, health centric and product focused pharmacy</li> <li>Principally located in VIC</li> </ul>
	17	<ul style="list-style-type: none"> <li>Luxury brand beauty retail format launched in 2018</li> <li>Co-located within Chemist Warehouse stores</li> </ul>
	1	<ul style="list-style-type: none"> <li>New discount optical retail concept launched in 2023</li> <li>To be co-located with Chemist Warehouse stores where appropriate</li> </ul>

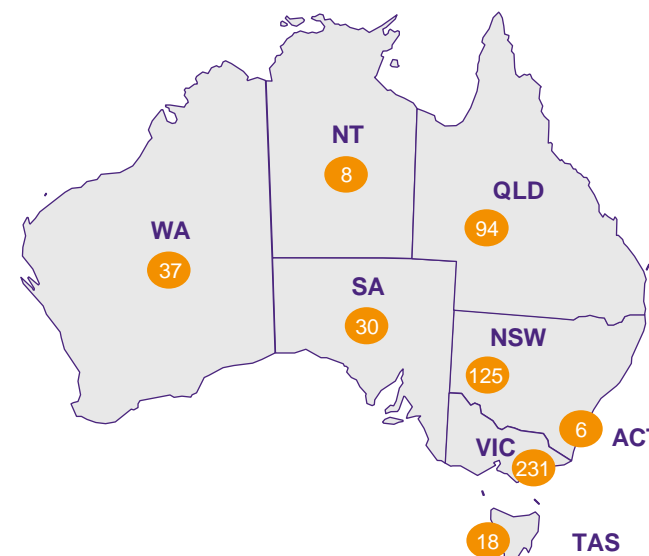
## Omnichannel sales presence

### Online



### Retail Network

Australia: 549 stores<sup>2</sup>



International: 54 stores

### China



### Ireland



### New Zealand



Notes:

- As at 30 June 2023, represents a combination of franchised, wholly and part owned stores
- As at 30 June 2023, represents 548 franchised Chemist Warehouse / My Chemist stores, in addition to 1 part owned Optometrist Warehouse store

# CWG is a Leading Australian Retail Pharmacy Franchisor

- Founded by the Gance and Verrocchi families in Melbourne, with heritage dating back 50+ years
- Provides a comprehensive range of support services and consumer goods to a multi-national Retail Network<sup>1</sup> of ~600 stores, mainly operating under the highly recognised Chemist Warehouse brand
- Highly compelling and attractive value proposition for franchisees and their customers
- Strong track record of historical expansion with numerous near term growth opportunities



## CWG

**\$3.1bn**

FY23 statutory revenue

**\$460m**

FY23 statutory EBIT

**15%**

FY23 statutory EBIT margin

**7**

distribution and fulfilment centres (leased)

## Retail Network<sup>1</sup>

**~600**

stores across 4 countries<sup>2,3</sup>

**\$7.9bn**

FY23 Total Network Sales<sup>4</sup>

**10%**

last 5 years' Total Network Sales CAGR<sup>4</sup>

**12%**

FY23 LFL sales growth in Australia<sup>5</sup>

**93**

network stores opened in the last 3 years<sup>6</sup>

**>133m**

consumer transactions in FY23<sup>7</sup>

Notes:

1. The "Retail Network" includes a combination of franchised stores in Australia and wholly and part owned stores across New Zealand, China and Ireland. All Chemist Warehouse and My Chemist pharmacies are franchised in Australia
2. Refer to page 20 for an overview of the business activities undertaken by CWG
3. As at 30 June 2023 (refer to page 18 for composition of Retail Network)
4. Total Network Sales includes a combination of the Retail Network's in-store and CWG's online sales. Australian Network Sales and New Zealand Network Sales are not consolidated into CWG revenue
5. LFL sales comparison of Australian Retail Network stores only (for stores open for at least 12 months)
6. Represents growth in the Retail Network between 30 June 2020 and 30 June 2023
7. Australian Retail Network in-store and online sales only in FY23 based on CWG management information

# Overview of CWG's Business Model and Broader Portfolio

## CWG

### Australia

#### Wholesaler and franchisor



- Comprehensive range of consumer goods (wholesale supply to store network), services and intellectual property to franchisees

### International

#### New Zealand

- Part owner of the New Zealand Retail Network<sup>1</sup>
- Financials equity accounted

#### China<sup>6</sup>

- Owns 100% of the China Retail Network
- Financials consolidated

#### Ireland

- Part owner of the Ireland Retail Network
- Financials consolidated

### Online

#### Australia<sup>2</sup>



#### New Zealand



#### China<sup>6</sup>



### Other activities

#### Other businesses<sup>3</sup>



#### Fully / partly owned brands<sup>4</sup>



#### Strategic equity partnerships



## Australian franchisees (not part of CWG)

### Australian Retail Network

- 100% franchisee owned and controlled
- Financials not consolidated

CWG franchise model – see next page

### Online<sup>2</sup>

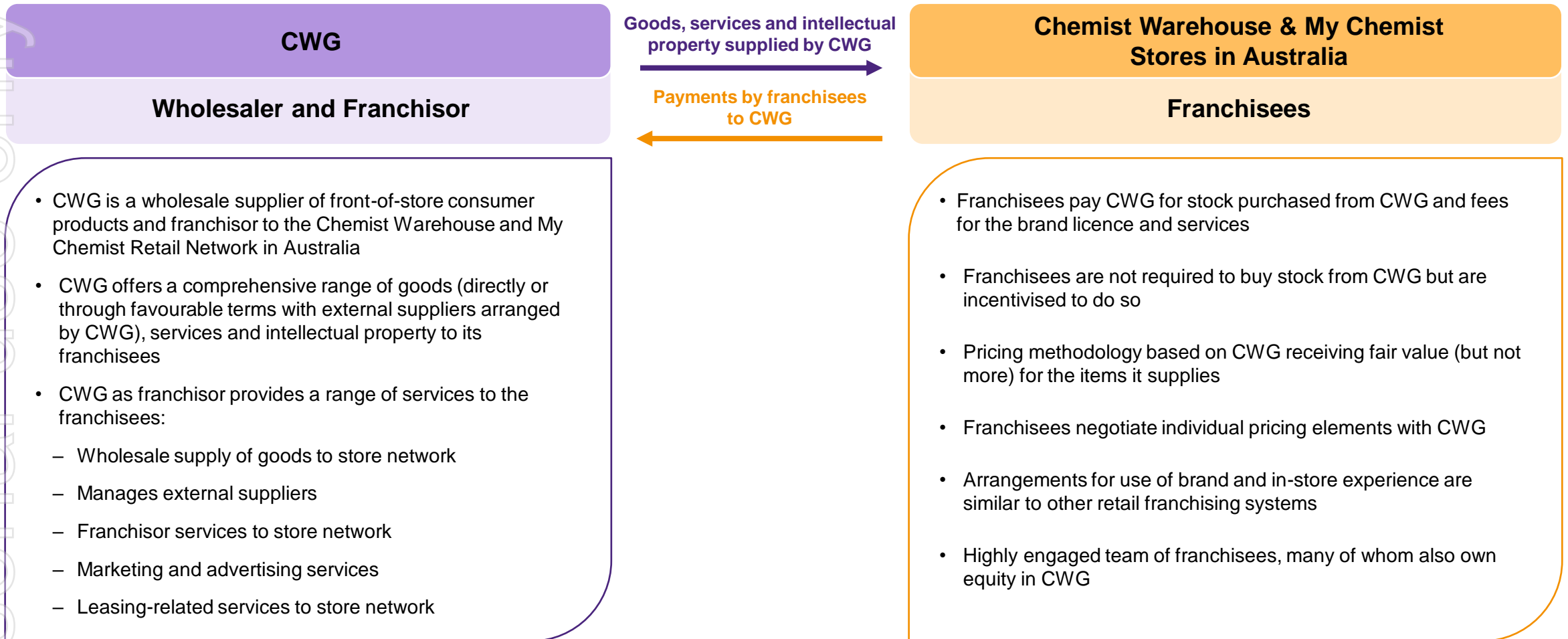


Notes:  
 1. New Zealand pharmacies are majority controlled by pharmacists, as required by legislation. CWG also charges service fees to the New Zealand pharmacies. 2. Any online sales in Australia involving scheduled medicines, or where the consumer selects Click & Collect or Fast Delivery, are directed to and fulfilled by franchisees. Where an online order relates only to consumer goods, the products are generally delivered to the customer direct from a CWG distribution centre, but may instead be directed to a franchisee for fulfilment if the distribution centre is unable to fulfil the order. Online sales in New Zealand are fulfilled by the pharmacy. 3. Other businesses include complementary media, advertising, marketing and licensing services majority owned by CWG. 4. Ownership structure and commercial arrangements differ for each business. 5. In the process of being acquired. Expected to complete prior to the completion of the Proposed Merger. 6. China Retail Network and online store only sell consumer goods and do not sell prescription products

For personal use only

# Overview of CWG's Franchise Model in Australia

For personal use only



# CWG Provides a Compelling Proposition to Franchisees

For personal use only



Product range and value proposition

Franchisees offer their customers a **wide range** of health, wellness and beauty products, including several **exclusively ranged brands**, at **discounted prices**



Seamless omnichannel offering

CWG's highly successful online store delivers a **seamless omnichannel experience** to end customers, supporting in-store trading, including via **Click & Collect and Fast Delivery purchases**, which are fulfilled by franchisees



Marketing firepower

Sustained **investment in the Chemist Warehouse brand** and **supplier partnership model** drives **brand awareness** and **store traffic** for franchisees



Franchise model

**High quality suite of services** made available by CWG to franchisees to help them operate and grow their business



Industry disrupting

Franchisees **derive 67%<sup>1</sup>** of their store revenue on average from **“front-of-store”** sales vs 27% on average for non-Chemist Warehouse pharmacies<sup>2</sup>



Exceptional people and culture

CWG instils a **“Better Together” philosophy** in all its dealings with suppliers and pharmacists that deliver better outcomes for all

1. Total in-store and online sales fulfilled by Australian Chemist Warehouse franchisees in FY23
2. Sourced from IQVIA and adjusted for CWG management assumptions with respect to government recovery component

# A Highly Attractive Financial Profile

## Retail Network<sup>1,2</sup>

**\$7.9bn**

*FY23 Total Network Sales<sup>3</sup>*

**10%**

*last 5 years' Total Network Sales CAGR<sup>3,4</sup>*

**12%**

*FY23 LFL sales growth in Australia<sup>5</sup>*

## CWG (FY23)<sup>6,7</sup>

**\$3.1bn**

*Revenue*

**\$555m**

*EBITDA*

**\$460m**

*EBIT*

**15%**

*EBIT margin*

## Commentary

### Retail Network factors that drive demand for goods and services from CWG:

- Trading performance of the Retail Network
- Supporting franchisees to grow the Retail Network in Australia

### Other key drivers of growth for CWG include:

- New store roll-out in existing and new international markets
- Increased penetration of own, private label, licensed and exclusive brands
- Improving margins through operating efficiencies and cost discipline

### FY24 YTD key highlights

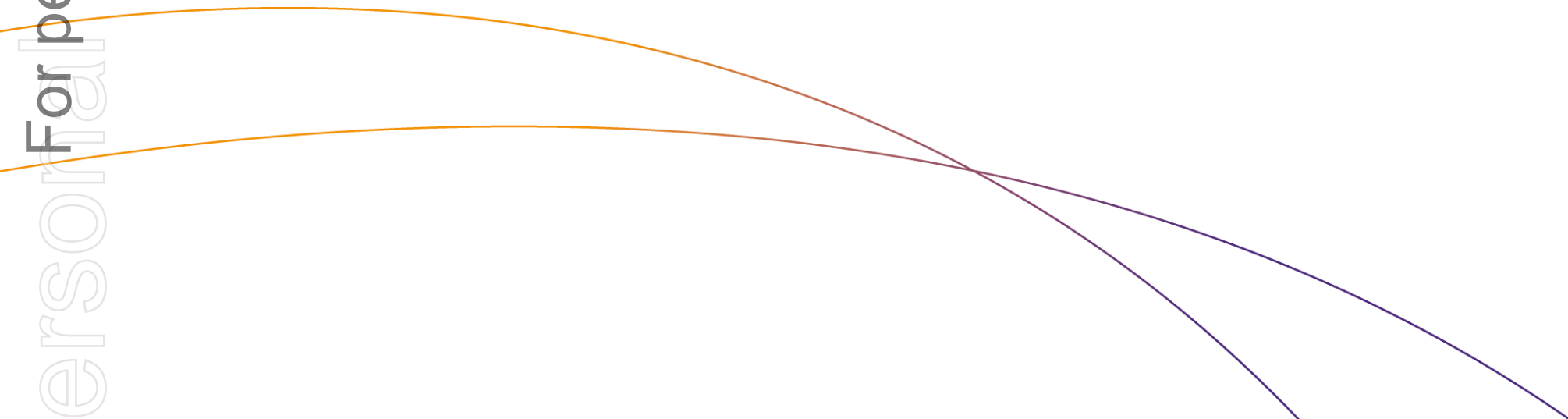
- ✓ Total Network Sales growth of ~15% vs the prior corresponding period<sup>8</sup>
- ✓ 4 Chemist Warehouse stores and 1 new Optometrist Warehouse opened in Australia alongside 7 new Chemist Warehouse stores internationally. 1 pipeline store added to Australian store network<sup>9</sup>
- ✓ Entered into two new supply arrangements (including Sigma supply agreement), with benefits expected to be realised from FY25

Notes:

1. The "Retail Network" includes a combination of franchised stores in Australia and wholly and part owned stores across New Zealand, China and Ireland. All Chemist Warehouse and My Chemist pharmacies are franchised in Australia. 2. Chemist Warehouse Group management figures. 3. Total Network Sales includes a combination of the Retail Network's in-store and CWG's online sales. Australian Network Sales and New Zealand Network Sales are not consolidated into CWG revenue. 4. Period from FY18-23. 5. LFL sales comparison of Australian Retail Network stores only (for stores open for at least 12 months). 6. Refer to page 20 for an overview of the business activities undertaken by CWG. 7. Represents CWG's audited statutory financials. Earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA) are non IFRS measures of financial performance and have been derived with reference to CWG's audited statutory accounts. 8. Period from 1 July to 31 October 2023 vs same period in 2022. 9. Period from 1 July to 25 November 2023

For personal use only

# MergeCo Overview





# Transformational Merger of Sigma and CWG

Sigma and CWG to combine to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor

## A transformational and compelling transaction for both companies



- National full line pharmaceutical wholesaler
- Supplies over 1,000 aligned pharmacies, including 340 under the Amcal and Discount Drug Stores banner brands
- State-of-the-art distribution infrastructure following completion of \$400m capital investment program



- A leading retail pharmacy franchisor
- Supports a multi-national Retail Network of ~600 pharmacies in Australia, New Zealand, China and Ireland
- Chemist Warehouse brand is amongst Australia's leading retail brands



- ▶ Creation of a **full-service wholesaler, distributor and retail pharmacy franchisor**
- ▶ Combines Sigma's **extensive and state-of-the-art distribution infrastructure** with CWG's **leading retailing know-how**
- ▶ **Aggregate annual historical MergeCo EBIT >\$495m<sup>1</sup>**, before synergies
- ▶ **Significant potential for synergies – c.\$60m p.a. of cost synergies expected<sup>2</sup>**
- ▶ **Highly experienced management team and Board**
- ▶ **Greater scale, investor interest and balance sheet strength** – indicative MergeCo market capitalisation >\$8.8bn<sup>3</sup> and expected to be eligible to sit well within the S&P/ASX200 following quarterly re-balancing<sup>4</sup>

Notes:

1. 12 months to June 2023 in the case of CWG and 12 months to July 2023 in the case of Sigma. Shown on an aggregated basis and does not take into account intercompany adjustments. Refer to page 42 for further detail. This is based on historical financial information of CWG and Sigma and is given for illustrative purposes only and should not be relied upon as Sigma's views on its future financial performance following completion of the Proposed Merger. There has been no alignment of the financial year ends of Sigma and CWG to present the aggregated MergeCo financial information. Year-end reporting periods will be aligned post implementation of the Proposed Merger
2. On a run-rate basis. Synergies expected to be achieved four years post completion of the Proposed Merger. One-off costs to achieve estimated at c.\$75m. Refer to page 28 for further detail
3. Based on estimated MergeCo shares at completion of the Proposed Merger of 11.6 billion (including shares issued in the \$400 million capital raising announced today) and based on Sigma's last traded price of \$0.7625/sh on 6 December 2023.
4. Refer to the notes on page 30 of this presentation for further detail

# Complementary Franchise Brands Across Broad Market Segments

For personal use only

**Big box discount pharmacy**



- Significant Australian pharmacy franchisor with an attractive proposition orientated towards providing customers with the lowest guaranteed prices on scheduled products / prescription medicines and the widest range of non-scheduled / 'front-of-store' products (including health and wellness, beauty and fragrances)

**Full-service pharmacy**



- Amcal is one of Australia's most trusted pharmacy brands with more than 85 years heritage in Australia
- My Chemist is a well-known predominantly Victorian based full-service pharmacy, dedicated to providing expert advice and products to assist customers with their everyday health and wellbeing needs



**Discount pharmacy**



- Discount Drug Stores is a leading discount pharmacy brand with a mission to provide quality medicines and healthcare solutions at an affordable price

## Network Stores

- **503** stores in Australia<sup>1</sup>
- **42** stores in New Zealand<sup>1</sup>
- **6** stores in Ireland<sup>1</sup>
- **6** stores in China<sup>1</sup>

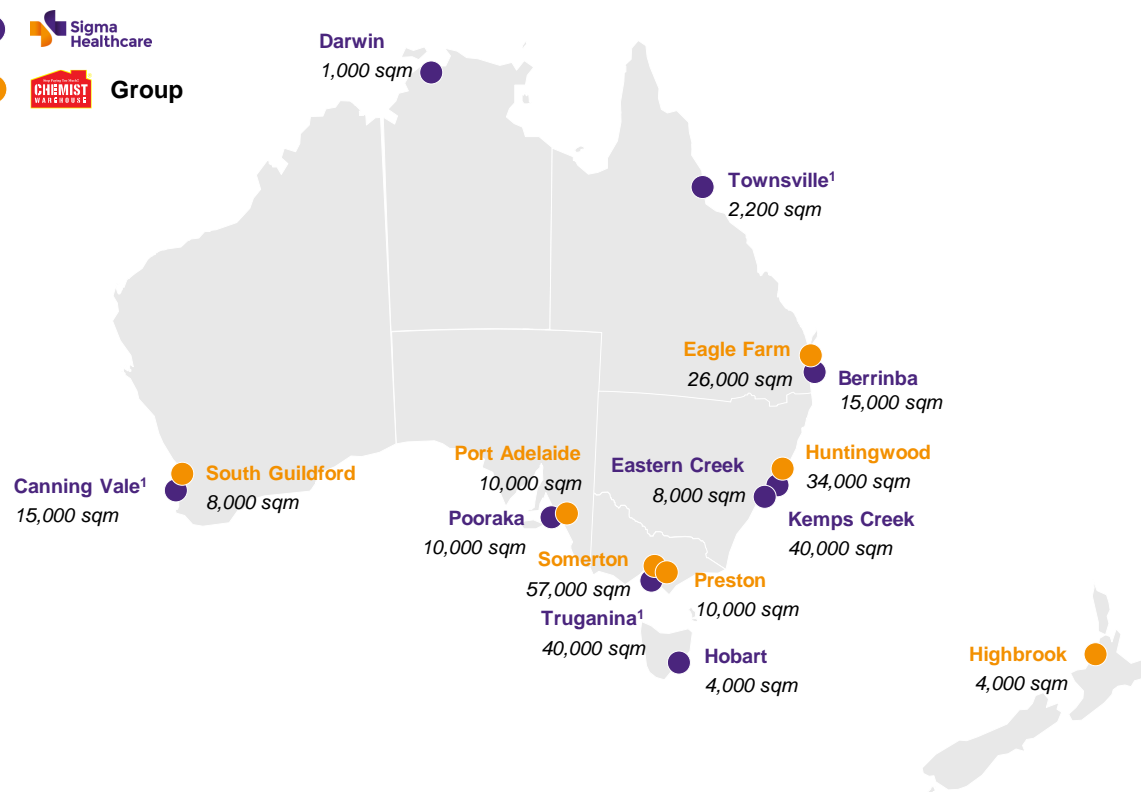
- **231** Amcal stores in Australia<sup>2</sup>
- **21** My Chemist stores in Australia<sup>1</sup>

- **109** stores in Australia<sup>2</sup>

# Comprehensive Distribution Network Across ANZ

16 DCs across Australia and New Zealand

## Combined Australian and New Zealand Distribution Centre (DC) network



- ✓ Combined network of 16 DCs with 284,200 sqm of capacity
- ✓ Sigma's facilities upgraded following \$400m of capital investment and contain state-of-the-art capability
- ✓ Recent track record of operational excellence
- ✓ Potential to optimise network for the combined business
  - i. Optimise capacity and throughput at Sigma / CWG warehouses
  - ii. Enhance distribution efficiencies across the network
  - iii. Remove duplication of transport network and costs
  - iv. Optimise inventory management and reduce wastage
  - v. Provide wholesale supply / contract security to both parties

Notes:

1. Canning Vale, Townsville and Truganina DCs are owned by Sigma. Remaining DCs are leased

# Financial Strength and Potential for Significant Cost Synergies

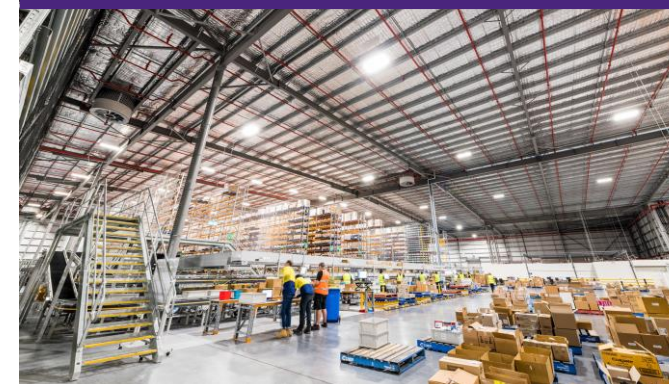
Aggregate annual historical MergeCo **EBIT >\$495m<sup>1</sup>**, before synergies

- Larger and more diversified earnings base

**Significant potential for synergies** – c.\$60m p.a. initial estimate of cost synergies expected to be realised four years post completion of the Proposed Merger<sup>2</sup>

- Strong commercial logic, with cost synergies expected to be realised across supply chain and corporate
- Potential for additional synergies and flow-on benefits to franchisees
- Integration is expected to be completed within four years post completion of the Proposed Merger, subject to the receipt of regulatory approvals – with full run-rate synergies expected to be achieved in the first full year following integration (i.e. in year five)

Sigma



CWG



Notes:

1. 12 months to June 2023 in the case of CWG and 12 months to July 2023 in the case of Sigma. Shown on an aggregated basis and does not take into account intercompany adjustments. Refer to page 42 for further detail. This is based on historical financial information of CWG and Sigma and is given for illustrative purposes only and should not be relied upon as Sigma's views on its future financial performance following completion of the Proposed Merger. There has been no alignment of the financial year ends of Sigma and CWG to present the aggregated MergeCo financial information. Year-end reporting periods will be aligned post implementation of the Proposed Merger
2. On a run-rate basis. Synergies expected to be achieved four years post completion of the Proposed Merger. One-off costs to achieve estimated at c.\$75m

# MergeCo Capital Structure

## Consideration Funding for MergeCo Transaction

- As part of the Proposed Merger, Sigma will pay \$700 million<sup>1</sup> to CWG shareholders and refinance c.\$300 million<sup>2</sup> of existing CWG debt. This will be funded through a new \$1.0 billion debt facility and net cash in the business. The debt commitment letter received by Sigma contains conditions precedent to drawdown on customary terms including that the lenders, ANZ<sup>3</sup> and NAB<sup>4</sup>, are satisfied of each of the due diligence reports prepared in connection with the Proposed Merger including vendor due diligence on Sigma and successful completion of the Entitlement Offer (which would not be satisfied if the Underwriting Agreement was terminated)
- Sigma is raising \$400 million via an Entitlement Offer to fund its business on a standalone basis including working capital for the new Chemist Warehouse supply contract, growth initiatives across its retail network and expansion in private label
- To the extent proceeds from the equity raising announced today have not already been applied to meet working capital requirements and to fund new business initiatives as discussed in this Presentation, some of the net proceeds may instead be used to partially fund the cash consideration to CWG shareholders

## MergeCo Capital Structure

- MergeCo intends to maintain a capital structure that will allow the business adequate funding flexibility to pursue growth initiatives
- The Board will give consideration to MergeCo's ongoing capital requirements and dividend policy in determining the level of MergeCo debt post transaction
- MergeCo's dividend policy will be determined by the Board at or around the time of completion of the Proposed Merger

### Notes:

1. Subject to any leakage adjustment under the MIA
2. Net of cash at bank
3. Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)
4. National Australia Bank Limited (ABN 12 004 044 937)

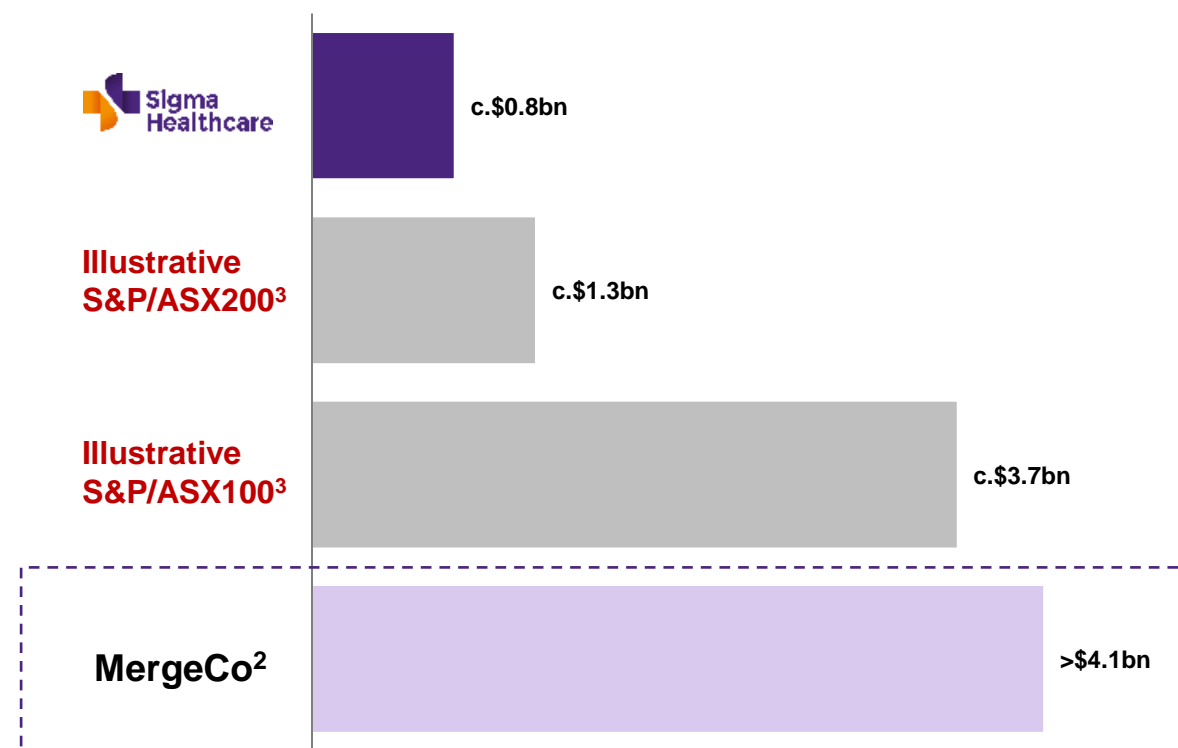
# Enhanced Scale and Index Inclusion

Indicative MergeCo market capitalisation >\$8.8bn<sup>1</sup> and free float >\$4.1bn<sup>2</sup>, eligible to sit well within the S&P/ASX200 (following quarterly rebalancing) and within the range of the S&P/ASX100

For personal use only

- Proposed Merger is expected to **significantly enhance the scale of Sigma** and result in **market capitalisation increasing from \$0.8bn to >\$8.8bn<sup>1</sup>**
- MergeCo is expected to have total free float of c.47% post completion of the Proposed Merger resulting in a free float market capitalisation of >\$4.1bn.<sup>2</sup> **MergeCo is expected to be eligible for inclusion in the S&P/ASX200 Index at the next quarterly rebalance and is expected to be within the range for S&P/ASX 100 Index inclusion**
- CWG founders** not included in the free float (Mario Verrocchi, Jack Gance and Sam Gance, who will collectively hold c.49% of MergeCo), **have entered into escrow arrangements** in relation to each of their shareholdings

## Indicative Free Float Market Capitalisation



Source: IRESS, Factsset, S&P Index Methodology. Market data as at 6 December 2023

1. Based on estimated MergeCo shares at completion of the Proposed Merger of 11.6 billion (including shares issued in the \$400 million capital raising announced today) and based on Sigma's last traded price of \$0.7625/sh on 6 December 2023.  
 2. Illustrative potential free float excludes Escrowed Holders and directors and officers of MergeCo. Investable weight factor of 47 applied to indicative MergeCo market capitalisation to imply indicative free float market capitalisation. Determination of MergeCo's free float is ultimately at the absolute discretion of S&P Dow Jones Indices  
 3. Illustrative index inclusion thresholds as at 6 December 2023, based on S&P/ASX100 and S&P/ASX200 index constituents as at the December 2023 S&P Dow Jones Indices rebalance. Based on last close free float market capitalisation. Inclusion into the S&P/ASX200 and S&P/ASX100 indices is based on eligibility criteria including but not limited to: the daily average free float market capitalisation of a security over the last 6 months and minimum relative liquidity thresholds. Inclusion into the S&P/ASX100 and S&P/ASX200 indices is ultimately at the S&P Dow Jones Indices' absolute discretion. Refer to S&P Dow Jones Indices' S&P/ASX Australian Indices Methodology memorandum as of November 2023 for further information. Inclusion in the S&P/ASX200 or S&P/ASX100 indices is impacted by factors outside of MergeCo's control including the price at which its shares trade on ASX. There is no guarantee that MergeCo will be included in either index

# Attractive Investment Case to Deliver Future Growth

MergeCo is well positioned to capitalise on significant growth opportunities

---

- ✓ **Winning new franchisees to support the growth of the Australian store network**
- ✓ **Continued investment in announced relaunch of the Amcal brand and Discount Drug Stores**
- ✓ **Expanded product offering and services to franchisees – including extension of CWG’s in house media and marketing capability across MergeCo, and expansion of own brand and private label range**
- ✓ **Increased omnichannel capabilities, building on CWG’s existing offering for the benefit of all MergeCo franchisees and retail customers**
- ✓ **International market expansion under the Chemist Warehouse brand**

# MergeCo Board

Board of Directors comprising four existing non-executive directors from Sigma, four directors from CWG (including CWG founders Jack Gance and Mario Verrocchi) and Vikesh Ramsunder (current CEO & Managing Director of Sigma)



**Michael Sammells**  
Chairman



**Vikesh Ramsunder**  
CEO & Managing Director



**Jack Gance**  
Executive Director



**Mario Verrocchi**  
Executive Director



**Damien Gance**  
Executive Director



**Annette Carey**  
Non-Executive Director



**Neville Mitchell**  
Non-Executive Director



**Chris Roberts**  
Non-Executive Director



**Danielle Di Pilla**  
Executive Director



For personal use only



# MergeCo Management Team

MergeCo management team led by Vikesh Ramsunder (CEO) and Mark Davis (CFO)



**Vikesh Ramsunder**  
*CEO & Managing Director*

- *Over 30 years of industry experience and previously Group CEO of Clicks Group South Africa*



**Mark Davis**  
*CFO*

- *CFO of CWG since 2020. Previously CFO of ASX-listed Computershare*

- The new executive team for MergeCo will be drawn from the current management teams of Sigma and CWG, with the CWG management team broadly responsible for retail pharmacy franchisor activities of MergeCo and the Sigma management team broadly responsible for the wholesale and distribution activities of MergeCo
- Mario Verrocchi, current CEO & Managing Director of CWG, to continue to lead the CWG business post completion of the Proposed Merger and also be appointed as an Executive Director of MergeCo

# Summary

Proposed Merger recommended by both Sigma and CWG Boards<sup>1</sup>

## A transformational and compelling transaction for Sigma and CWG

Creation of a **full-service wholesaler, distributor and retail pharmacy franchisor**

Combines Sigma's **extensive and state-of-the-art distribution infrastructure** with CWG's **leading retailing know-how**

**Aggregate annual historical MergeCo EBIT >\$495m<sup>2</sup>**, before synergies

**Significant potential for synergies – c.\$60m p.a. of cost synergies expected<sup>3</sup>**

**Highly experienced management team and Board**

**Greater scale, investor interest and balance sheet strength** – indicative MergeCo market capitalisation >\$8.8bn<sup>4</sup> and expected to be eligible to sit well within the S&P/ASX200 following quarterly re-balancing<sup>5</sup>

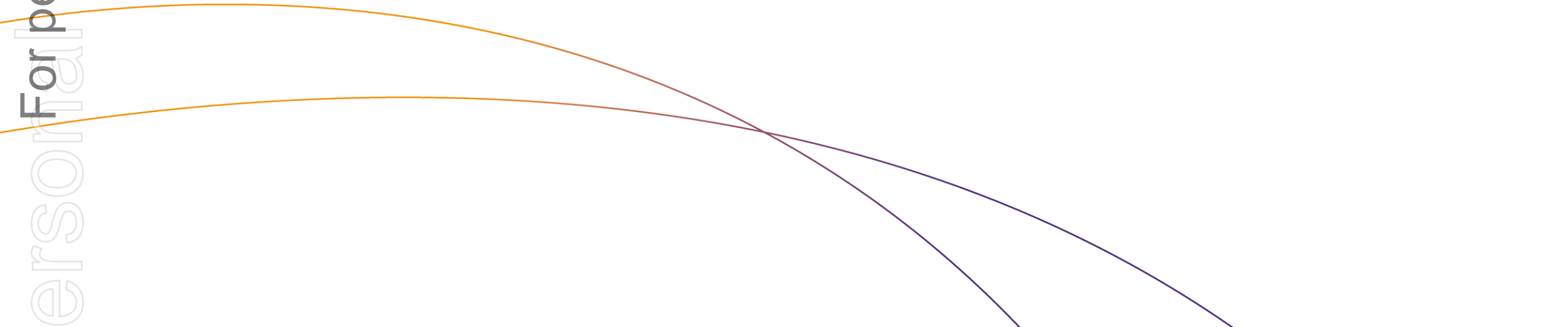
**Subject to the ACCC approval process, and the satisfaction (or waiver) of the conditions under the MIA, the Proposed Merger is expected to complete in 2H CY24<sup>6</sup>**

Notes:

1. In each case, in the absence of a superior proposal for Sigma and CWG respectively and, in the case of the Sigma Board, subject to the Sigma independent expert concluding (and continuing to conclude) that the related party arrangements relating to CWG are fair and reasonable or not fair but reasonable, and in the case of the CWG Board, subject to an independent expert concluding (and continuing to conclude) that the Proposed Merger is in the best interests of CWG shareholders. 2. 12 months to June 2023 in the case of CWG and 12 months to July 2023 in the case of Sigma. Shown on an aggregated basis and does not take into account intercompany adjustments. Refer to page 42 for further detail. This is based on historical financial information of CWG and Sigma and is given for illustrative purposes only and should not be relied upon as Sigma's views on its future financial performance following completion of the Proposed Merger. There has been no alignment of the financial year ends of Sigma and CWG to present the aggregated MergeCo financial information. Year-end reporting periods will be aligned post implementation of the Proposed Merger. 3. On a run-rate basis. Synergies expected to be achieved four years post completion of the Proposed Merger. One-off costs to achieve estimated at c.\$75m. Refer to page 28 for further detail. 4. Based on estimated MergeCo shares at completion of the Proposed Merger of 11.6 billion (including shares issued in the \$400 million capital raising announced today) and based on Sigma's last traded price of \$0.7625/sh on 6 December 2023. 5. Refer to the notes on page 30 of this presentation for further detail. 6. The full list of conditions precedent to implementation of the Proposed Merger is included in the MIA attached as Appendix B in the ASX Announcement

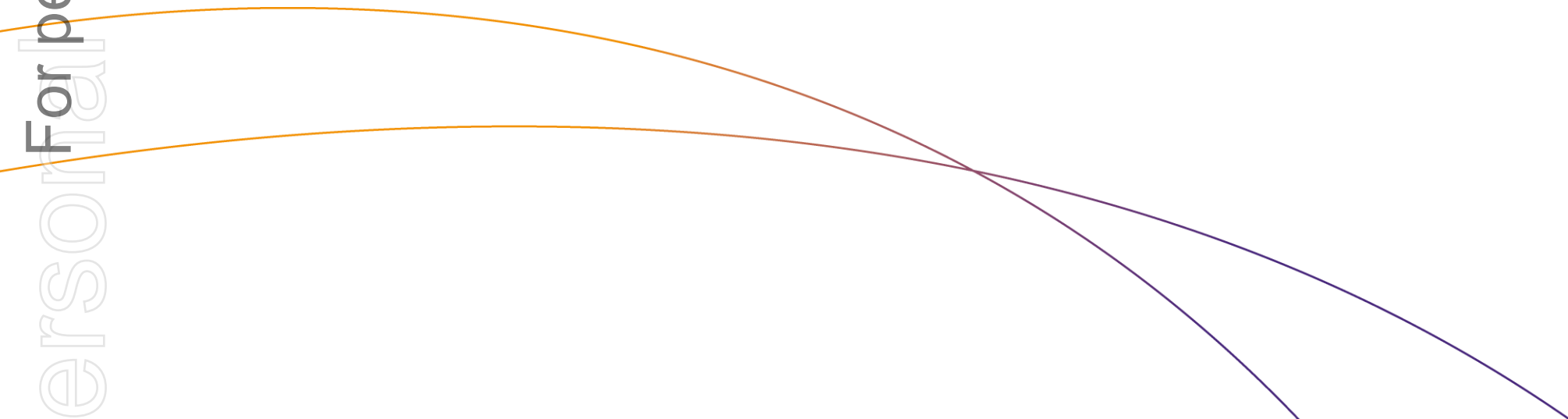
For personal use only

# Q&A



For personal use only

# Appendix A: Sigma Equity Raising Detail



# Sigma Equity Raising Details

For personal use only

<p><b>Offer size and structure</b></p>	<ul style="list-style-type: none"> <li>Fully underwritten 1 for 1.85 pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of approximately \$400 million</li> <li>Approximately 572.6 million new Sigma ordinary shares to be issued under the Entitlement Offer, equivalent to approximately 54.1% of existing shares on issue</li> </ul>
<p><b>Offer price</b></p>	<ul style="list-style-type: none"> <li>Entitlement Offer price of \$0.70 per New Share (<b>Offer Price</b>), representing a:             <ul style="list-style-type: none"> <li>8.2% discount to Sigma’s last traded price of \$0.7625 on Wednesday, 6 December 2023; and</li> <li>5.5% discount to the theoretical ex-rights price (<b>TERP</b>) of \$0.7406<sup>1</sup></li> </ul> </li> </ul>
<p><b>Use of proceeds</b></p>	<ul style="list-style-type: none"> <li>Proceeds from the Entitlement Offer will be used to fund increased working capital requirements in relation to the recently announced Chemist Warehouse supply contract (commencing 1 July 2024) and progress business growth initiatives including the roll-out of Sigma’s private label range and investment in the pharmacy brand strategy</li> <li>In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders</li> </ul>
<p><b>Record date</b></p>	<ul style="list-style-type: none"> <li>7:00pm (AEDT) on Wednesday, 13 December 2023 (<b>Record Date</b>)</li> </ul>

Notes:

1. TERP is the theoretical price at which Sigma shares should trade immediately following the ex-date for the Entitlement Offer. TERP is calculated by reference to Sigma’s last traded price of \$0.7625/sh on 6 December 2023, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Sigma shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP

# Sigma Equity Raising Details (Cont.)

For personal use only

<b>Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>The Institutional Entitlement Offer opens today and closes on Tuesday, 12 December 2023 for all eligible institutional shareholders<sup>1</sup></li> <li>Institutional entitlements not taken up and those of ineligible institutional and retail shareholders will be sold at the Offer Price</li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>The Retail Entitlement Offer will open on Monday, 18 December 2023 and close at 5:00pm (AEDT) on Friday, 19 January 2024</li> <li>Eligible retail shareholders in Australia and New Zealand may:             <ul style="list-style-type: none"> <li>Elect to take up all, or part, of their pro-rata entitlements prior to 5:00pm (AEDT) on Friday, 19 January 2024</li> <li>Do nothing and let their retail entitlements lapse</li> </ul> </li> <li>Retail shareholders should read the Retail Entitlement Offer Booklet which contains full information on the Retail Entitlement Offer and application process</li> <li>Eligible retail shareholders who take up their entitlements in full will be entitled to apply for up to 25% of their entitlements to the extent there is retail shortfall (other than to the extent that doing so would result in a breach of the ASX Listing Rules or Corporations Act)<sup>2</sup></li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares issued under the Entitlement Offer will rank pari passu with existing fully paid shares from the date of issue</li> </ul>
<b>Underwriting and HMC Priority Sub-underwriting</b>	<ul style="list-style-type: none"> <li>The Entitlement Offer is fully underwritten by Goldman Sachs Australia Pty Ltd</li> <li>HMC, the manager of Sigma's Major Shareholder who holds 19.07% of Sigma shares on issue<sup>3</sup>, has provided a priority sub-underwriting commitment for c.\$76 million equivalent to the value of the Major Shareholder's entitlement under the Entitlement Offer (<b>HMC Priority Sub-underwriting</b>). The HMC Priority Sub-underwriting does not involve payment of any sub-underwriting fees and, save for its priority allocation, is otherwise on the same terms as other sub-underwriters to the Offer. The HMC Priority Sub-underwriting is conditional on the Underwriting Agreement not being terminated</li> <li>The result is that the Major Shareholder (through its related entities under the HMC Priority Sub-underwriting) will subscribe in full for the Major Shareholder's entitlement under the Offer<sup>4</sup></li> </ul>
<b>Additional support from the Major Shareholder</b>	<ul style="list-style-type: none"> <li>In addition to the HMC Priority Sub-underwriting, HMC has also agreed with the Underwriter to partially sub-underwrite the Retail Entitlement Offer up to c.\$27 million (<b>HMC Additional Sub-underwriting</b>)</li> <li>The Additional Sub-underwriting is on the same terms as that of other sub-underwriters and HMC will receive a fee of 1.0% (including GST) on the value of securities sub-underwritten under the Retail Entitlement Offer (other than the HMC Priority Sub-underwriting as described above, which it will not receive any fees on), which is equivalent to the fee that any other sub-underwriter will receive on the value of securities sub-underwritten by them under the Retail Entitlement Offer<sup>5</sup></li> </ul>

## Notes:

- Sigma has determined to extend the Institutional Entitlement Offer to institutional shareholders registered in Australia, Bermuda, Canada (British Columbia, Ontario and Quebec provinces only), Cayman Islands, European Union, Hong Kong, Japan, New Zealand, Norway, Singapore, Switzerland, United Arab Emirates (excluding financial zones) and the United Kingdom, subject to the 'Offer Restrictions' set out in Appendix F of this Presentation
- The Major Shareholder's entitlement is excluded from allocation in this over-subscription facility as this will be allocated to HMC under its priority sub-underwriting arrangement to the extent this is not exercised by the Major Shareholder
- Position is held in the HMC Capital Partners Fund I via HMC Capital Partners Holdings Pty Ltd as trustee of HMC Capital Partners Holding Trust
- HMC will have the right to assign the HMC Priority Sub-underwriting to its related bodies corporate or to a fund which is managed by HMC or one of its related bodies corporate
- HMC will have the right to assign the HMC Additional Sub-underwriting to its related bodies corporate or to a fund which is managed by HMC or one of its related bodies corporate

# Sigma Pro Forma Balance Sheet and Uses Of Proceeds

c.\$400m Entitlement Offer proceeds strengthen the Sigma balance sheet, providing sufficient headroom to support the new Chemist Warehouse supply contract and near-term business growth initiatives<sup>1</sup>

## Pro Forma Balance Sheet Position (Under No Proposed Merger Scenario)

A\$m (as at 31 July 2023)	Sigma	Entitlement Offer <sup>2</sup>	Pro Forma Entitlement Offer
Cash and cash equivalents	11.3	298.5	309.8
Trade and other receivables	335.9		335.9
Inventory	256.5		256.5
PPE	191.9		191.9
Goodwill and other intangible assets	101.2		101.2
Right-of-use assets	88.0		88.0
Other assets	108.1		108.1
<b>Total assets</b>	<b>1,092.9</b>	<b>298.5</b>	<b>1,391.4</b>
Bank overdraft	13.6	(13.6)	-
Trade and other payables	354.4		354.4
Borrowings	80.0	(80.0)	-
Lease liabilities	141.0		141.0
Other liabilities	18.5		18.5
<b>Total liabilities</b>	<b>607.5</b>	<b>(93.6)</b>	<b>513.9</b>
<b>Net assets</b>	<b>485.4</b>	<b>392.1</b>	<b>877.5</b>
<b>Total equity</b>	<b>485.4</b>	<b>392.1</b>	<b>877.5</b>
<b>Net debt / EBITDA<sup>4</sup></b>	<b>1.3x</b>		<b>(4.7)x</b>

## Sources and Uses of Funds<sup>2</sup>

Sources of Funds	A\$m
Entitlement Offer	400.0
<b>Total sources</b>	<b>400.0</b>
Uses of Funds	A\$m
Paydown of debt	93.6
Additional cash on balance sheet <sup>3</sup>	298.5
Transaction costs	7.9
<b>Total uses</b>	<b>400.0</b>

### Notes:

- In the event the Proposed Merger proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration to CWG shareholders
- Based on approximate Entitlement Offer size of \$400m. Actual offer size is \$400.8m
- For the funding of business growth initiatives and to support the delivery of the new Chemist Warehouse supply contract
- Net debt / EBITDA is based on LTM EBITDA to 31 July 2023

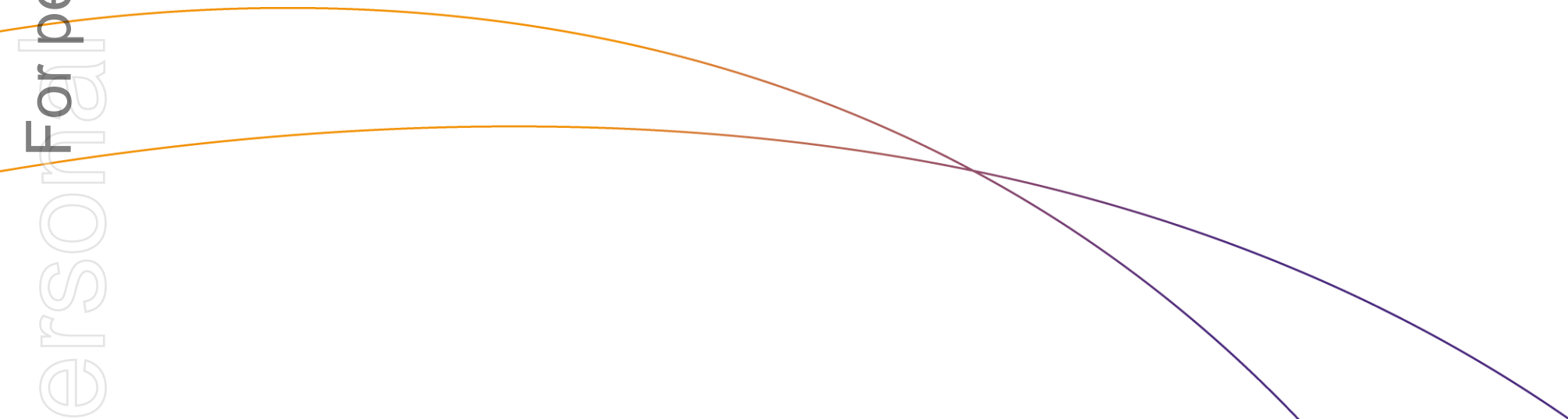
# Entitlement Offer Timetable

Event	Date
Announcement of Entitlement Offer (with voluntary suspension of Sigma shares to continue)	Monday, 11 December 2023
Institutional Entitlement Offer opens	Monday, 11 December 2023
Institutional Entitlement Offer closes	Tuesday, 12 December 2023
Announcement of results of Institutional Entitlement Offer	Wednesday, 13 December 2023
Voluntary suspension lifted and Sigma shares recommence trading	Wednesday, 13 December 2023
Entitlement Offer Record Date (7:00pm AEDT)	Wednesday, 13 December 2023
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet made available	Monday, 18 December 2023
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 19 December 2023
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 20 December 2023
Retail Entitlement Offer closes (5:00pm AEDT)	Friday, 19 January 2024
Announcement of results of Retail Entitlement Offer	Wednesday, 24 January 2024
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 25 January 2024
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 29 January 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 30 January 2024
Holding statements dispatched in respect of New Shares issued under the Retail Entitlement Offer	Tuesday, 30 January 2024



For personal use only

# Appendix B: Supporting Information on Proposed Merger



# Impact of the Transactions on Key Sigma Metrics

A	B	C	D	E	F	G	H
Particulars	Before transaction	Increase due to Entitlement Offer	After Entitlement Offer	Increase due to the Proposed Merger	After the Proposed Merger	Percentage change due to Entitlement Offer and the Proposed Merger	Percentage change due to the Proposed Merger
<i>Actual increase due to transaction</i>							
<i>Method of calculation</i>	<i>From latest reviewed Sigma figures<sup>1</sup></i>	<i>Actual change due to Entitlement Offer<sup>2</sup></i>	<i>B + C</i>	<i>Actual change due to the Proposed Merger<sup>3</sup></i>	<i>D + E<sup>4</sup></i>	<i>(F-B)/B</i>	<i>(F-D)/D</i>
Total Consolidated Assets (A\$m)	1,092.9	400.0	1,492.9	2,232.0	3,724.9	241%	150%
Total Equity Interests (A\$m)	485.4	400.0	885.4	379.7	1,265.1	161%	43%
Total Securities on Issue (fully diluted) (m) <sup>5</sup>	1,075.2	572.6	1,647.8	9,908.1	11,555.9	975%	601%
<i>Aggregate increase due to transaction</i>							
Historical Consolidated EBITDA (A\$m) <sup>6</sup>	65.7	-	65.7	555.3	621.0	846%	846%
Historical Consolidated EBIT (A\$m) <sup>7</sup>	36.3	-	36.3	459.8	496.1	1,268%	1,268%
Historical Consolidated Annual Profit Before Tax (A\$m)	20.5	-	20.5	429.4	449.8	2,098%	2,098%
Historical Consolidated Annual Expenditure (A\$m) <sup>8</sup>	3,545.0	-	3,545.0	2,566.4	6,111.4	72%	72%
Historical Consolidated Annual Revenue (A\$m) <sup>9</sup>	3,610.7	-	3,610.7	3,108.7	6,719.4	86%	86%

Notes: All financial information is presented based on a statutory reported basis, reflecting the respective accounting policies, assumptions, judgements and reporting periods of both Sigma and CWG. No adjustments have been made in respect of the alignment of accounting policies or reporting periods. 1. Financial information for Sigma is presented on a last twelve-month (LTM) basis up to 31 July 2023, based on 2H23A and 1H24A. 1H24A is based on Sigma's Reviewed Appendix 4D Half Year Financial Statements for the half year ended 31 July 2023 and 2H23A has been derived from Sigma's Audited Appendix 4E Full Year Financial Statements for the year ended 31 January 2023 and Reviewed Appendix 4D Half Year Financial Statements for the half year ended 31 July 2022. 2. Presented based on gross proceeds prior to transaction costs and based on approximate Entitlement Offer size of \$400m. Actual offer size is \$400.8m. 3. Financial information for CWG is presented on a financial year (FY) basis for the financial year ended 30 June 2023 and is based on CWG's Audited Annual Financial Statements for the year ended 30 June 2023. 4. Combined financial information reflects the aggregation of the reported financial information for Sigma and CWG. No adjustments have been made to eliminate the impact of any transactions between Sigma and CWG, noting that in the LTM to 31 July 2023 period Sigma recorded sales revenue of \$1,151m from CWG. Other than the issuance of the Sigma shares to CWG relating to the Proposed Merger, the financial information does not reflect any potential acquisition accounting-related adjustments as is required for business combinations in accordance with the requirements of AASB 3 Business Combinations. 5. Refer to page 43 for further detail on Sigma's capital structure. 6. EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation. Sigma's EBITDA represents statutory EBITDA as disclosed within Sigma's 31 July 2022 Half Year (reviewed), 31 July 2023 Half Year (reviewed) and 31 January 2023 Full Year (audited) Financial Statements. CWG's EBITDA has been derived by adding back (i) net finance costs and (ii) depreciation and amortisation expenses to profit before tax as disclosed in CWG's Audited 30 June 2023 Annual Financial Statements. 7. EBIT is defined as earnings before interest and taxes. Sigma's EBIT represents statutory EBIT as disclosed within Sigma's 31 July 2022 Half Year (reviewed), 31 July 2023 Half Year (reviewed) and 31 January 2023 Full Year (audited) Financial Statements. CWG's EBIT has been derived by adding back net finance costs to profit before tax as disclosed in CWG's Audited 30 June 2023 Annual Financial Statements. 8. Annual expenditure is defined as all expenses including costs of goods sold but excluding: (i) depreciation and amortisation expenses, (ii) net finance costs and (iii) income tax expense. 9. Revenue for Sigma represents reported sales revenue and other revenue. Revenue for CWG represents reported revenue and other income and does not include share of profits in associates accounted for using the equity method

# Impact of the Transactions on Sigma’s Capital Structure

For personal use only

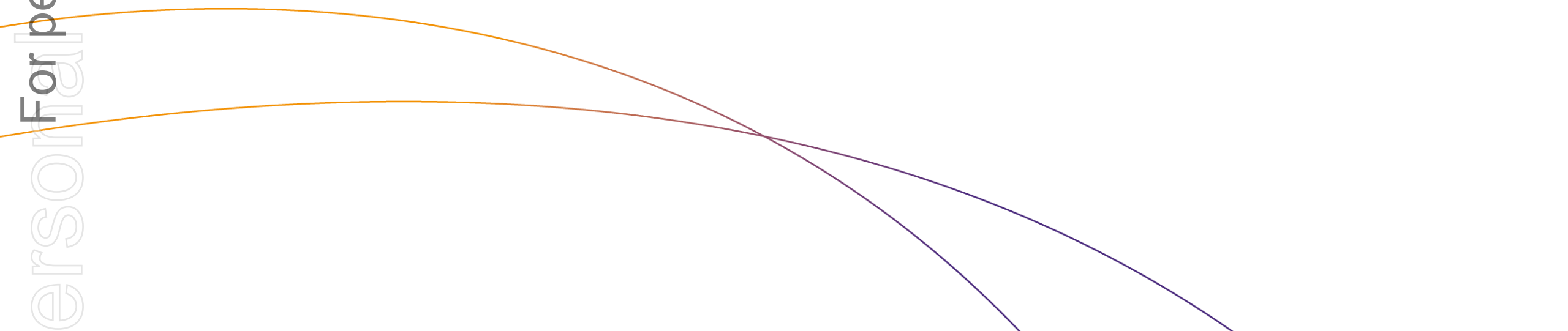
Equity security	Before transaction <sup>1</sup>	Change due to Entitlement Offer	After Entitlement Offer	Change due to the Proposed Merger <sup>2</sup>	After the Proposed Merger
Shares	1,059,276,416	572,581,847	1,631,858,263	9,920,258,142 <sup>3</sup>	11,552,116,405
Rights <sup>5</sup>	15,939,941	-	15,939,941	(12,160,471) <sup>4</sup>	3,779,470 <sup>6</sup>
<b>Total Securities on Issue (fully diluted)</b>	<b>1,075,216,357</b>	<b>572,581,847</b>	<b>1,647,798,204</b>	<b>9,908,097,671</b>	<b>11,555,895,875</b>

Notes:

1. Represents Sigma’s capital structure as at the date of this presentation
2. This does not include the impact of: (i) other than described on this page including these notes, any other issuances or cancellations of equity securities by Sigma prior to or on completion of the Proposed Merger (e.g., any new awards granted under an employee equity incentive scheme, or the conversion or lapsing of any existing rights granted under these schemes in their ordinary course). In conjunction with entering into the MIA, Sigma and CWG have agreed to defer the issuance of the Placement Shares already agreed to be issued to CWG in conjunction with the CWG supply agreement due to commence on 1 July 2024 while the MIA remains on foot. If the Proposed Merger completes, these Placement Shares will not be issued. If the MIA is terminated, the Placement Shares will be issued to CWG (or a subsidiary of CWG) the later of 1 July 2024 and 20 business days post termination of the MIA
3. Includes 4,560,178 Sigma shares issued on conversion of EEG Rights as described in note 4 below
4. Rights granted under the 2023 Executive Equity Grant Plan (**EEG Rights**) will be subject to the following treatment as a result of the Proposed Merger: (i) a cash payment equal to the value of 25% of the EEG Rights (being the service based component of the grant) be made upon the 'normal' retention date in the plan (being 31 January 2026) and the corresponding EEG Rights lapsing, (ii) a cash payment equal to the value of 37.5% of the EEG rights be made upon the Proposed Merger completing and the corresponding EEG Rights lapsing, and (iii) 37.5% of the EEG Rights converting to ordinary shares in Sigma as at completion of the Proposed Merger that are then held in escrow until 31 January 2026
5. Includes an additional grant of 403,918 rights to be issued to Sigma management (non-KMP) following the date of this presentation but prior to implementation of the Proposed Merger, which will be subject to the treatment set out in note 4 above
6. This does not take into account any other vesting of rights (and exercise of rights) that might occur by implementation of the Proposed Merger in the ordinary course of the operation of Sigma’s employee incentive plans

For personal use only

# Appendix C: Further Detail on CWG



# Growth in the Retail Network

Australia <sup>1</sup>	2020	2021	2022	2023	Store growth (2020 – 2023)	
					#	%
Victoria	209	213	219	231	<b>22</b>	<b>11%</b>
New South Wales	119	122	123	125	<b>6</b>	<b>5%</b>
Queensland	79	86	91	94	<b>15</b>	<b>19%</b>
Western Australia	29	34	35	37	<b>8</b>	<b>28%</b>
South Australia	28	29	29	30	<b>2</b>	<b>7%</b>
Tasmania	18	18	18	18	-	-
Australian Capital Territory	4	6	6	6	<b>2</b>	<b>50%</b>
Northern Territory	9	8	8	8	<b>(1)</b>	<b>(11)%</b>
<b>Total</b>	<b>495</b>	<b>516</b>	<b>529</b>	<b>549</b>	<b>54</b>	<b>11%</b>

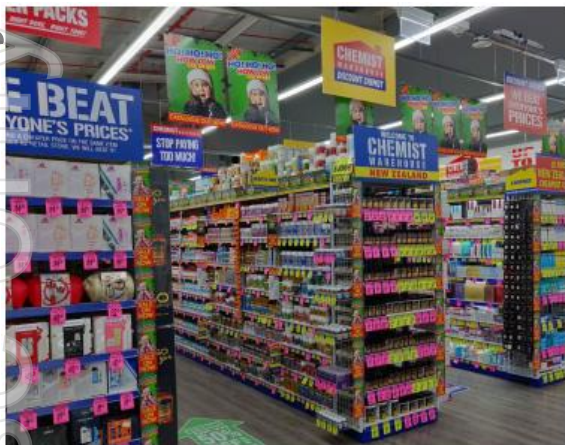
International <sup>1</sup>	2020	2021	2022	2023	Store growth (2020 – 2023)	
					#	%
New Zealand	14	24	35	42	<b>28</b>	<b>200%</b>
China <sup>2</sup>	1	4	5	6	<b>5</b>	<b>500%</b>
Ireland	-	2	4	6	<b>6</b>	<b>n/a</b>
<b>Total</b>	<b>15</b>	<b>30</b>	<b>44</b>	<b>54</b>	<b>39</b>	<b>260%</b>

- 
**Significant growth opportunities remain across Australia**
- 
**New Zealand has achieved overwhelming success since entering the market in 2017**
- 
**Other international markets offer considerable long term growth options**

Notes:  
 1. Store numbers as at 30 June in each period  
 2. Excludes online store / business

For personal use only

# Chemist Warehouse Store Format and Product Strategy



- ✓ ~540 sqm store size (on average)
- ✓ 21,000 SKUs (on average) stocked in-store, with more available online
- ✓ Discount / promotional pricing strategy on front-of-store products, with low prices
- ✓ Competitive pricing on prescription products
- ✓ Retail theatre and excellence
- ✓ High footfall store locations with economic rent

# Extensive Product Offering Including a Range of Owned, Private Label and Exclusive Brands

Core branded product offering focused on...



Innovation



Quality



Affordability



Customer centric

...complemented by owned, private label and exclusive brands, which provide strong margin and profit upside

Fully / partly owned brands<sup>1</sup> / private label / licensed brands



Key statistics

- \$157m of Total Network Sales in FY23<sup>3</sup>
- Represented ~2% of Total Network Sales in FY23, with potential to further increase this penetration rate in the future

Exclusive brands



Key statistics

- \$520m of Total Network Sales in FY23
- Represented ~7% of Total Network Sales in FY23, with potential to further increase this penetration rate in the future

Notes:

1. CWG has varying ownership levels across a number of the brands shown, in addition to exclusive rights to import, manufacture and / or distribute certain brands shown. CWG also has exclusive licensing and distribution rights over brands / products (such as Messi fragrances and skincare lines) through the CWG licensed product development entity, Game On Product Group
2. In the process of being acquired. Expected to complete prior to the completion of the Proposed Merger
3. Represents Total Network Sales from fully owned or licensed brands

# Innovative Marketing Strategy Across Multiple Mediums

Annual investment of over \$200m<sup>1</sup> in media and marketing in Australia, positioning Chemist Warehouse as one of the most visible and recognised brands in the country

## Catalogues



80m+ catalogues distributed annually across Chemist Warehouse and My Chemist<sup>3</sup>

## In-store and online advertising



A leading portfolio of assets across in-store, digital and social media

## House of Wellness



Weekly TV program reaching 175k Australians<sup>2</sup>

57m magazines produced annually<sup>3</sup>

## TV, radio, newspaper and out-of-home



"What's on in the Warehouse" commercials reach >1.3m Australians each week<sup>4</sup>

## Sponsorships



AFL, NRL, NBL, Australian Open and Athletics Australia (amongst others)

Notes:

1. Represents CWG in FY23
2. Oztam (average across CY23 YTD Nov)
3. IVE Group (2023)
4. Oztam (2023)

For personal use only



# Growing Online Platform Offering a True Omnichannel Experience

ChemistWarehouse.com.au is a highly successful online store

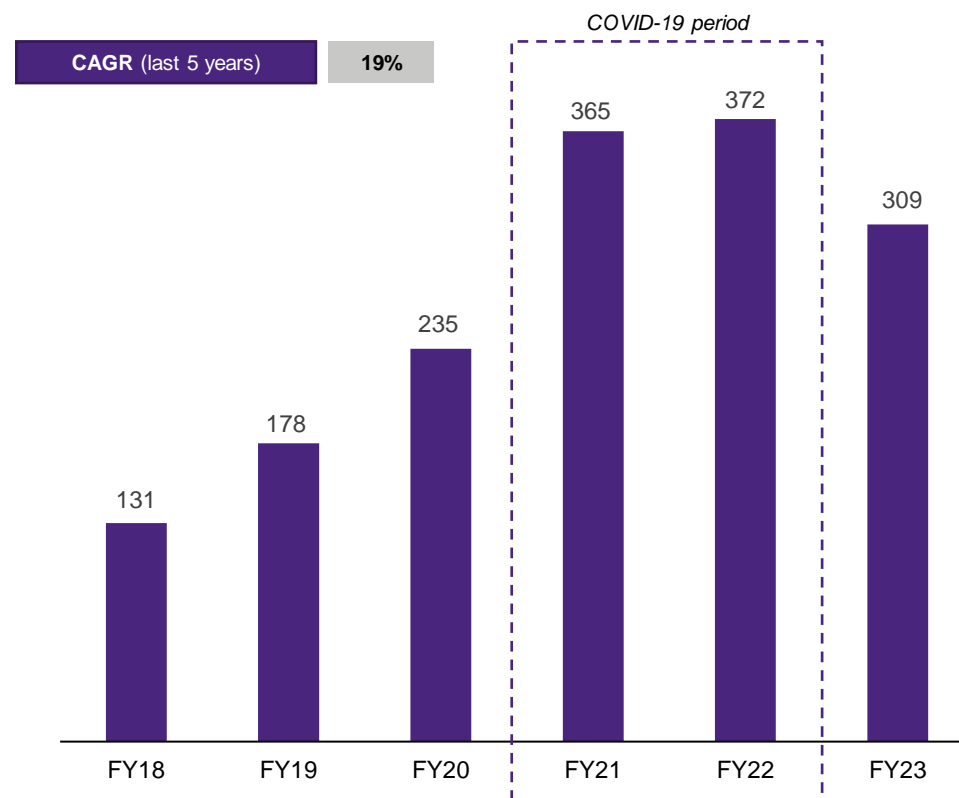
**14.5 million**  
monthly visits in FY23<sup>1</sup>

**4 million**  
online transactions  
in FY23<sup>1</sup>

**19% CAGR**  
last 5 years' online sales<sup>2</sup>

- CWG's highly successful online store maintains brand awareness and engagement, delivering a seamless omnichannel experience to customers
- The website supports in-store trading, including via Click & Collect and Fast Delivery purchases which are fulfilled by franchisees
- CWG fulfils orders for certain consumer goods from its highly automated, 10,000 sqm fulfilment centre in Melbourne
- Online sales accelerated through the COVID-19 impacted period in FY21-22, however remain significantly above pre-COVID-19 levels
- CWG has made significant investments in systems and infrastructure to enhance operational efficiency and improve overall service levels for end customers

Online sales in Australia (\$m)<sup>2</sup>



Notes:

1. Google Analytics
2. Any online sales in Australia involving scheduled medicines, or where the consumer selects Click & Collect or Fast Delivery, are directed to and fulfilled by franchisees. Where an online order relates only to consumer goods, the products are generally delivered to the customer direct from a CWG distribution centre, but may instead be directed to a franchisee for fulfilment if the distribution centre is unable to fulfil the order. Online sales figures shown represent a combination of CWG revenue and Australian Network Sales

For personal use only

# Historical Financial Profile

## Material non-recurring COVID related and other items benefited FY22

CWG (A\$m)	FY22	FY23
Sales revenue <sup>1</sup>	2,195	2,257
Fees revenue <sup>2</sup>	85	147
Franchise and related revenue <sup>3</sup>	74	82
Marketing, advertising and other revenue <sup>4</sup>	638	604
<b>Total revenue</b>	<b>2,993</b>	<b>3,091</b>
Gross profit	1,072	918
<b>EBITDA<sup>5</sup></b>	<b>722</b>	<b>555</b>
Depreciation & amortisation	(136)	(96)
<b>EBIT<sup>6</sup></b>	<b>586</b>	<b>460</b>
Net finance costs	(36)	(30)
<b>Profit before tax</b>	<b>550</b>	<b>429</b>

### Commentary

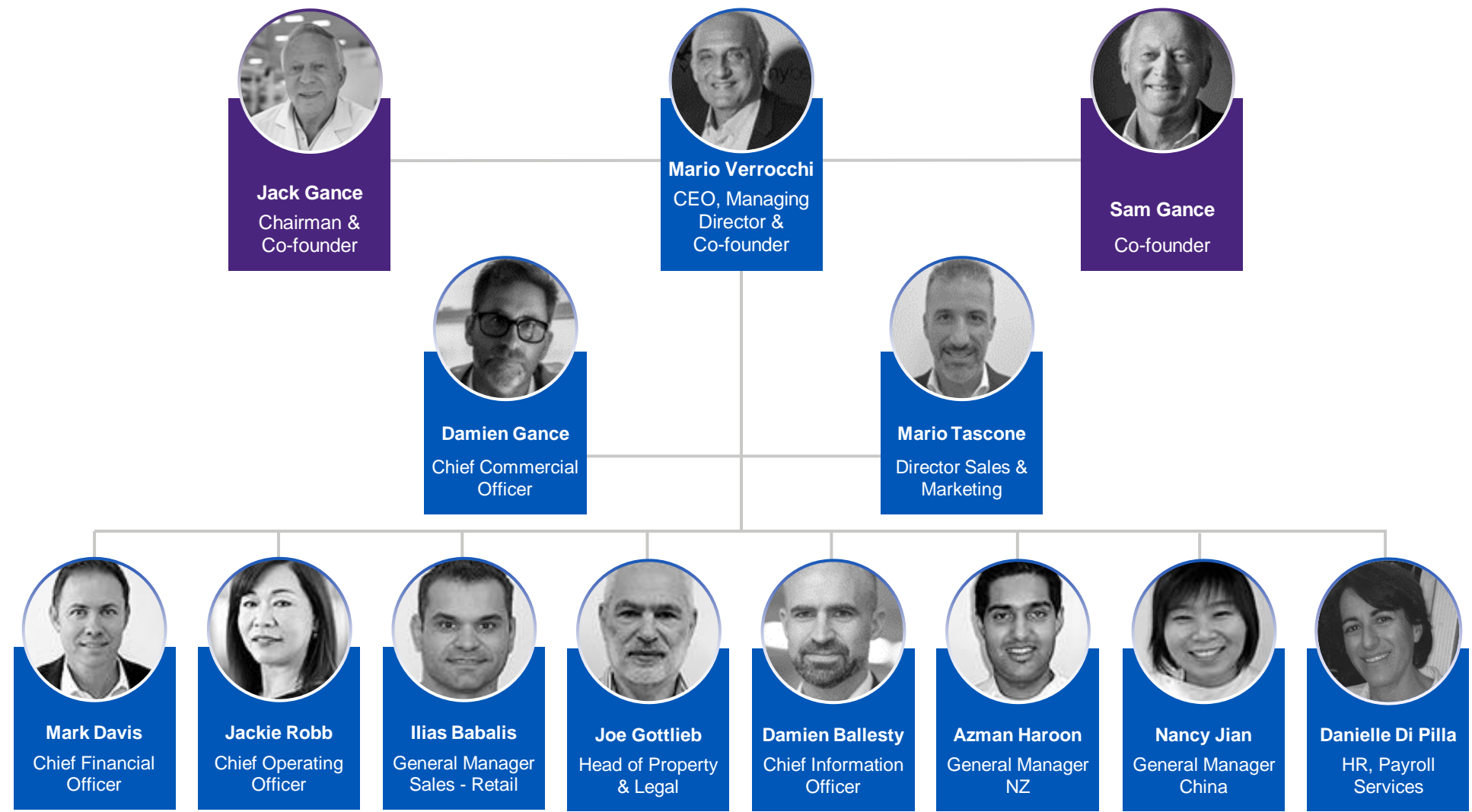
#### Financials for CWG represent statutory audited results prior to any normalisations or management adjustments

- Year-on-year results across FY22 and FY23 are not directly comparable due to the following reasons:
  - Material non-recurring COVID related and other items benefiting FY22 (~\$105m adverse impact to FY23 EBIT)
  - One-time non-cash accounting policy change related to recognition of marketing income (~\$16m adverse impact to FY23 EBIT)
  - Effective from 1 February 2023, CWG implemented certain changes to its commercial arrangements which do not impact profit before tax, but do impact comparability of individual profit and loss line items

#### Notes:

1. Comprises wholesale sales delivered through distribution centres and retail sales undertaken directly by CWG, including certain online sales
2. Comprises wholesale sales delivered directly by suppliers that are accounted for as the net amount of consideration that CWG retains after paying the external party for the goods and includes other services in connection with franchisee inventory purchases
3. Comprises fees for support services provided to franchisees and other non-franchisee stores
4. Includes marketing services, promotional, advertising and other supplier revenue
5. EBITDA is a non IFRS measure of financial performance and has been derived by adding back (i) net finance costs and (ii) depreciation and amortisation expenses to profit before tax as disclosed in CWG's audited statutory accounts
6. EBIT is non IFRS measure of financial performance and has been derived by adding back net finance costs to profit before tax as disclosed in CWG's audited statutory accounts

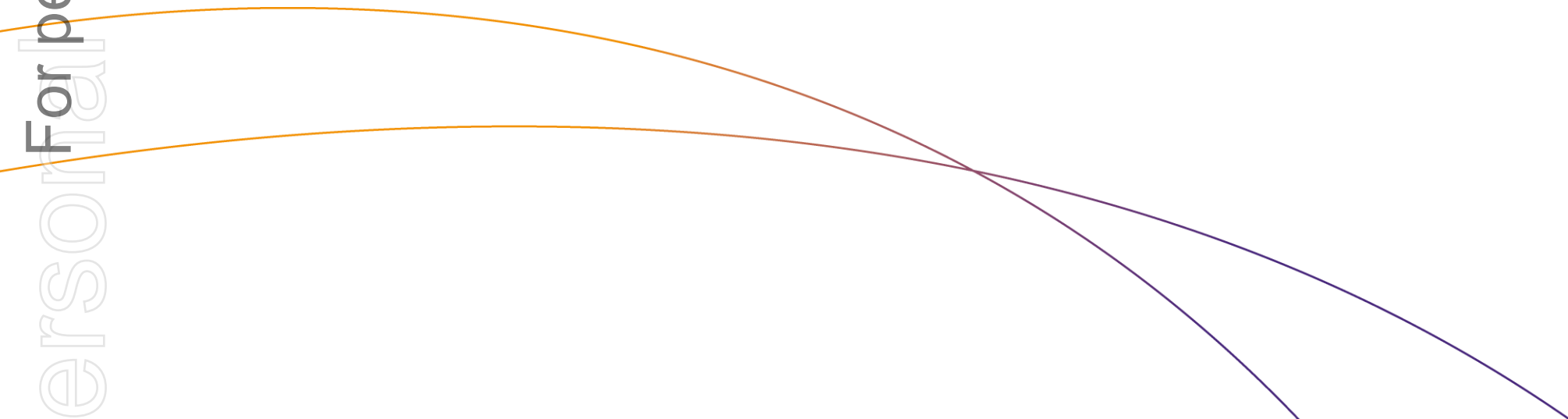
# Key Management of CWG



For personal use only

For personal use only  
MergeCo

# Appendix D: MergeCo Board Experience



# MergeCo Board CVs

---

## **Michael Sammells – Independent Non-Executive Chair**

Michael has 35 years of experience in finance, corporate services and has held operational roles with expertise in finance, accounting, investor relations, M&A and IPOs. Michael is a former CFO of Healthscope and Medibank and is currently a Director at AMP and GMHBA.

## **Annette Carey – Independent Non-Executive Director**

Annette brings technical expertise, as well as a legal, strategic, and commercial intellect from over 20 years' experience in supply chain, logistics and cross-border ecommerce. Annette is a current Director of National Intermodal Corporation and Kinetic and is an Advisory Board Member of Orizontas.

## **Neville Mitchell – Independent Non-Executive Director**

Neville has had a career spanning 27 years with Cochlear, with 22 of those years as CFO and Company Secretary. Neville is currently a Director of Sonic Healthcare, Fisher & Paykel Healthcare and QBiotics.

## **Dr. Chris Roberts AO – Independent Non-Executive Director**

Chris has more than 40 years' experience in the medical device industry, including as the CEO of Cochlear for more than a decade. He is currently a Non-Executive Director of HealthCo Healthcare and Wellness REIT (ASX: HCW), HMC Capital Partners Fund 1, Clarity Pharmaceuticals, Nutromics, Atmo Biosciences and the Cochlear Foundation Board.

## **Vikesh Ramsunder – CEO and Managing Director**

Vikesh has extensive experience in wholesaling, logistics, pharmacy, and retail, being the previous Group CEO of the Clicks Group in South Africa, representing the culmination of a 28-year career with the business.

## **Jack Gance – Executive Director**

Jack is a qualified pharmacist who co-founded Chemist Warehouse with Sam Gance and Mario Verrocchi and is the Chairman of CWG. Jack opened his first pharmacy in 1972. Jack graduated with a Diploma of Pharmacy from the Victorian College of Pharmacy, and later a Master of Business Administration from Monash University and the Stern School of Business, New York University.

## **Mario Verrocchi – Executive Director**

Mario is a qualified pharmacist who co-founded Chemist Warehouse with Jack and Sam Gance. He is currently CEO and Managing Director of CWG. Mario graduated with a degree in pharmacy from the University of South Australia.

## **Damien Gance – Executive Director**

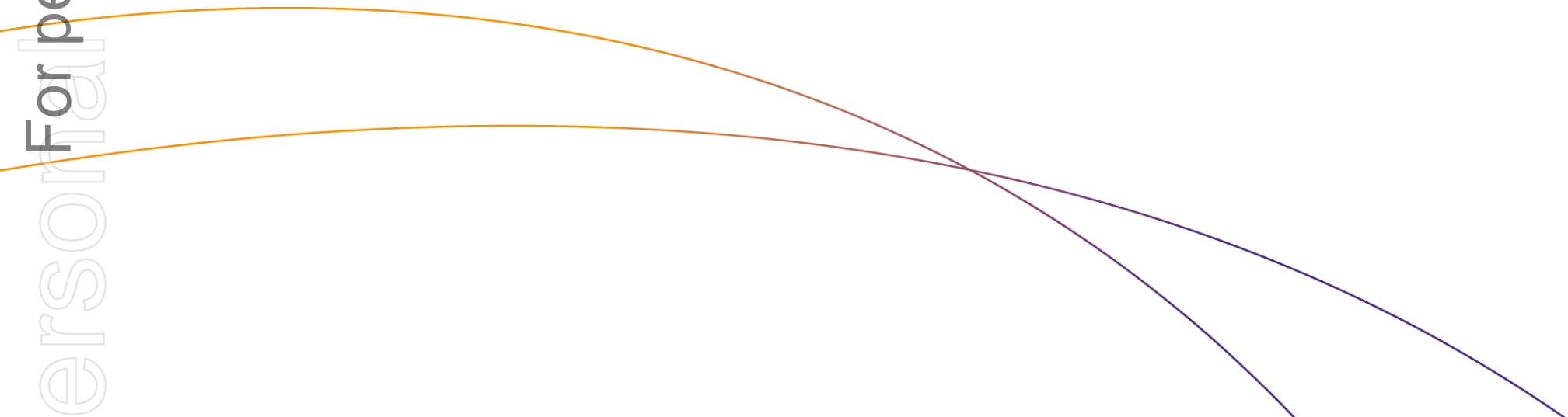
Damien is a qualified pharmacist who joined CWG in 1998. He is currently the Chief Commercial Officer of CWG. Damien graduated with a Bachelor in Pharmacy from Monash University, and later a Master of Business Administration from The University of Melbourne.

## **Danielle Di Pilla – Executive Director**

Danielle is currently the Chief People Officer of CWG which covers people & culture, payroll, workplace health & safety, learning & development, hospital services and pharmacy services, overseeing a workforce of over 24,000 professional and retail employees. Danielle is also a CWG franchisee. In addition, she is the founder of DPP Pharmaceuticals which was established in 2000. She also has an active interest in mental health, serving on the Board of GOTCHA4LIFE since 2023.

For personal use only

# Appendix E: Key Risks



# Key Risks

---

## Introduction

- Before investing in Sigma, you should be aware that several risks and uncertainties, which are both specific to Sigma and/or CWG, and of a more general nature, may affect the future operating and financial performance of Sigma and the value of Sigma's shares.
- Before investing in Sigma's shares, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Sigma (such as that available on the ASX website) and seek professional advice from an adviser who is licensed by ASIC to give that advice before making an investment decision.
- The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Sigma.
- Any of the risks below could impact market sentiment and negatively impact Sigma's share price.

# Key Risks – Risks that are Common to Both Sigma and CWG

Whilst the majority of the following risks affect both Sigma and CWG (each a **Merger Party** for the purposes of the risks in Appendix E), certain elements of the risks, should they eventuate, would affect each standalone business differently, and not necessarily in a proportionately equivalent way.

Key Risk	Summary
<p><b>Operating in a regulated environment, regulatory reform and other legislative changes</b></p>	<p>Both Merger Parties may be affected by changes to government policies and legislation, including those relating to the pharmaceutical industry (including in relation to the PBS or, for Sigma, community service obligations (<b>CSO</b>)), the community pharmacy sector (to which the Merger Parties supply products and services), taxation, the regulation of trade practices, competition, franchisees or other legal or regulatory changes which could impact the structure and/or operations of each Merger Party's business.</p> <p>As a pharmaceutical wholesaler, any adverse changes to the PBS generally or in relation to PBS medicines sold by Sigma could lead to lower prices being paid for medicines which may lead to a lower regulated distribution margin. Sigma has no control over any PBS price adjustments. Furthermore, any changes to the pharmacy location rules, or which reduce the PBS revenue available to community pharmacies, may negatively impact the viability of some community pharmacies (which are wholesale customers of Sigma or franchisees to which the Merger Parties supply), and which may reduce demand for the products and services supplied by a Merger Party.</p> <p>Under an agreement between the Commonwealth Government, the Pharmacy Guild of Australia and the Pharmaceutical Society of Australia, the Federal Government established a CSO funding pool in recognition of the costs faced by pharmaceutical distributors such as Sigma in providing the full range of PBS medicines to pharmacies, particularly when distributing to remote geographic regions. The CSO arrangements are highly regulated under Deeds of Agreement between the Commonwealth Government and CSO wholesalers, including Sigma. There is no guarantee that the CSO funding pool will continue to be available or will not be reduced over time, that there will be no changes to the way in which payments to eligible beneficiaries are calculated, that Sigma will be able to meet any changing criteria to be eligible to access the funding pool, or that future community pharmacy agreements may not bring about other changes that impact Sigma's pharmaceutical distribution business and potentially make it less profitable. In this case, Sigma may need to reconsider its business model and determine whether being a signatory to the CSO deed continues to be commercially viable.</p> <p>There is the possibility of other changes to pharmaceutical industry regulation or government policy, which may impact the respective businesses of the Merger Parties. For example, changes which increase the range of pharmaceuticals which can be sold in general retail outlets rather than only in pharmacies, will reduce sales of such goods by community pharmacies and therefore reduce wholesale demand from pharmaceutical wholesalers and pharmacy distributors.</p> <p>Other regulatory changes that reduce the need for end customers to visit community pharmacies (e.g. recent regulatory changes in Australia that extended the maximum allowable supply of certain prescription medications from 30 days to 60 days), may result in reduced PBS contributions or margins for community pharmacies for a variety of reasons including increased pack size, and may also reduce footfall in pharmacy customers of the Merger Parties and therefore also reduce sales of "front of store" products. Any of these changes could have a material adverse effect on a Merger Party's financial performance.</p> <p>Given both Merger Parties operate in a highly regulated environment, the Merger Parties are inherently exposed to the risk of non-compliance with applicable laws and regulations (which may be inadvertent), including in their respective capacities as a sponsor of TGA registrations for Pharmaceuticals, wholesaler, distributor, importer, franchisor, advertiser, employer, lender and recipient of personal and health information (e.g. through their respective websites). The failure of a Merger Party to comply with any applicable laws and regulations may lead to negative publicity, claims by third parties, enforcement actions by regulators (including regulatory and judicial orders that may lead to a cessation or curtailing of operations) and potential civil or criminal fines or penalties, as well as, in Sigma's case, loss of access to the CSO funding pool. This may require changes to a Merger Party's business model or operations which may increase cost or impact on their ability to generate revenue.</p> <p>If any of the above were to occur, it could result in a material adverse effect on a Merger Party's operations and financial performance, reputation or competitive position.</p>

For personal use only



# Key Risks – Risks that are Common to Both Sigma and CWG

For personal use only

Key Risk	Summary
<p><b>Changes to competitive landscape and operating performance of retail pharmacies</b></p>	<p>The Merger Parties operate in highly competitive environments and which could become more competitive in the future including from actions from both new and existing competitors. Competition which may impact the Merger Parties includes, in relation to Sigma, the wholesaling of pharmaceuticals (prescription, pharmacist only and pharmacy-only) and consumer products and in relation to Chemist Warehouse, as a distributor of consumer products to its franchisees and as an online retailer of consumer goods to end customers. The Merger Parties, as franchisors, will also be impacted by competition from other franchisors and pharmacy buying groups as well as a range of other providers offering services to community pharmacies. In addition, competition at the retail level which impacts the Merger Parties' franchisees or, in the case of Sigma, its wholesale pharmacy customers, indirectly impacts the Merger Parties. Competition at the retail level includes other pharmacy franchisees, supermarkets and other health and beauty retailers, including online and bricks and mortar suppliers.</p> <p>The risks posed to the Merger Parties' businesses include:</p> <ul style="list-style-type: none"> <li>• in relation to Sigma the development of platforms linking pharmacists directly to pharmaceutical and other suppliers (and the corresponding de-linking of Sigma's wholesale business from the supply chain);</li> <li>• in relation to Sigma customers bypassing wholesalers like Sigma for their fast-moving consumer goods (<b>FMCG</b>) product distribution and instead adopting "direct to store" models or investing in warehouse infrastructure; and</li> <li>• competitors pursuing a strategy of further vertical integration with suppliers.</li> </ul> <p>Increased competition in the retail space may make it harder for the Merger Parties to compete and win new franchisees for its banner group, as well as retain existing franchisees. This could impact on the Merger Parties' ability to generate sales, lead to a loss of market share and cause a decline in profitability. This could also affect the Merger Parties' ability to negotiate favourable contract terms with customers and existing franchisees.</p> <p>Franchisees of the Merger Parties (as well as other community pharmacies) compete at a retail level based on a number of factors, including price, location, the quality and variety of their products and services, reputation, in-store experience and brand recognition. The desirability of the IP, goods and services supplied by the Merger Parties to their respective franchisees is impacted by the effectiveness of this offering in the view of those customers both generally and compared to competitors of each Merger Party, including other wholesalers and franchisors (or the option of operating as an unbranded community pharmacy). Additionally, the market for non-pharmacy only products such as vitamins, personal care, beauty and wellness products is highly price competitive at all levels of the supply chain and at the retail level. If the Merger Parties are not able to wholesale or distribute consumer goods to community pharmacy customers at competitive prices, or if community pharmacy customers do not offer such goods to end customers at competitive prices, demand for such goods supplied by the Merger Parties will reduce. Any deterioration in a Merger Party's or its associated community pharmacy franchisees or wholesale customers' competitive position and operating performance, or increased competition from new and existing competitors, could affect the relevant Merger Party's ability to generate sales, lead to a loss of market share, and cause a decline in profitability.</p> <p>Any future deregulation of pharmacy in Australia, so that non-pharmacists are permitted to own pharmacy businesses, would have a significant impact on the competitive dynamics in the pharmacy sector, most likely resulting in the vertical integration of wholesaler/franchisors with retail pharmacy businesses. Deregulation could also see the current prohibition on supermarket chains or other large retailers (including online retailers) from owning pharmacies removed. If this were to occur, supermarket chains and other large retailers would be able to compete directly with the Merger Parties' retail pharmacy franchisees for the sale of prescription, pharmacy-only or pharmacist-only medicines, including online, which could have consequential negative impacts on either Merger Party's wholesale sales and profitability as well as impacting demand for services from their franchisor businesses. Although both of the Merger Parties consider that they are well-positioned to respond to such a change, the impact is unpredictable for both Merger Parties and their community pharmacy customers.</p>

# Key Risks – Risks that are Common to Both Sigma and CWG

Key Risk	Summary
<b>Inadequate or poor inventory management</b>	<p>Each Merger Party relies on its data analytics, human analysis and inventory management system to manage its business; in particular its stock levels and stock purchasing. If a Merger Party's inventory management system or data analytics fail or use inaccurate information or assumptions, there could be errors in order fulfillment, delayed shipments, and increased administrative costs.</p> <p>If a Merger Party's demand planning is inaccurate, then this could lead to stock imbalances. Excess inventory could tie up capital, lead to higher holding costs, including occupying excess warehouse space and increasing the risk of obsolete stock. In the event of insufficient stock, delayed order fulfillments might mean loss of sales (for both the Merger Party, their franchisees and wholesale community pharmacies, and loss of customers. In the case of Sigma, it could also mean that Sigma is unable to meet its obligations for supplying PBS medicines under the CSO Deed. The consequences for Sigma being unable to meet its supply obligations under the CSO Deed, include financial or non-financial sanctions, and potentially, exclusion from the CSO funding pool or termination of the CSO Deed by the Commonwealth.</p> <p>If a Merger Party fails to achieve appropriate stock holdings, including efficiently managing stock return arrangements, this could adversely impact their financial position via a build-up of stock, an increase in write-offs, increased working capital requirements, inefficient use of capital and decreased productivity, any of which could have a material adverse effect on that Merger Party's financial and operating performance.</p> <p>Sigma's Supply Agreement with CWG will involve a significant inventory build-up by Sigma (or, if the Proposed Merger completes, by the combined group), to ensure operational readiness when supply to CWG franchisees under the contract commences on 1 July 2024. In addition to increased inventory levels, a smooth transition also requires the consideration of new risks such as the onboarding of new suppliers, appropriate warehouse infrastructure capacity (e.g. increased slots to efficiently process increased volume), IT infrastructure capacity (increased transaction volume), increased labour and optimised route commitments (both inbound and outbound). Failure to manage these risks effectively may impact the operations of Sigma and its revenue and profitability.</p>
<b>Impact of the need for community pharmacy customers to obtain approvals from State pharmacy regulators</b>	<p>Although wholesaler, franchisor, lessor and/or business lender relationships between non-pharmacists and pharmacists are well-established and accepted in Australia, the laws preventing non-pharmacists from holding a 'financial', 'ownership' or 'proprietary' interest in a pharmacy (depending on the jurisdiction) impact the commercial terms which can be agreed between the Merger Parties and their pharmacy customers. These laws may also make certain provisions in agreements between suppliers and pharmacies void.</p> <p>In States and Territories other than Queensland (where the law is proposed to be changed to align with other States), a franchisee of a Merger Party cannot open a new pharmacy, relocate or undergo a change of ownership without obtaining approval from the pharmacy regulator. If the regulator considers that the documents submitted with the application will give a non-pharmacist (e.g. a franchisor) an impermissible interest in the applicant pharmacy, the application may be rejected or the regulator may require changes to be made to the documents before the application will be approved. The pharmacy and the franchisor or other suppliers may in practice need to make the required changes even if they disagree with the regulator's position, to avoid a delay which adversely affects the pharmacy, which may impact financial performance of a Merger Party.</p> <p>A Merger Party could also be subject to regulatory action if a regulator considers that the Merger Party's arrangements with a pharmacy give a Merger Party an impermissible interest in the pharmacy or undue influence or control. The consequences were this to occur could include the imposition of criminal penalties or the possibility that the arrangements are declared void. Although some agreements, including franchise agreements, are reviewed by State and Territory pharmacy regulators when approvals are obtained, a risk of regulatory action may arise if the regulator considers that it was not aware of the full import of the arrangements between the Merger Party and a franchisee, or forms the view that the in-practice arrangements differ from the documents which were reviewed.</p>
<b>Impact of Australia's pharmacy ownership laws and stakeholder activism</b>	<p>Historically pharmacy stakeholders have been known to oppose proposed changes to Australia's pharmacy ownership laws and of agitating for regulatory intervention where a business model emerges (or is speculated) that they perceive as insufficiently protective of the interests of pharmacists, notwithstanding that some pharmacists may wish to participate in that business model.</p> <p>It is possible that pharmacy stakeholders may seek to disrupt the relevant Merger Party's or their community pharmacy franchisees' or wholesaler customers' growth or expansion into new areas or new activities, and/or to encourage regulators to do so. Pharmacy stakeholders may seek to argue in the public domain or in representations to government that aspects of a Merger Party's arrangements are or should be prohibited or void. If a Merger Party's compliance with (and support for) the pharmacist-owned community pharmacy model becomes a matter of public contention, confidence in the Merger Party's revenue base may be negatively impacted until the issues are resolved. Pharmacy stakeholders may also seek to argue for additional regulatory restrictions to be enacted which would negatively impact the Merger Parties and/or their franchisees or wholesale pharmacy customers compared to their respective competitors.</p>

# Key Risks – Risks that are Common to Both Sigma and CWG

Key Risk	Summary
<b>CWG is currently working to determine an acceptable form of franchise agreement for use in NSW which will support approvals by the NSW pharmacy regulator</b>	<p><i>The following relates to CWG only.</i></p> <p>NSW has the most restrictive laws in Australia relating to pharmacy ownership. The NSW laws are broadly expressed, of uncertain scope and subject to differing interpretations. To date, CWG franchisees in New South Wales which have required an approval have been unable to obtain such approval from the New South Wales regulator based on CWG's standard suite of franchise and related documents (which apply elsewhere in Australia). Instead they have needed to base approvals on alternative agreements, which do not reflect the desired arrangements between CWG and the relevant franchisee.</p> <p>If CWG continues to be unable to identify a form of pro forma franchise agreement and related documents which delivers an optimal and mutually-acceptable commercial outcome for both CWG and the franchisee, and which will reliably support timely approvals in NSW, franchisees may be impacted by rejections or delayed approvals, and CWG and its pharmacy customers may need to enter into sub-optimal arrangements in NSW in order for the relevant pharmacy to secure an approval, which may impact the Merger Party's operations.</p>
<b>Inadequate or poor liquidity management or failure to raise funding when required</b>	<p>Effective liquidity management is imperative to meet the Merger Parties' ongoing funding requirements, manage working capital and execute their overall individual business strategies. Poor or inefficient management of its liquidity risk could adversely affect a Merger Party's operations and financial performance.</p> <p>In the future, a Merger Party may require new or additional debt facilities (and it is proposed that Sigma will fund the cash consideration payable under the Proposed Merger from a substantial new debt facility as described on page 29 of this Presentation). A Merger Party's ability to secure funding at the appropriate time will depend on the amount of funding required, the performance and future prospects of its business, and a number of other factors prevailing at that time (e.g. interest rates, and economic and debt market conditions). There is no assurance that the required funding will be secured at all or on acceptable terms and in the timeframe required, which may constrain the relevant Merger Party's business operations (for example by preventing investment in growth or to respond to competitive pressures).</p> <p>Other potential risks to a Merger Party associated with financing arrangements include breaching debt covenants, incurring increased borrowing costs (for example, if interest rates rise) or not being able to meet financial commitments when they fall due, as well as the detrimental financial impact on their business from the sub-optimal use of capital and the potential adverse reputational impact from suppliers or creditors.</p> <p>In addition, poor liquidity management may impact upon a Merger Party's strategic flexibility – for example, the Merger Party's ability to execute on its strategic goals by taking advantage of favourable opportunities as they arise, or its ability to adapt to changing market conditions, invest in innovation, or pivot in response to competitive pressures. This lack of strategic flexibility can hinder long-term growth and competitiveness.</p>
<b>Loss of a material customer or customer group or customer default</b>	<p>There is a risk that a Merger Party may lose a material individual customer or material customer group, which could negatively impact that Merger Party's revenue, result in a lower customer base for the Merger Party's retail and healthcare programs, lead to weaker buying power from a decrease in volume of product purchased, and a significant change to revenue scale could mean the Merger Party may be unable to support its fixed cost base. An individual customer or a buying group may default in a payment to a Merger Party or suffer an insolvency event. This could lead to a negative working capital impact due to overdue debts and increased borrowing costs and increased legal and debt recovery costs. Any of these could have a material adverse effect on a Merger Party's operations or financial performance.</p> <p>Both Merger Parties are parties to a number of contracts and agreements with a broad range of suppliers and service providers. Some contract counterparties have a right to terminate contracts in certain circumstances, including where a change of control provision is triggered or where the Merger Party is in material breach of the contract. In addition, some contracts contain a right for the counterparty to terminate for convenience at any time during the contract terms. Some of the Merger Parties' material contracts are undocumented, have expired or will expire in the next 12 months and there is a risk that a Merger Party will not be able to renew them on favourable terms or at all.</p>

# Key Risks – Risks that are Common to Both Sigma and CWG

Key Risk	Summary
<b>Inability to acquire products at competitive prices and exposure to third parties' supply chain vulnerabilities</b>	<p>Each Merger Party's ability to wholesale or supply products at a competitive prices to their respective franchisees or community pharmacy customers and in the case of CWG, online customers for consumer goods, is highly dependent on securing competitively priced arrangements from third party suppliers. A Merger Party may be unable to source products from key suppliers, or may experience delays in transportation and may therefore be unable to service its customers' needs. Furthermore, if a third party supplier does not allocate enough stock to a Merger Party relative to its anticipated demand for that product, or there is a wide-scale shortage of a particular type of medicine (e.g. as is currently occurring with semaglutide), this would have an impact on that Merger Party's revenue and cash flow. A Merger Party may be materially and adversely affected if any of these suppliers are not willing or not able to supply products as contracted (including as a result of delay or disruption), or if that Merger Party is unable to continue to negotiate favourable terms with suppliers (including in relation to the wholesale cost of the products) or find suitable replacement suppliers.</p> <p>Both Merger Parties are to varying degrees subject to supply chain vulnerabilities of global pharmaceutical and FMCG manufacturers (including direct suppliers to the Merger Parties, upstream suppliers or logistics suppliers). The pharmaceutical industry experiences varying levels of 'temporarily out of supply' and 'manufacturer can't supply' events for particular medicines and FMCG product from suppliers. These levels fluctuate depending on the respective supply chain vulnerabilities of the manufacturer. Furthermore, environmental factors, including those related to climate change, can contribute to supply chain disruptions and fluctuations in demand. Extreme weather events, natural disasters, or environmental policy changes may impact transportation infrastructure, disrupt production facilities, and lead to delays in the delivery of pharmaceutical and FMCG products alike.</p> <p>Any impacts to a Merger Party's supply chain could not only affect the availability of inventory, but also increase operational costs associated with sourcing alternative supply chain routes or contingency plans. Should a Merger Party's supply chain be disrupted, it could lead to a loss of sales resulting in lower revenue, a loss of market share and have the potential to materially impact that Merger Party's financial performance, operational efficiency, reputation and overall business continuity. Where the disruption impacts exclusive or own brands, there may also be flow-on negative impacts to margins able to be achieved by that Merger Party. If this were to occur, there could be a material adverse effect on the Merger Party's financial performance.</p>
<b>Occupational health and safety incident or breach</b>	<p>Notwithstanding any preventative measures, due to the nature of the Mergers Parties' operations, both businesses are exposed to a risk of workplace accidents or unsafe operations. A health and safety incident could lead to harm or injury to a Merger Party's employees, contractors or other parties (including the public).</p> <p>The Merger Parties' respective wholesale and distribution operations are characterised by a labour-intensive workforce in warehouses and distribution centres. The nature of work involves manual, repetitive tasks, use of machinery, working at heights and includes order picking, packing and transportation, which pose inherent risks to the safety and well-being of a Merger Party's employees and contractors. The nature of the Merger Parties' workforces may lead to challenges in managing occupational health and safety effectively.</p> <p>A Merger Party's safety protocols may not be implemented consistently or strictly adhered to across that Merger Party's operations. If a Merger Party's safety measures are ineffective, this could result in loss of life or work-related injuries, impacting the emotional and physical health of that Merger Party's employees or contractors and leading to increased absenteeism, decreased productivity, compensation payments, fines and other legal liability. Other consequences could include regulatory scrutiny, litigation, fines and increased compliance costs (including increased insurance premiums), loss of business and reputational damage. Any of these could have a material adverse effect on a Merger Party's financial or operating performance.</p>
<b>Impact of adverse economic conditions, negative consumer sentiment or unfavourable market and consumer trends</b>	<p>Adverse economic conditions, including unfavourable interest rates, unemployment rates or inflation rates, negative consumer and business sentiment as well as geographical and political events may affect a Merger Party's business.</p> <p>These adverse economic conditions are outside of the Merger Parties' control, but may have a negative impact on the discretionary spending habits of retail customers of franchisees or wholesale customers (which in turn may impact demand for consumer goods from that Merger Party) or of direct customers of the Merger Party itself. This may result in a significant decrease in demand for and revenue generated by the Merger Party's products and services, or impact the success of the franchisees or Merger Party's growth plans.</p> <p>Both Merger Parties are also exposed to the risk that market and consumer trends and demand in relation to products or services supplied by them (including in the case of CWG, demand from suppliers for advertising and marketing services) may change. A Merger Party may be slow or unable to anticipate changing trends and respond in a timely fashion; they may not optimise their product offerings by stocking too wide a range, or stocking products which could be costly to service. Any unanticipated changes or fluctuations in market and consumer behaviour and trends, or inadequate responses to them, may result in a reduction in a Merger Party's revenue and the number of franchisees it attracts and retains, which may have a material adverse effect on its financial performance and financial position.</p>

# Key Risks – Risks that are Common to Both Sigma and CWG

For personal use only

Key Risk	Summary
<p><b>Failure to achieve expected growth in store roll-outs</b></p>	<p>Each Merger Party has identified a number of growth strategies to continue to drive sales which includes for CWG, growing its store network in Australia and overseas. There is a risk CWG may not be able to successfully execute its growth plans or that doing so may take longer or cost more than anticipated, which will impact its future financial prospects and position. For example, CWG’s store roll-out plan may be impacted by a number of factors, including the availability of new franchisees, suitable sites in target locations and regulatory restrictions.</p> <p>If a Merger Party fails to execute on its growth strategies, including for CWG to achieve the expected growth in store roll-outs, and associated expected increase in consumer goods sales and other revenue, it may experience adverse financial impacts, potential reputational damage, and the risk that the impacted Merger Party becomes uncompetitive in the market. Any of these could have an adverse effect on a Merger Party’s financial performance.</p> <p>Sigma is already pursuing a consolidation of its banner brands to focus on its Amcal and DDS brands and to grow the number of pharmacies under each brand. In seeking to transition pharmacy franchisees under other of Sigma’s banner brands to Amcal and DDS, there is a risk that Sigma may not be successful in transitioning all franchisees (who may move to competing franchisors or alternative service providers), or that doing so will take longer or cost more than anticipated, which will impact revenue and sales.</p> <p>There is also a risk that Sigma may lose franchisee pharmacies whose arrangements have expired or are being held over, including to competing franchisors or alternative service providers.</p>
<p><b>Inadequate IT infrastructure and systems</b></p>	<p>Both Merger Parties rely heavily on IT infrastructure and systems to manage their respective businesses, including their compliance with various regulatory, legal and tax requirements. These systems include inventory management software, enterprise resource planning systems, supply chain and distribution systems, data analytics, e-commerce systems, computer systems and hardware, network and telecommunications equipment and systems, and financial and document management systems. Any failure to successfully maintain adequate systems, or implement updates or changes across business operations without disruptions, may negatively impact a Merger Party’s business and performance.</p> <p>Both Merger Parties rely on third party providers for various services, including IT software. There is a risk that any disruption or interference with the operations of any of the relevant Merger Party’s third party providers may restrict, interrupt or adversely affect that Merger Party’s business.</p> <p>In addition, either Merger Party could be subject to various IT system damage or failures, corruption, network disruptions, cybersecurity attacks (discussed further below), loss of data or, breaches in data security, and other malicious or non-malicious disruptions and incidents, any of which may interrupt or otherwise have a material adverse effect on that Merger Party’s operations, financial condition and operating results. A failure may be caused by various factors including equipment failure, information technology failure, stock handling procedures breakdowns, labour shortages or work stoppages, events that impede transportation of products, failure of third parties or malicious activities.</p>
<p><b>Cyber risk</b></p>	<p>Given the Merger Parties’ dependence on IT systems and infrastructure, each of them is vulnerable to cyber-attacks (including state-sponsored attacks), ransomware attacks, computer viruses or data breaches. This is particularly the case given the increasing frequency and sophistication of attacks. If a Merger Party were to experience a significant cyber security incident, this could result in financial loss, operational disruption or reputational damage.</p> <p>A security breach or cyber-attack could result in significant business disruption and cost, misappropriation of funds, the unavailability of core business systems, loss of intellectual property and disclosure of sensitive business information or personal data. Other consequences could include legal or regulatory liability (or increased regulatory scrutiny), loss of business and reputational damage or adverse effects on customer relations. In addition, a Merger Party may incur significant costs to investigate and rectify the incidents, including identifying system vulnerabilities or introducing additional safeguards to minimise the risk of future events. Any of these could have a material adverse effect on that Merger Party’s financial performance.</p>

# Key Risks – Risks that are Common to Both Sigma and CWG

Key Risk	Summary
<b>Loss of critical infrastructure</b>	<p>If a Merger Party were to lose critical infrastructure, this could cause significant business interruption. The loss of a critical site, such as a wholesale distribution centre, permanently or for a sustained period could be as a result of a number of unforeseen factors, including a climate-related event such as a flood, or bushfire, or a pandemic. There could also be an unforeseen outage due to a cyber-attack (refer to the risk factor titled “Cyber risk”) for more further information). There is an associated risk that a Merger Party’s business continuity plans are not effective or are not followed properly in the event of a disaster.</p> <p>The impact of such a loss could include the need for increased short-term or contract labour, inventory replacement costs, data loss, significant disruptions for customers (and the consequential reputational damage to the Merger Party), the need for capital expenditure or repair costs. It could also impact on the affected Merger Party’s ability to deliver products in full and on time to its customers, which could result in lost sales, contractual or regulatory breaches, or negatively impact upon that Merger Party’s competitive position. Any of these could have a material adverse effect on the affected Merger Party’s financial operations or performance.</p>
<b>Risks inherent in franchise arrangements, including protections under franchising laws and Australian and international pharmacy ownership laws</b>	<p>A Merger Party’s financial performance is dependent to varying degrees on the success of its franchisees. Pharmacies which operate under a Merger Party’s licensed brand operate within competitive environments and there is a risk that franchisees do not operate their franchise effectively, or in accordance with their franchise agreement. It is not guaranteed that franchised pharmacies will be operated to a uniformly-high standard, nor that end-customers will experience a uniform in-store experience, and this could have adverse implications for their Merger Party franchisor, including reputational damage, regulatory investigation or sanction or reduced revenue from franchise fees or wholesale purchases.</p> <p>Although Merger Party franchisees are or may be incentivised to acquire certain products or volumes from their relevant Merger Party franchisor, there is no legal obligation on them to do so. There is a risk that franchisee pharmacies may reduce or cease their level of ordering of products or services provided by their respective Merger Party, prompted by a pharmacist’s desire for change or by the performance, service or offerings of the Merger Party. This could have a material adverse effect on that Merger Party’s financial performance.</p> <p>In addition, if a franchisor has a significant degree of influence or control over a franchisee entity’s employment and payroll-related affairs and the franchisee breaches a civil remedy provision under the <i>Fair Work Act 2009</i> (Cth) (<b>Fair Work Act</b>) (such as failing to pay wages correctly, contravening a modern award or enterprise agreement, misrepresenting independent contractor arrangements, etc), then the franchisor (in this case, being a Merger Party with respect to its franchisees) may be exposed to penalties for breaching the Fair Work Act and ordered to pay compensation (such as unpaid wages) to the franchisee’s employees, unless the franchisor can prove they have taken reasonable steps to prevent the contravention by the franchisee.</p> <p>As franchisees, these pharmacies have certain statutory protections under the Franchising Code of Conduct (<b>Franchising Code</b>) which is a mandatory industry code under the <i>Competition and Consumer Act 2010</i> (Cth). The Franchising Code prohibits certain terms being included in franchise agreements and imposes substantial disclosure regimes, as well as imposing a general obligation on franchisors and franchisees to act towards each other in good faith. The franchisor (in this case, being a Merger Party with respect to its franchisees) may be exposed to regulatory action and substantial penalties for breaching the Franchising Code.</p> <p>Additionally, pharmacy franchisees may seek to argue that elements of their agreements with their franchisor and / or supplier are illegal or void under Australia’s pharmacy ownership laws, and therefore unenforceable (which may involve a claim by pharmacy franchisees that certain historical fees received under franchise or other arrangements should be repayable or that future fees should be reduced). If a Merger Party is in a dispute with a franchisee, the position adopted by the franchisee may include additional claims under pharmacy ownership laws (which may not be available to non-pharmacy franchisees), which may make the dispute more protracted or difficult to resolve in a manner satisfactory to the relevant Merger Party.</p>

# Key Risks – Risks that are Common to Both Sigma and CWG

Key Risk	Summary
<p><b>Attracting and retaining key talent</b></p>	<p>Each Merger Party relies on the experience, expertise and knowledge of specific individuals and the unexpected departure of key team members from their respective business could significantly impact that business' operations, strategic decision-making and overall performance.</p> <p>Existing management personnel have extensive experience in, and knowledge of, the pharmacy industry, as well as knowledge of the relevant Merger Party's business and relationships with its respective franchisees and key suppliers. As such, the loss or absence of key individuals could potentially lead to disruptions in supplier relationships, regulatory knowledge, customer interactions and day-to-day management, potentially affecting the relevant Merger Party's ability to adapt to market changes and capitalise on opportunities. Whilst each Merger Party has succession planning measures in place, including talent development, there can be no assurance that appropriately skilled personnel would be identified and retained in a timely fashion (particularly as competition for personnel and key talent is high in this landscape), nor that the transition to new leadership would be without disruption to the business. Furthermore, the success of a Merger Party is linked to the success of its franchisees, such that similar considerations exist with respect of their retention and ability to attract key employees.</p> <p>Outside of key management, the Merger Parties' businesses are labour intensive and require a significant number of personnel to operate efficiently (including in relation to the respective wholesaling, marketing, logistics, franchising and in the case of CWG, the online retail aspects of their businesses). Given the tight labour market conditions in Australia and the high level of demand for employees, there is a risk that a Merger Party could be unable to secure the staff that it requires, which may have adverse impacts on that Merger Party's operational stability and performance. In addition, the geographic location of some of the Merger Parties' operations have small labour pools with heightened competition from other local businesses, which can make it more difficult to attract and retain labour.</p> <p>If a Merger Party is unable to attract and retain a sufficient number of qualified employees at reasonable costs, its business and operations could be negatively affected. There can be no assurance that a Merger Party will be able to retain employees in key positions or recruit a significant number of new employees with appropriate technical qualifications to compensate for the loss of employees or to accommodate its future growth. The ability to meet labour needs while controlling costs associated with hiring and training new employees is subject to external factors including the actions of other businesses, unemployment rates, prevailing wage legislation (including applicable awards), the industrial relations landscape and changing demographics. There is a risk that adverse changes in these factors may occur which would inhibit a Merger Party or its franchisees' ability to hire and retain employees or increase the cost of employing them.</p> <p>The consequences for the Merger Parties include financial loss, business continuity issues, increased costs associated with recruiting and training, and increased health and safety risks, any of which could adversely impact the Merger Parties' competitive position, financial performance or reputation.</p>

For personal use only

# Key Risks – Risks that are Common to Both Sigma and CWG

For personal use only

Key Risk	Summary
<p><b>Risks associated with related parties</b></p>	<p><i>The following risk relates to CWG only.</i></p> <p>Key individuals within the management team at, or on the board of, CWG, including Mario Verrocchi, Jack Gance, Damien Gance and Danielle Di Pilla (who will be directors of MergeCo following completion of the Proposed Merger) are also key franchisees of CWG. Together with Sam Gance (who will be a substantial shareholder of MergeCo following completion), these individuals (or entities associated with them) have an interest in 158 of the CWG franchisee pharmacies (of which there are 578 in total), and these pharmacies make a significant contribution to CWG’s revenue (in FY23 they contributed more than \$800 million in revenue to CWG). Other members of management of CWG may also be significant franchisees, and it is also the case that currently, the majority of CWG franchisees hold shares in CWG (and therefore will become shareholders in MergeCo following completion of the Proposed Merger).</p> <p>Furthermore, certain directors and members of management of CWG have other relationships with the CWG, for example through interests in properties leased by the group or as suppliers to the group (the persons mentioned above have property interests under which they received rents of approximately \$32 million in aggregate from CWG in FY23, and an entity in which Danielle Di Pilla is expected to have a 40% interest in at completion of the Proposed Merger sold approximately \$28 million in goods to CWG in FY23).</p> <p>There are a number of risks associated with these interrelationships, including:</p> <ul style="list-style-type: none"> <li>• if the strength of the alignment between CWG and its franchises diminishes as a result of the Proposed Merger or for other reasons (for example, due to sales of MergeCo shares by the relevant franchisees) this may impact on the success of CWG and its franchisees;</li> <li>• the loss of key individuals (for example due to illness or retirement) may impact CWG both directly and indirectly through impacts to its franchisees. Any inability to replace key franchisees with suitable candidates may impact CWG and any replacement franchisees may not have the same alignment of interest with CWG as the outgoing franchisee. This may lead to loss of franchisees or a reduction in the performance of franchisees, which would in turn impact the financial performance of CWG; and</li> <li>• following completion of the Proposed Merger, the related parties mentioned above are expected to hold a substantial portion of MergeCo shares on issue, and CWG shareholders, the majority of whom are also franchisees, will hold approximately 85.75% of the MergeCo Shares on issue. As such, these shareholders may be in a position to exercise influence over matters requiring the approval of MergeCo shareholders (including but not limited to the election of directors and the approval of significant activities of MergeCo). The interests of these shareholders may differ from the interests of other MergeCo shareholders and this may adversely affect those other shareholders.</li> </ul> <p>Finally, it is expected that following completion of the Proposed Merger c.49% of the MergeCo Shares, being the Shares held by Jack Gance, Mario Verrocchi and Sam Gance (or entities associated with them) will be subject to escrow arrangements described on page 14 of this presentation. These arrangements may cause, or at least contribute to limited liquidity of the shares and impact their market price. Furthermore, the prospect of sell downs by these individuals following completion of the Proposed Merger, or the prospect of sell downs by them following the end of the escrow period could adversely affect the price of MergeCo Shares.</p>
<p><b>Delivery of strategic initiatives (projects / acquisitions)</b></p>	<p>Both Merger Parties evaluate strategic initiatives, including acquisitions, from time-to-time. There is no guarantee that the strategic initiatives will be implemented, or if they are, that the anticipated benefits of any such strategic opportunities or acquisitions will be fully realised or realised in a timely manner. If this occurs, then the expected revenue increases, costs savings or additional operational improvements or synergies may not be achieved or may be delayed.</p> <p>Where a Merger Party acquires another business, that acquired business may not perform as anticipated (including in relation to product or service quality issues) or may be exposed to latent, future or otherwise unknown claims or liabilities that the relevant Merger Party is not indemnified for, or there may be features of the acquired business’ model that the acquiring Merger Party is less experienced with or that the Merger Party intends to amend.</p> <p>The consequences for the Merger Party if it fails to deliver on its key strategic projects and integrate its acquisitions successfully include inefficiencies, adverse financial impacts, potential reputational damage, and the risk that the impacted Merger Party becomes uncompetitive in the market. Any of these could have an adverse effect on a Merger Party’s financial performance.</p>



# Key Risks – Risks that are Common to Both Sigma and CWG

Key Risk	Summary
<b>Changes in consumer perception and consumer confidence</b>	<p>The success of each of the Merger Parties' businesses and the businesses of community pharmacies which carry their licensed brands relies on positive consumer perception and consumer confidence in that Merger Party and its brand. The Merger Parties' reputations and their potential profitability may be adversely affected by negative publicity or adverse commentary on product or service safety or suitability.</p> <p>For example, any potential inconsistencies in the quality of services in a Merger Party's franchisee pharmacies, adverse media coverage, product recalls or liability claims, unavailability of products or other issues may lead to consumers having compromised experiences. This in turn may have a detrimental effect on customer confidence and loyalty.</p> <p>Any damage to a Merger Party's reputation could have an adverse effect on its ability to maintain its market share, financial performance and future prospects.</p>
<b>Exposure to litigation, claims and disputes</b>	<p>Either Merger Party may be subject to litigation and other claims and disputes in the course of its business, including but not limited to employment disputes (including strikes or industrial action), contractual disputes (including outstanding trade debts or, indemnity claims), product liability claims, personal injury claims, privacy breaches, intellectual property, debt recovery, regulatory compliance, occupational health and safety claims, or criminal or civil proceedings.</p> <p>There is a risk that any such litigation, claims and disputes could materially and adversely affect the Merger Party's business, operations and financial position, performance and prospects, including as a result of the costs of bringing, defending or settling such claims, as well as that Merger Party's reputation and customer relations. Litigation may also distract management's attention from operating and growing the relevant Merger Party's business, impacting that Merger Party's prospects and profitability.</p>
<b>Force majeure events</b>	<p>Events beyond the control of the Merger Parties may impact their operations and future profitability. These events include (but are not limited to) fire, flood, earthquake, other natural disaster, pandemics, civil unrest, war, terrorist attack and/or industrial action.</p>
<b>Exposure to changes in tax rules and their interpretation</b>	<p>Changes in tax laws and policies, standards and practices in Australia may impact on the operation of either Merger Party and their management. Tax laws in Australia are complex and are subject to change, as is their interpretation by the courts and the tax authorities. Legal reforms and proposals for further reforms, as well as new and evolving interpretations of existing laws, may give rise to uncertainty.</p>

For personal use only

# Key Risks – General Investment Risks and Risks Associated with the Entitlement Offer

Key Risk	Summary
<b>Non-renounceable entitlement offer and future dilution risk</b>	<p>Entitlements cannot be traded on ASX or privately transferred. Eligible shareholders who do not take up all of their entitlements under the Entitlement Offer will have their percentage shareholdings in Sigma diluted.</p> <p>Shareholders may also have their investment diluted by future capital raisings by Sigma. While Sigma will be subject to the constraints of ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), shareholders may be diluted as a result of such fundraisings and may experience a loss in value of their equity as a result of such issues of shares and fundraisings.</p>
<b>Share price and liquidity</b>	<p>Sigma is subject to the general market risks inherent in all securities traded on a stock exchange. The market price for Sigma's shares may fluctuate over time as a result of a number of factors, including its financial performance and prospects, prevailing market conditions, commodity prices and foreign exchange movements, general investor sentiment, inflation, geo-political conditions, fiscal policy and interest rate rises, as well as the liquidity and volume of the shares being bought or sold at any point in time.</p> <p>Sigma's shares may therefore rise above or below the current share price, or the Offer Price, depending on its financial performance and various other factors which are outside of its control.</p>
<b>Underwriting risk</b>	<p>The Entitlement Offer is fully underwritten by Goldman Sachs Australia Pty Ltd (<b>Underwriter</b>) pursuant to the terms of the underwriting agreement between Sigma and the Underwriter summarised in Appendix G of this presentation (<b>Underwriting Agreement</b>). Under the Underwriting Agreement, the Underwriter has agreed to manage and underwrite the Entitlement Offer, subject to the terms and conditions of that agreement. If certain conditions are not satisfied or certain customary termination events occur, the Underwriter may terminate the underwriting agreement. Those termination events are summarised in Appendix G of this presentation. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the underwritten components of the Entitlement Offer or result in the Entitlement Offer not proceeding at all.</p> <p>If the Underwriting Agreement is terminated, this could result in Sigma not having access to sufficient capital to fund its near term working capital requirements or its business initiatives. In this event, Sigma would need to seek alternative sources of funding, which may result in Sigma incurring additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which Sigma conducts its business and deals with its assets (for example, by way of restrictive covenants binding upon Sigma). There is no guarantee that alternative funding could be sourced on terms satisfactory to Sigma or at all. Failure to source alternative funding could result in Sigma being unable to perform its obligations under the CWG Supply Agreement. Any of these outcomes could have a material adverse impact on Sigma's financial position, prospects and reputation.</p>

# Key Risks – Risks Relating to the Proposed Merger

After completion of the Proposed Merger, existing Sigma shareholders will be exposed to additional risks relating to CWG and certain additional risks relating to MergeCo and integration of the two businesses. While the businesses are complementary, and aspects of the operations of Sigma and CWG are similar in a number of ways, there will be differences between the size, capital structure, infrastructure and customers of MergeCo and Sigma currently.

Key Risk	Summary
<b>Completion risk</b>	<p>Completion of the Proposed Merger is conditional on various matters including obtaining regulatory approval from the Australian Competition and Consumer Commission (<b>ACCC</b>), approval from the New Zealand Overseas Investment Office (<b>OIO</b>) (if required), CWG shareholder approval and Sigma shareholder approval, including under ASX Listing Rules 7.1, 10.1 and 11.1.2, and under Sigma's constitution to appoint the CWG nominees to the board as well as a resolution of Sigma shareholders under Part 2J.3 of the Corporations Act in relation to the proposed new debt facility. Refer to the ASX announcement in relation to the Proposed Merger and the Entitlement Offer released by Sigma to ASX on the same date as this presentation for further information regarding the material conditions for the Proposed Merger. There can be no certainty, nor can Sigma provide any assurance or guarantee, that these conditions will be satisfied or waived or, if satisfied or waived, when that will occur. The satisfaction of a number of the conditions is outside the control of Sigma and CWG including, but not limited to, the ACCC and shareholder approvals mentioned above.</p> <p>There is a risk that the regulatory approvals required to satisfy one or more conditions may not be obtained, or may be obtained subject to conditions which adversely affect the MergeCo, or are not acceptable to the Merger Parties. In particular, it is the Merger Parties' intention to seek clearance from the ACCC after announcement to comply with the condition for ACCC clearance. There is a risk that the ACCC will refuse to grant this clearance, will not indicate it does not intend to oppose (grant clearance) by the time completion is required or that it will only grant clearance subject to conditions, including the provision of structural undertakings requiring divestments and other relief. Any undertakings required to be given including divestments that are required to be made, are likely to have an adverse effect on the MergeCo, including, but not limited to, reducing the number of franchisees in the group's retail network from that contemplated in this presentation, impacting its sales, revenue and financial performance and adversely affecting the ability of MergeCo to achieve the expected cost synergies.</p> <p>If for any reason any of the conditions are not satisfied or waived (where capable of being waived) by the time required, completion of the Proposed Merger (<b>Completion</b>) may be delayed or may not occur on the current terms or at all. Sigma will have incurred significant transaction costs in relation to the Proposed Merger even if it does not proceed and these costs may include a reverse break fee of \$10m payable by Sigma in certain circumstances to CWG. There is a risk that the transaction costs associated with the Proposed Merger (whether it completes or not) results in Sigma not achieving the earnings guidance it has previously provided to the market.</p> <p>There may be other adverse consequences for Sigma and Sigma shareholders if Completion does not occur, including that the trading price of Sigma's shares may be materially adversely affected and the anticipated synergies and other benefits that Sigma expects to achieve from the Proposed Merger will not be realised. If Completion is delayed, Sigma may incur additional costs and it may take longer than anticipated for MergeCo to realise the benefits of the Proposed Merger. Any failure to complete or delay in completing the Proposed Merger could materially and adversely affect the price of Sigma's shares.</p>
<b>Scrip component of merger consideration</b>	<p>As part of the Proposed Merger, CWG shareholders will receive consideration in the form of fully paid ordinary shares in Sigma. Existing Sigma shareholders and new investors who take up shares under the Entitlement Offer will have their shareholding significantly diluted by the issue of the shares to the CWG shareholders.</p> <p>Immediately after Completion, it is expected that existing Sigma shareholders will own 14.25% of the shares in MergeCo whereas CWG shareholders will own approximately 85.75% of the shares in MergeCo (on a fully diluted basis).</p> <p>In addition, there is a risk that a significant sale of shares by CWG shareholders after implementation of the Proposed Merger (in relation to shares which will not be escrowed) or the end of the escrow restrictions (in relation to the escrowed shares), or the perception that such a sale might occur, could adversely impact the price of Sigma shares. For further information on the escrow arrangements that will be in place post-implementation of the Proposed Merger, refer to Page 14 of this Presentation.</p>

# Key Risks – Risks Relating to the Proposed Merger

Key Risk	Summary
<b>Reliance on information provided</b>	<p>Sigma undertook a due diligence process in respect of the Proposed Merger, which relied in part on legal, financial, taxation, synergies and operational due diligence on information provided by or on behalf of CWG. If any such information provided to, and relied upon by, Sigma in its due diligence, and in its preparation of this presentation and other materials given to ASX, proves to be incorrect, incomplete or misleading, or if any of those due diligence enquiries failed to identify potential issues, there is a risk that the actual financial position and performance of CWG may be materially different to Sigma's understanding, or the realisable synergies from the Proposed Merger will be less than anticipated including those reflected in this presentation. Either of these could have a material adverse effect on MergeCo's financial condition or performance.</p> <p>There is also a risk that the due diligence conducted has not identified issues that would have been material to the decision to enter into the Proposed Merger. A material adverse issue that was not identified prior to entry into the Proposed Merger (or an issue that later proves to be more material than first anticipated) could have an adverse impact on the reputation, financial performance or operations of Sigma (for example, Sigma may later discover CWG liabilities or defects which were not identified through due diligence, are more than initially identified through due diligence, or for which there is no contractual protection). Due diligence cannot uncover all potential issues or historical non-compliance by a merger partner, and reliance has, by necessity, been placed by those undertaking due diligence on the accuracy of information and confirmations provided by CWG and its representatives.</p> <p>Further, as is usual in undertaking mergers and acquisitions, the due diligence process undertaken identified a number of risks associated with CWG, which Sigma had to evaluate and manage. Certain risks cannot be avoided or managed appropriately and the mechanisms used to manage these risks included in certain circumstances the acceptance of the risk as tolerable on commercial grounds such as materiality. There is a risk that the approach taken by Sigma may be insufficient to mitigate the risk, or that the materiality of these risks may have been underestimated or unforeseen or for which there is no contractual protection, and hence they may have a material adverse impact on Sigma's operations, earnings and financial position.</p>
<b>Integration risk and realisation of synergies</b>	<p>The integration of two businesses of the size and nature of Sigma and CWG carries risk, including potential delays or costs in implementing necessary changes and difficulties in integrating various operations and systems. The success of the Proposed Merger, and the ability to realise the expected benefits of the Proposed Merger outlined in this presentation, is dependent on the effective and timely integration of the Sigma and CWG businesses following Completion. There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues (including differences in corporate culture loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to procure or retain employees of CWG, require changes to operating models, or loss of existing Sigma franchisees), or divert the attention of management, which impact on the integration process (which in turn could cause the anticipated benefits and synergies of the integration of Sigma and CWG being less than estimated).</p> <p>A failure to integrate the businesses in the time and manner contemplated by Sigma or a failure to achieve the targeted synergies of integration may impact on the financial performance, operation and position of Sigma. Furthermore, CWG will be the most material part of MergeCo's business upon acquisition. If the CWG business does not perform as expected, this could have a material adverse impact Sigma's financial position and performance.</p>
<b>Potential loss of Sigma's franchisees from Proposed Merger</b>	<p>There is a risk that the announcement or implementation of the Proposed Merger may result in a loss of certain of its franchisees, whether because of the franchisees' negative sentiment towards CWG in the market, or otherwise. If there are losses of franchisees, there could be a reduction in expected growth of the combined group, which could have a material adverse effect on MergeCo's financial performance or position.</p>

# Key Risks – Risks Relating to the Proposed Merger

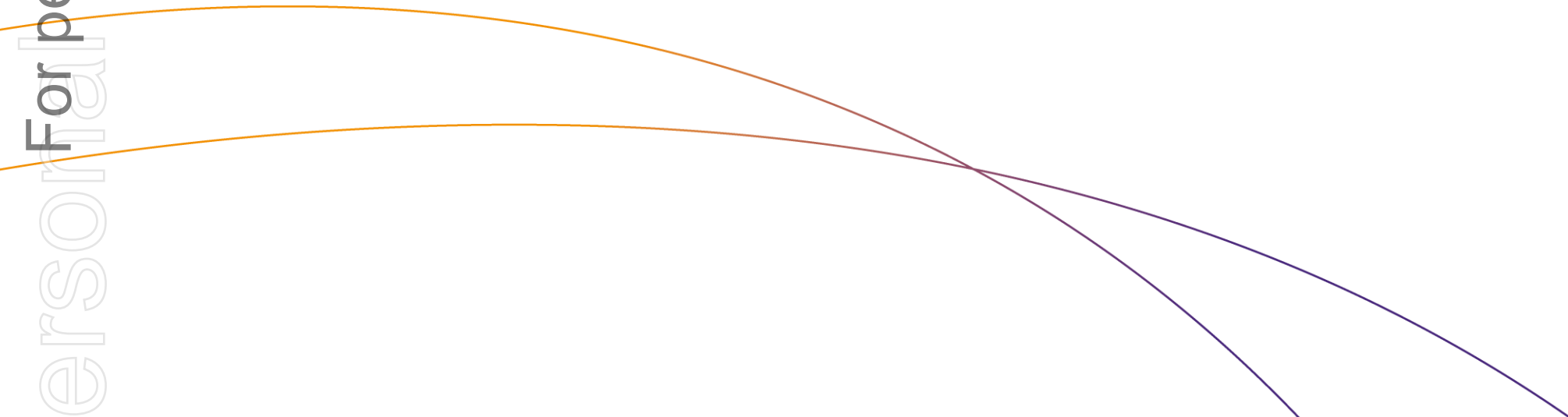
Key Risk	Summary
<b>Historical liabilities of CWG</b>	<p>If the Proposed Merger completes, Sigma may become directly or indirectly exposed to liabilities that CWG may have incurred or is liable for in the past as a result of prior acts or omissions, including liabilities which were not identified during the due diligence enquiries or which are greater than expected, or for which were accepted as a tolerable risk. Such liabilities may adversely affect the financial performance or position of Sigma after the Proposed Merger.</p> <p>CWG has its own corporate, tax, regulatory and risks frameworks. Following an initial period, MergeCo will make an election as to the most appropriate corporate, tax, regulatory and risk frameworks to adopt. However, there is a risk that CWG's existing frameworks were inadequate. For example, if CWG's tax and regulatory frameworks were inadequate, there is a risk that CWG has not properly identified and responded to changes in tax laws or other laws and regulations which apply to it.</p> <p>There is a risk that CWG could be exposed to unexpected liabilities resulting from past non-compliances by CWG with applicable laws or regulations, which may impact on the financial performance or position of Sigma. It may also have other impacts, such as attracting greater scrutiny from regulators or cause reputational damage.</p>
<b>Analysis of merger opportunity</b>	<p>Sigma has undertaken financial, tax, legal, commercial and technical analysis of CWG in order to determine its attractiveness to Sigma and whether to proceed with the Proposed Merger. It is possible that despite such analysis and the best estimate assumptions made by Sigma, the conclusions drawn are inaccurate or are not realised. To the extent that the actual results achieved by the Proposed Merger are different to those indicated by Sigma's analysis, there is a risk that the performance of Sigma following the Proposed Merger may be different (including in a materially adverse way) from what is reflected in this presentation. There is also a risk that Sigma's assessment of matters such as the taxation consequences of the Proposed Merger is challenged by revenue authorities, which can involve future expenditure to consider and defend such challenges or to meet any additional costs or claims.</p>
<b>Risks associated with existing contractual arrangements</b>	<p>A number of material customer and supplier contracts to which CWG is a party contain provisions which will give the counterparty a right to terminate the contract because of the change in control of CWG which will occur at Completion. Contracts may also be terminable for convenience on short notice or at will.</p> <p>Whilst the MIA includes obligations for the Merger Parties to seek the consent of the relevant counterparties to the change of control for certain contracts deemed material as agreed between Sigma and CWG, there is a risk that either CWG or Sigma has not identified all contracts which are material to their respective businesses and Sigma is not entitled to terminate the MIA for failure to obtain those consents. Investors should note that, generally, supply contracts with franchisee pharmacies do not include minimum purchase obligations, such that a customer may, at any time, decrease the volume of goods and services procured from or provided to the Merger Party, or cease to procure or provide any goods or services at all, regardless of any change of control provision. There is a risk that, as a result of the Proposed Merger, customers and suppliers of CWG may choose to decrease the volume of goods and services procured from or provided to CWG, or cease procuring from or providing any goods or services to CWG. Customers and suppliers may also choose not to renew their contracts with CWG after their term, as a result of the Proposed Merger. The breach, termination or non-renewal of material contracts or loss of business could have adverse consequences for MergeCo, including adverse effects on MergeCo's operational and financial performance.</p>
<b>Funding</b>	<p>As described on page 29 of the presentation, it is intended that the cash component of the consideration for the Proposed Merger (<b>Cash Consideration</b>) will be funded through of the proceeds of a new debt facility (<b>Debt Facility</b>).</p> <p>To that end, Sigma has received a credit approved commitment letter from Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) and National Australia Bank Limited (ABN 12 004 044 937) for a new \$1.0 billion debt facility to fund the cash consideration required under the transaction and refinance existing CWG indebtedness.</p> <p>If the Debt Facility is terminated, this could result in Sigma not having access to sufficient capital to fund the Proposed Merger. The debt commitment letters received by Sigma contain conditions precedent to drawdown on customary terms including the lenders are satisfied of each of the due diligence reports prepared in connection with the Proposed Merger including vendor due diligence on Sigma, and successful completion of the Entitlement Offer (which would not be satisfied if the Underwriting Agreement were terminated). In this event, Sigma would need to seek alternative sources of funding, which may result in Sigma incurring additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which Sigma conducts its business and deals with its assets (for example, by way of restrictive covenants binding upon Sigma). There is no guarantee that alternative funding could be sourced on terms satisfactory to Sigma or at all. Any of these outcomes could have a material adverse impact on Sigma's financial position, prospects and reputation.</p>

# Key Risks – Risks Relating to the Proposed Merger

Key Risk	Summary
<b>Increased leverage of Sigma as a result of the Proposed Merger</b>	<p>Sigma intends to fund the cash component of the consideration payable to CWG shareholders under the Proposed Merger by drawing down on the proposed Debt Facility. This will result in an increase to Sigma's gearing ratio, which creates a level of financial risk. An increase in leverage creates a risk that Sigma could have its credit rating downgraded, which could adversely affect the Sigma Group's cost of funds and related margins, competitive position and its access to capital and funding markets.</p> <p>Further, should Sigma experience a decrease in its revenue or profitability in the future, it may be forced to lower the amount of dividends to shareholders (or cease paying dividends), issue new shares or sell assets to reduce its debts and avoid being in breach of its financing arrangements (including financial covenants).</p>
<b>Integration of accounting policies and methods</b>	<p>Sigma and CWG, as standalone entities, have particular accounting policies and methods which are fundamental to how they record and report their financial position and results of operations. Sigma and CWG may have exercised judgment in selecting accounting policies or methods, which might have been reasonable in the circumstances yet might have resulted in reporting materially different outcomes than would have been reported under the other company's policies and methods. The integration of CWG and Sigma's accounting functions may lead to revisions of these accounting policies, which may adversely impact MergeCo's reported results of operations and/or financial position and performance. Year-end reporting periods will be aligned post implementation of the Proposed Merger.</p>
<b>Alignment of year ends and acquisition accounting</b>	<p>Sigma and CWG have different year end reporting periods with Sigma reporting on a year ended 31 January basis and CWG using 30 June. There has been no alignment of the financial year ends of Sigma and CWG to present MergeCo's reported results or financial position.</p> <p>In addition the financial information presented in the Investor Presentation does not reflect any potential acquisition accounting-related adjustments as is required for business combinations in accordance with the requirements of AASB 3 Business Combinations. The application of acquisition accounting and the alignment of financial year ends will likely impact MergeCo's reported results of operations and/or financial position and performance.</p>
<b>Foreign exchange risk and foreign regulations</b>	<p>The Proposed Merger includes the acquisition of controlling interests in overseas entities that operate in New Zealand and Ireland and also the acquisition of Chinese operations. These entities transact in the local currencies of the countries in which they are domiciled. The value of a financial asset, liability, commitment or earnings held or transacted in foreign currency may be impacted by changes in currency exchange rates.</p> <p>The overseas operations of CWG are also subject to the laws of those countries and could be adversely impacted by changes to laws or regulations in those countries in the future.</p>

For personal use only

# Appendix F: International Offer Restrictions



# International Offer Restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of Sigma Healthcare Limited (ACN 088 417 403) (**Company**) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

## Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are “accredited investors” within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser’s Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

## Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

## European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).



# International Offer Restrictions

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for

subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

# International Offer Restrictions

## United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (SCA) or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to “professional investors” (as defined in the SCA Board of Directors’ Decision No.13/RM of 2021, as amended).

No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in

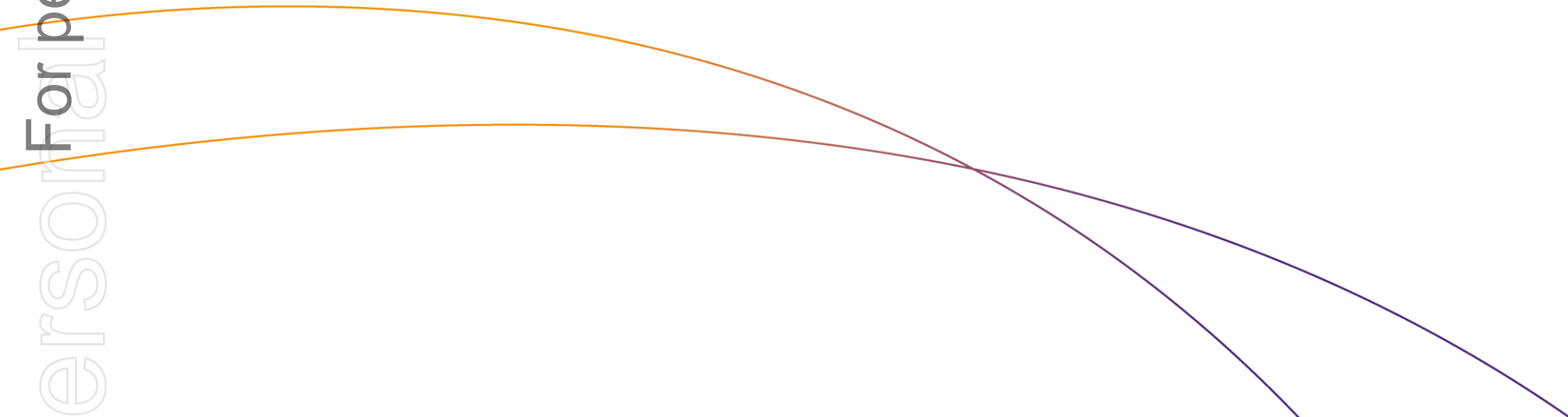
the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (relevant persons). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

For personal use only

For personal use only

# Appendix G: Underwriting Agreement Summary



# Underwriting Agreement Summary

Sigma has appointed Goldman Sachs Australia Pty Ltd (**Underwriter**) to act as lead manager, underwriter and bookrunner in relation to the Entitlement Offer, subject to the terms and conditions of the underwriting agreement (**Underwriting Agreement**). The Underwriting Agreement includes certain conditions precedent that are customary for a transaction of this nature. If those conditions are not satisfied or if certain events occur, the Underwriter may terminate the Underwriting Agreement.

## Termination events

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- a) **(misleading disclosure)** a statement contained in the materials issued to the market in connection with the Entitlement Offer or Proposed Merger (**Offer Materials**) (including any estimate, expression of belief or intention, or statement relating to future matters) is or becomes misleading or deceptive or likely to mislead or deceive in a material respect or a material matter required to be included is omitted from Offer Materials, or there are no reasonable grounds for the making of any material statement in the Offer Materials relating to future matters including in relation to the Proposed Merger);
- b) **\*(information)** the due diligence committee report for the Entitlement Offer, the due diligence reports prepared in connection with the Proposed Merger or any information supplied by or on behalf of Sigma or CWG to the Underwriter for the purposes of due diligence investigations, the Offer Materials, the Proposed Merger or the Entitlement Offer, is misleading or deceptive (including by omission);
- c) **(Entitlement Offer cleansing statement)** the Entitlement Offer cleansing statement is defective, or a corrective statement is required to be issued under the Corporations Act;
- d) **\*(adverse change)** any adverse change, or development (including but not limited to any regulatory change) or event involving a prospective change, in the condition, financial or otherwise, or in the assets, liabilities, earnings, business, operations, management, profits, losses or prospects of Sigma, any member of the Sigma group or the CWG group or their respective underlying investments occurs;
- e) **\*(new circumstance)** a new circumstance arises which, in the reasonable opinion of the Underwriter, is a matter adverse to investors in New Shares

and which would have been required by the Corporations Act to be included in the Offer Materials had the new circumstance arisen before the Offer Materials were given to ASX;

- f) **\*(change of law)** there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or regulate the Entitlement Offer;
- g) **(unable to proceed)**
  - i. Sigma is or will be prevented from conducting or completing the Entitlement Offer (including granting entitlements or issuing the New Shares) by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction or there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government authority which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Entitlement Offer; or
  - ii. \*a third party applied to a court of competent jurisdiction seeking order to prevent, or which will have the effect of preventing any of the things listed in paragraph (g)(i) above
- h) **(ASIC determination)** ASIC makes a determination, exemption or order which would prevent Sigma from making the Entitlement Offer under section 708AA of the Corporations Act, including a determination under section 708AA(3) of the Corporations Act;
- i) **(listing):**
  - i. Sigma ceases to be admitted to the official list of ASX
  - ii. Sigma's shares cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than pursuant to the existing voluntary suspension granted in connection with the Entitlement Offer), including because the announcement in connection with the Entitlement Offer does not contain information required by ASX; or
  - iii. ASX makes any official statement to any person, or indicates to Sigma or the Underwriter that it will not grant permission for the

official quotation of the New Shares under the Entitlement Offer;

- j) **\*(no misleading or deceptive conduct)** Sigma engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the making of the Entitlement Offer;
- k) **\*(market disruption)** either of the following occurs:
  - i. a general moratorium on commercial banking activities in Australia is declared by the relevant central banking authority in that country, or there is a material disruption in commercial banking or security settlement or clearance services in that country; or
  - ii. trading in all securities quoted or listed on ASX is suspended or limited in a material respect for one date or a substantial part of one day on which that exchange is open for trading;
- l) **\*(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States or the United Kingdom, Russia, the People's Republic of China or Israel, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world or chemical, nuclear or biological weapons of any sort are used in connection with (or the military of any member state of NATO becomes directly involved in) the Ukraine conflict that is ongoing as at the date of the Underwriting Agreement;
- m) **\*(warranties)** a warranty contained in the Underwriting Agreement on the part of Sigma is untrue or incorrect when given or taken to be given or becomes untrue or incorrect;
- n) **\*(certificate)** a certificate which is required to be furnished by Sigma under the Underwriting Agreement is untrue, incorrect or misleading;
- o) **(delay)** any event specified in the Entitlement Offer timetable under the Underwriting Agreement:
  - i. up to and including the institutional settlement date is delayed by 1 business day or more, or
  - ii. from after the institutional settlement date up to and including the retail settlement date is delayed by more than two business days, without the prior written consent of the Underwriter;

# Underwriting Agreement Summary

- p) \* **(breach)** Sigma fails to perform or observe any of its obligations under Underwriting Agreement;
- q) \* **(change in management)** a change in the positions of Sigma's CEO or CFO or the board of directors of Sigma occurs or is announced (other than as disclosed in the Offer Materials);
- r) **(notifications):**
- i. an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer Materials or the Entitlement Offer and any such application become public or is not withdrawn within 3 business days after being made or before the institutional settlement date or retail settlement date;
  - ii. ASIC commences, or gives notice of an intention to hold, any investigation or hearing in relation to the Entitlement Offer or any of the Offer Materials and any such steps become public or are not withdrawn within 3 business days after being made, or before the institutional settlement date or retail settlement date; or
  - iii. ASIC prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against Sigma in relation to the Entitlement Offer and any such proceedings become public or are not withdrawn within 3 business days after being made, or before the institutional settlement date or retail settlement date;
- s) **(prosecution)** \* any of the following occurs:
- i. a director or proposed director of Sigma is charged with an indictable offence in relation to any financial or corporate matter;
  - ii. any government agency commences any proceedings against Sigma or any director in their capacity as a director of Sigma, or announces that it intends to take such action and any such proceedings become public or are not withdrawn within 3 business days after being made, or before the institutional settlement date or retail settlement date; or
  - iii. any director or proposed director of Sigma is disqualified from managing a corporation under any applicable law;
- t) \* **(insolvency of a Sigma group member)** an insolvency event occurs in respect of a member of the Sigma group (excluding Sigma) or there is an act which has occurred or any omission made which would result in an insolvency event occurring in respect of member of the Sigma group

(excluding Sigma);

- u) **(insolvency of Sigma)** an insolvency event occurs in respect of Sigma or there is an act which has occurred or any omission made which would result in an insolvency event occurring in respect of Sigma;
- v) **(withdrawal)** Sigma withdraws the Entitlement Offer or any part of the Entitlement Offer, or indicates that it does not intend to, or is unable to proceed with, the Entitlement Offer or any part of it;
- w) **(MIA):**
- i. \* there is a material amendment to the MIA, or a condition precedent to performance of the parties' obligations under the MIA becomes incapable of being satisfied and is not waived in accordance with the terms of the MIA;
  - ii. any party to the MIA does terminate or rescind the MIA; or
  - iii. the MIA becomes void or unenforceable or becomes incapable of, or will not, complete in accordance with its terms;
- x) **(debt commitment letter):**
- i. \* there is:
    - A. an amendment to the debt commitment letter that is materially adverse to an investor in the Entitlement Offer; or
    - B. a condition becomes or is likely to become incapable of being satisfied in the reasonable opinion of the Underwriter (and which is not waived by the relevant person under the debt commitment letter),
 in each case, other than with the consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
  - ii. any party to the debt commitment letter does terminate or rescind the debt commitment letter; or
  - iii. the debt commitment letter becomes void or unenforceable.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of the above termination events denoted with an asterisk (\*) will depend on whether, the Underwriter has reasonable and bona fide grounds to believe, that the event (i) will or could be reasonably expected to give rise to a liability of the Underwriter or an affiliate of it under, or will or could be reasonably expected to give rise to the Underwriter contravening, or being considered to be in contravention of, any applicable law has; or (ii) has had or could be reasonably expected to have a material adverse effect on the marketing, settlement or

outcome of the Entitlement Offer (or a component of it), or the willingness of investors to apply for, or to settle obligations to subscribe for, New Shares under the Entitlement Offer.

If the Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will be discharged from any of its obligations that remain to be performed under the Underwriting Agreement. Termination of the Underwriting Agreement by the Underwriter could have an adverse impact on proceeds raised under the Entitlement Offer.

## *Representations, warranties and undertakings*

Sigma gives customary representations and warranties in connection with (among other things) the Entitlement Offer. Sigma gives customary undertakings to the Underwriter, including that (subject to certain exceptions) it will not issue further equity securities and will conduct its business in the ordinary course for a period of time following completion of the Entitlement Offer.

## *Indemnity and release*

Subject to certain customary exclusions (including fraud, wilful misconduct or gross negligence), Sigma has agreed to indemnify the Underwriter and certain related persons (each an Indemnified Party) from losses suffered or incurred by an Indemnified Party in connection with the Entitlement Offer or the Underwriting Agreement.

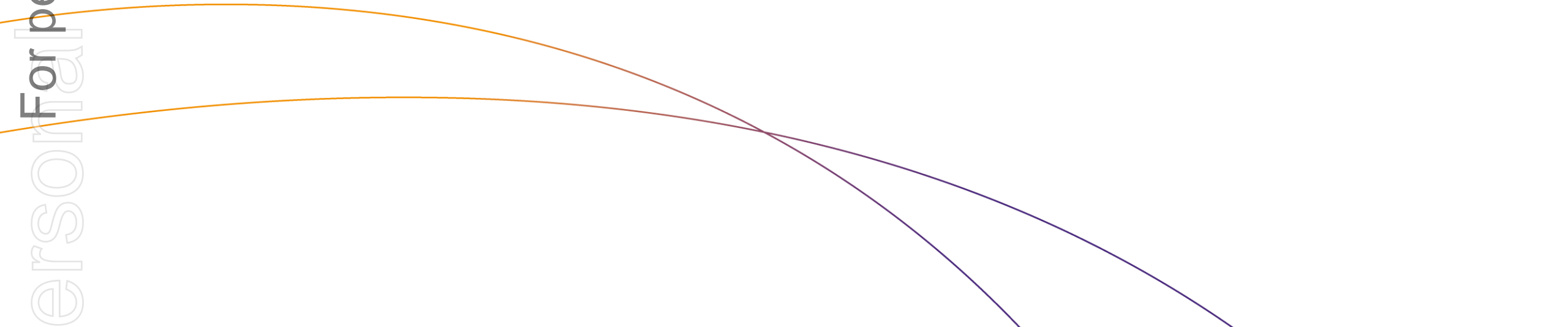
Sigma also releases each Indemnified Party against claims made by Sigma in relation to the Entitlement Offer or the Underwriting Agreement except to the extent of certain agreed carve outs related to the Underwriter's culpability for the loss.

## *Underwriter fees*

The Underwriter will be paid the underwriting fees disclosed in the Appendix 3B lodged by Sigma today. Sigma must also reimburse the Underwriter for certain expenses (including legal expenses) incurred in connection with its role as Underwriter.

For personal use only

# Appendix H: Disclaimer of Liability



# Disclaimer of Liability

No party other than Sigma has authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation or makes or purports to make any statement in this Presentation. Goldman Sachs Australia Pty Ltd (ACN 006 797 897) (**Underwriter** or **Goldman Sachs**) is acting as the sole lead manager, bookrunner and underwriter to the Offer. A summary of the key terms of the Underwriting Agreement is included in the "Underwriting Agreement summary" section in Appendix G of this Presentation. Goldman Sachs is also acting as financial adviser to Sigma in connection with the proposed acquisition of CWG. Goldman Sachs, together with its affiliates may be reimbursed for expenses and benefit from indemnification in connection with acting in these capacities.

To the maximum extent permitted by law, each of Sigma, CWG, the Underwriter, their respective affiliates or related bodies corporate, and each of their respective advisers, directors, representatives, officers, partners, employees and agents (each a **Limited Party**):

- expressly exclude and disclaim all responsibility and liability, including, without limitation, for negligence or in respect of any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by way of negligence or otherwise; and
- make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns (or any event or results expressed or implied in any forward-looking statement) contained in, implied by, the information in this Presentation or any part of it, or that this Presentation contains all material information about Sigma, CWG, the Offer or that a prospective investor or purchaser may require in evaluating a possible investment in Sigma or acquisition of New Shares.

The Underwriter and the other Limited Parties make no recommendations as to whether you or your related parties should participate in the Offer, nor do they make any representations or warranties to you concerning this Presentation or the Offer. None of the Underwriter or the Underwriter's Limited Parties have authorised, permitted or caused the issue or provision of this Presentation and there is no statement in this Presentation which is made or verified by the Underwriter or the Underwriter's Limited Parties or is based on any statement by

the Underwriter or the Underwriter's Limited Parties. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with Sigma. You represent, warrant and agree that you have not relied on any statements made by the Underwriter or other Limited Parties in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of Sigma, the Underwriter or any Limited Party.

In connection with the Offer, one or more investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those shares. The Underwriter (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire shares in Sigma in connection with the writing of such derivative transactions in the Offer and/or the secondary market. As a result of such transactions, the Underwriter (or its affiliates) may be allocated, subscribe for or acquire New Shares or shares of Sigma in the Offer and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such shares. These transactions may, together with other Shares in Sigma acquired by the Underwriter or its affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Underwriter or its affiliates disclosing a substantial holding and earning fees.

The Underwriter, together with its affiliates and related bodies corporate, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, marketing making, market lending, brokerage and other financial and non-financial activities and services including for which it has received or may receive customary fees and expenses or other transaction consideration. The Underwriter (and/or its affiliates and bodies corporate) in its ordinary course of these activities, may at any time have performed, and may perform, other financial or advisory services for Sigma, and/or may have other interests in or relationships with Sigma and its related entities or other entities mentioned in this Presentation (including that they may at any time for their own account and for the accounts of their clients make or hold investments in the equity securities or other financial products of Sigma or their affiliates) for which they have received or may receive customary fees and expenses or other transaction consideration in respect of such activities. Without limitation, in the ordinary course of their various business activities, the

Underwriter and other Limited Parties may have interests in the securities of Sigma, including being directors of, or providing investment banking services to, Sigma. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in its capacity as lead manager, bookrunner and underwriter to the Offer.

The Underwriter has entered into an Underwriting Agreement in respect of the Entitlement Offer to which only the Underwriter and the Company are a party (refer to Appendix G). The Underwriting Agreement provides that the Underwriter will not be issued any shares that would cause them to breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). If the Underwriter was required to take up shares on issue which would otherwise cause them to breach the takeover threshold, then for the purposes of ASIC Report 612 (March 2019): (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the Underwriting Agreement by the Entitlement Offer completion date, (ii) the number of excess shortfall shares would be up to the number of shares offered under the Entitlement Offer less the number of shares that have been subscribed for and the number of shares that the Underwriter is able to take up without causing it to breach the takeover threshold when aggregated with any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment, and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after completion of the Entitlement Offer at the same price as the Entitlement Offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and share registry constraints and the discretion of Sigma and/or the Underwriter. Each of Sigma and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

For personal use only

Thank you





## 4. Australian Taxation Implications

### 4.1 General

Set out below is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer and receiving New Shares (including Additional New Shares) for certain Eligible Retail Shareholders.

Neither Sigma nor any of its officers or employees, nor its taxation or other advisers, accept any liability or responsibility in respect of any taxation consequences of the Retail Entitlement Offer or any associated statements made within this document.

The comments in this section cover the Australian taxation implications of the Retail Entitlement Offer only if you (referred to in this section as **Eligible Retail Shareholder, Shareholder or you**):

- are an Australian resident for Australian income tax purposes; and
- hold your existing Shares and New Shares on capital account for Australian income tax purposes.

The comments do not apply to you if:

- you are a non-resident for Australian income tax purposes;
- your Shares are subject to the taxation of financial arrangements provisions contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth);
- you hold your existing Shares as revenue assets or trading stock;
- you acquired your existing Shares in respect of which the Entitlements are issued under any employee share scheme;
- your existing Shares are “traditional securities” (as defined in the *Income Tax Assessment Act 1997* (Cth));
- your existing Shares are convertible interests; or
- you may be subject to special tax rules such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated) or temporary residents.

This taxation summary is necessarily general in nature and is not an authoritative or complete statement of all potential tax implications for each Eligible Retail Shareholder.

It is based on the Australian tax legislation and administrative practice in force as at the date of this Offer Booklet. It does not take into account of, or anticipate changes to, the Australian tax laws or future judicial or administrative interpretations of that law after this time. The comments also do not take into account the tax laws of any country other than Australia. The tax law and Australian tax authorities’ interpretation of it are subject to change, and such changes may be effective retrospectively and may affect the comments below.

The summary does not take into account any financial objectives, tax positions or investment needs of Eligible Retail Shareholders. As the taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances, you should seek and rely upon your own professional tax advice before concluding on the particular taxation treatment that will apply to you.

### 4.2 Australian tax considerations for Eligible Retail Shareholders

#### (a) *Issue of Entitlements*

The issue of the Entitlements should be non-assessable non-exempt income and should not, of itself, result in any amount being included in your assessable income.

#### (b) *Exercise of Entitlements and applying for Additional New Shares*

You should not make a capital gain or loss, or derive assessable income, at the time of exercising your Entitlements under the Retail Entitlement Offer. If you take up all or part of your Entitlements, you will

acquire New Shares. Additional New Shares may be issued in the circumstances detailed in Section 2.4. For Australian capital gains tax (CGT) purposes:

- Each New Share acquired upon exercising the Entitlement, and each Additional New Share acquired under the Oversubscription Facility, will comprise a CGT asset, being a share in Sigma;
- Each New Share should be taken to have been acquired on the date that you exercise the Entitlement, and each Additional New Share should be taken to be acquired on the date it is issued to you; and
- Each New Share and Additional New Share should have a cost base (and reduced cost base) that is equal to the Offer Price payable for the New Share plus certain non-deductible incidental costs incurred in acquiring, holding and disposing of the New Share.

**(c) Lapse of Entitlement**

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions, that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

**(d) Distributions on New Shares and Additional New Shares**

Any future distributions made in respect of the New Shares and Additional New Shares should be subject to the same income taxation treatment as distributions made in respect of existing Shares held in the same circumstances.

An Eligible Retail Shareholder should include dividends paid by Sigma on a New Share or Additional New Share in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Such an Eligible Retail Shareholder should be entitled to a tax offset equal to the franking credits attached to the dividend subject to satisfying the 'holding period' and 'related payment' rules (refer to comments below) and provided the benefit of the franking credits is not denied under various franking integrity rules. The tax offset can be applied to reduce the tax payable on the Eligible Retail Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Eligible Retail Shareholder's taxable income and such Eligible Retail Shareholder is:

- an individual or complying superannuation entity – the Eligible Retail Shareholder should be entitled to a refund of the excess franking offsets;
- a company – the excess franking offsets may be carried forward to future income years as tax losses (provided certain loss utilisation tests are satisfied); or
- a trustee (other than a trustee of a complying superannuation entity) – the treatment of the excess franking offsets will depend upon the identity of the person liable to tax on the trust's net income.

Where a dividend paid by Sigma is wholly or partly unfranked, the Eligible Retail Shareholder should include the unfranked amount in their assessable income and there will be no tax offset entitlement to that extent.

**(e) New Shares and Additional New Shares held 'at risk'**

In order to be eligible for the benefit of franking credits and tax offsets, an Eligible Retail Shareholder must satisfy both the 'holding period' and 'related payment' rules. This broadly requires that an Eligible Retail Shareholder holds the New Shares and Additional New Shares 'at risk' for at least 45 days continuously (not including the date of acquisition and disposal) during the holding period.

The holding period commences on the day after the Eligible Retail Shareholder acquires the New Shares and ends on the 45<sup>th</sup> day after the New Shares become ex-dividend.

Any day on which an Eligible Retail Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the New Shares will not be counted as a day on which the Eligible Retail Shareholder held the shares 'at risk', but such days do not break the continuity of holding. Where the shares are funded by limited recourse loans, or there are options or other derivatives in respect of the shares, these may adversely affect the ability of a shareholder to satisfy the 'at risk' requirement.

Where these rules are not satisfied, the Eligible Retail Shareholder will not include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

The holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000.

The related payment rule applies where the Eligible Retail Shareholder has made, or is under an obligation to make, a related payment (broadly, a payment whereby the benefit of the dividend is passed to another person) in relation to a dividend paid by Sigma. The related payment rule requires the Eligible Retail Shareholder to have held the New Shares at risk for a period commencing on the 45<sup>th</sup> day before, and ending on the 45<sup>th</sup> day after, the day the New Shares become ex-dividend.

**(f) Disposal of New Shares and Additional New Shares**

The disposal of the New Shares and Additional New Shares will constitute a disposal for CGT purposes.

On a disposal of any of the New Shares or Additional New Shares, Eligible Retail Shareholders should make a capital gain if the capital proceeds on disposal exceed the cost base of the New Shares or Additional New Shares, or a capital loss if the capital proceeds are less than the total reduced cost base of the New Shares or Additional New Shares.

In general, the capital proceeds will be the consideration received for the disposal, and the cost base (or reduced cost base) of each constituent Share will be broadly equal to the Offer Price payable (plus any non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring, holding and selling the New Shares) or Additional New Shares.

Individuals, trustees or complying superannuation entities that have held New Shares or Additional New Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal may be entitled to apply the applicable CGT discount to reduce the capital gain (after offsetting current year or carried forward capital losses). The CGT discount is 50% for individuals and trustees and 33<sup>1</sup>/<sub>3</sub>% for complying superannuation entities.

The CGT discount is not available to companies, unless the Shares are held by the company in the capacity as a trustee.

New Shares or Additional New Shares should be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Shares or Additional New Shares, they must have been held for at least 12 months after the date of exercise before the disposal occurs.

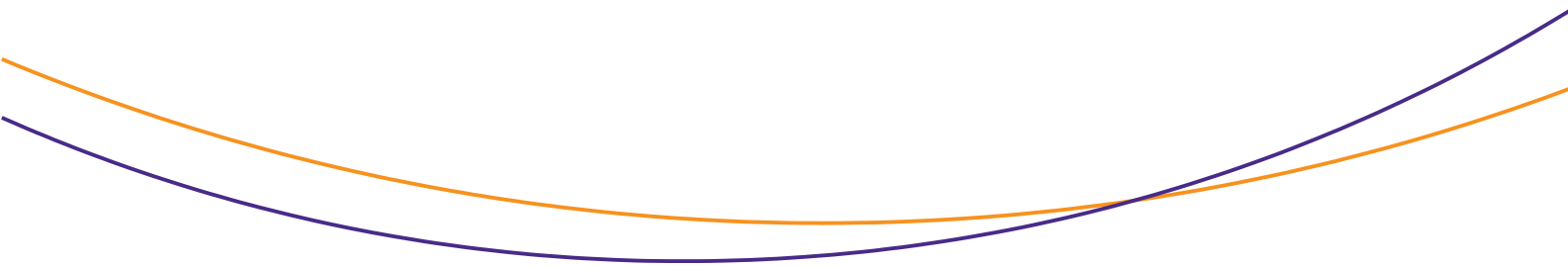
If you make a capital loss, you can only use that loss to offset other capital gains. However, if the capital loss cannot be used in a particular income year, it can be carried forward for use in future income years, provided certain loss utilisation tests are satisfied.

**(g) Other Australian taxes**

No GST should be payable by you in respect of the issue or exercise of Entitlements or the acquisition of New Shares or Additional New Shares.

To the extent you incur GST on costs that relate to the issue or exercise of Entitlements or the acquisition of New Shares or Additional New Shares, you may not be entitled to recover such GST as an input tax credit (or reduce input tax credit). In this regard, we recommend that you seek independent taxation advice in respect of your individual taxation affairs.

Stamp duty will not be payable in respect of the acquisition of the New Shares or Additional New Shares on the assumption that each Eligible Retail Shareholder will act independently of each other such shareholder in respect of its holding of such shares, and no Eligible Retail Shareholder and its "associates" or "related persons" will hold 90% or more of the total issued shares in Sigma.



## 5. Important Information

This Offer Booklet (including the Investor Presentation, ASX Announcement and enclosed personalised Entitlement and Acceptance Form) (**Information**) have been prepared by Sigma. This Information is dated Monday, 18 December 2023 (other than the Investor Presentation and ASX Announcement included in Section 3 of this Offer Booklet, which are dated Monday, 11 December 2023). This Information remains subject to change without notice and Sigma is not responsible for updating this Information.

There may be additional announcements made by Sigma after the date of this Offer Booklet and throughout the Offer Period that may be relevant to your consideration of whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Sigma (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your application to take up your Entitlement.

No party other than Sigma has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

For the avoidance of doubt, to the maximum extent permitted by law, Sigma excludes and disclaims all liability (including, without limitation, liability for negligence) for any direct, indirect, consequential, or contingent loss or damage howsoever and whenever arising from the use of any of the Information or participation in the Retail Entitlement Offer.

**This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the key risk factors outlined in the “Key Risks” section of the Investor Presentation released to the ASX on Monday, 11 December 2023 (a copy of which is included in Section 3 this Offer Booklet) any of which could affect the operating and financial performance of Sigma or the value of an investment in Sigma.

You should consult your stockbroker, solicitor, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

### 5.1 Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (AEDT) on Wednesday, 13 December 2023;
- have a registered address on the Sigma share register in Australia or New Zealand as at 7.00pm (AEDT) on the Record Date, or are a Shareholder not in Australia or New Zealand that Sigma and the Underwriter have otherwise determined is eligible to participate;
- are not in the United States, and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- did not receive an offer to participate (other than as nominee) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered (except to the extent Sigma is in its absolute discretion willing to comply with such a requirement).

If you are a shareholder who does not satisfy each of the criteria listed above, you are an “**Ineligible Shareholder**”. Sigma reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form together with the payment of requisite Application Monies by EFT, or making payment for the requisite Application Monies by BPAY<sup>®</sup>,

you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Sigma has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia, New Zealand and certain other jurisdictions, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Sigma may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law.

## 5.2 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will rank equally with existing Shares. New Shares will be entitled to any dividends on Shares with a record date after the date of issue. The rights and liabilities attaching to the New Shares are set out in Sigma's constitution, a copy of which is available at [www.asx.com.au](http://www.asx.com.au).

## 5.3 Issue, quotation and trading

Sigma will apply to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Sigma will repay all Application Monies (without interest).

Sigma disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the Official List of ASX or before receiving their confirmation of holding, whether on the basis of confirmation of the allocation provided by Sigma, the Share Registry or the Underwriter.

Subject to approval being granted, it is expected that the issue of New Shares under the Retail Entitlement Offer will take place on Monday, 29 January 2024 and that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (AEDT) on Tuesday, 30 January 2024. Application Monies will be held by Sigma on trust for Applicants until the New Shares are issued. No interest will be paid on Application Monies.

## 5.4 Capital structure

After the issue of New Shares under the Retail Entitlement Offer, the capital structure of Sigma is expected to be as follows (subject to reconciliations rounding of fractional Entitlements)<sup>4</sup>:

<b>Shares on issue as at Record Date</b>	<b>1,059,276,416</b>
<b>New shares to be issued under the Institutional Entitlement Offer</b>	<b>254,056,490</b>
<b>New Shares to be issued under the Retail Entitlement Offer</b>	<b>318,525,357</b>
<b>Total Shares on issue on completion of the Offer</b>	<b>1,522,650,496</b>

## 5.5 Reconciliation, Top-Up Shares and the rights of Sigma and the Underwriter

The Retail Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares

<sup>4</sup> This assumes that there is 100% take-up of entitlements under the Retail Entitlement Offer and that the Offer completes successfully without any termination of the Underwriting Agreement.

than initially offered to them. If reconciliation is required, it is possible that Sigma may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Sigma also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders or other applicable investors, if Sigma believes in its complete discretion that their Entitlement claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Sigma may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriter at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Sigma in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Sigma or the Underwriter to require any of the actions set out above.

## 5.6 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

## 5.7 No Entitlements trading

Entitlements are non-renounceable and so they cannot be traded on ASX or any other exchange, nor can they be privately transferred. You should note that if you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and your percentage holdings will be diluted accordingly.

## 5.8 Risks

The Investor Presentation details important factors and key risks that could affect the financial and operating performance of Sigma, a copy of which is included in Section 3 of this Offer Booklet. Please refer to the "Key Risks" section of the Investor Presentation for details. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

## 5.9 Notice to nominees and custodians

If Sigma believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should carefully consider the contents of that letter and note that persons who hold Shares as a nominee or custodian must not purport to accept, or make an application under, the Retail Entitlement Offer in respect of:

- a) Beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder (if they were the registered holder of the Shares);
- b) Shareholders who were eligible to participate in the Institutional Entitlement Offer, whether they participated or not;
- c) Shareholders who were ineligible to participate in the Institutional Entitlement Offer;
- d) any Shareholder that is in the United States, including any Shareholder in the United States for whom the nominee or custodian holds Shares or acts; or
- e) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as nominees or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person who is an Ineligible Shareholder or any person in the United States or any person that is acting for the account or benefit of a person in the United States.

Sigma is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary, including following acquisition of Entitlements on ASX or otherwise, complies with applicable laws. Sigma is not able to provide legal advice.

Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside Australia and New Zealand.

## 5.10 Continuous Disclosure

Sigma is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Sigma is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Sigma has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its Shares. That information is available to the public from ASX at [www.asx.com.au](http://www.asx.com.au).

## 5.11 Not investment advice

This Information is not a prospectus or a product disclosure statement under the Corporations Act and has not been (and will not be) lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Sigma is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Sigma's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should also consider whether you need to seek appropriate advice, including financial, legal and taxation advice appropriate to your jurisdiction. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, solicitor, accountant or other independent professional adviser or call the Share Registry on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Offer Period.

## 5.12 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## 5.13 Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of the Information during the Offer Period by calling the Share Registry on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), or from ASX at [www.asx.com.au](http://www.asx.com.au). Eligible Retail Shareholders who access the electronic version of the Information should ensure that they download and read the entire Information. The electronic version of the Information on the Sigma or ASX website will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be obtained during the Offer Period by calling the Share Registry on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Offer Period.

## 5.14 Governing law

The Information, the Retail Entitlement Offer and the contracts formed on acceptance of Retail Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## 5.15 Foreign jurisdictions

### New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Group with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial markets Conduct (Incidental Offers) Exemption Notice 2021.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand authority. It is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### Other

The Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws.

The Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of the Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of the Offer Booklet, you should observe such restrictions, including those set forth above.

## 5.16 Underwriting of the Offer

Sigma has entered into an Underwriting Agreement with Goldman Sachs Australia Pty Ltd (ACN 006 797 897) (the **Underwriter**) who has agreed to fully underwrite the Offer on the terms and conditions set out in the agreement (**Underwriting Agreement**).

As is customary with these types of arrangements:

- Sigma has agreed, subject to certain customer exclusions (including fraud, wilful misconduct or gross negligence), to indemnify the Underwriter and certain related persons from losses suffered or incurred by an indemnified party connection with the Offer;
- Sigma and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Offer;
- the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events.

A summary of the material terms of the Underwriting Agreement, including the management and underwriting fees to be paid to the Underwriter are set out in Sigma's Investor Presentation and Appendix 3B released to the ASX on 11 December 2023. The Underwriter will also be reimbursed for certain expenses.



The Underwriter may obtain sub-underwriting commitments in respect of the shortfall under the Retail Entitlement Offer.

## 5.17 Privacy

As a shareholder, Sigma and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Sigma and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Sigma and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information, we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Sigma or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Sigma through the Share Registry Privacy Officer at +61 1800 502 355 or see the Share Registry Privacy Policy at [https://www.linkgroup.com/docs/Link\\_Group\\_Privacy\\_Policy.pdf](https://www.linkgroup.com/docs/Link_Group_Privacy_Policy.pdf).

## 5.18 Disclaimer of representations

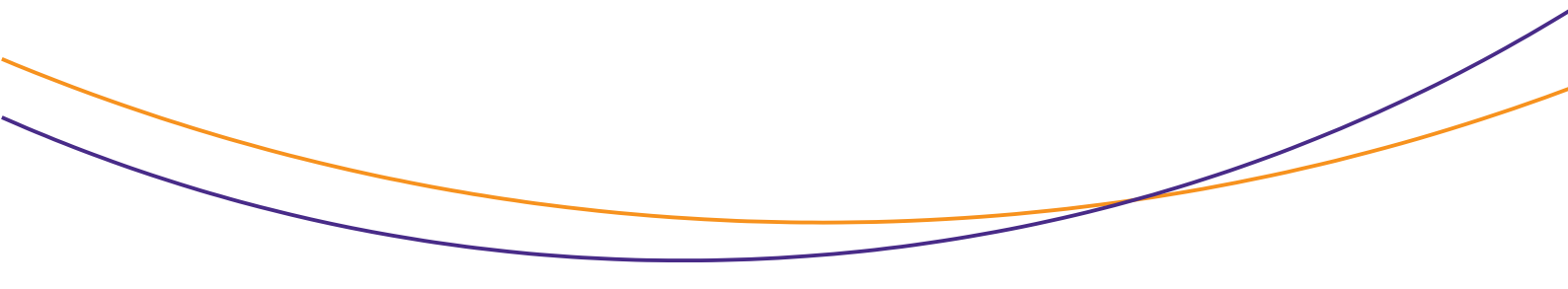
No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Sigma, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Sigma, or any other person, warrants or guarantees the future performance of Sigma or any return on any investment made pursuant to this Offer Booklet or its content.

## 5.19 Withdrawal of the Retail Entitlement Offer

Sigma reserves the right to withdraw all or part of the Retail Entitlement Offer and this Offer Booklet at any time, subject to applicable laws, in which case Sigma will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Sigma may only be able to withdraw the Retail Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Sigma will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Sigma.



## 6. Definitions

**\$ or A\$** means Australian dollars.

**Additional New Shares** means New Shares which Eligible Retail Shareholders are able to apply for in excess of their Entitlement under the Oversubscription Facility.

**AEDT** means Australian Eastern Daylight Time.

**Applicant** means an Eligible Retail Shareholder who has submitted a valid Application.

**Application** means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

**Application Monies** means the aggregate amount payable in Australian dollars for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) and the securities exchange operated by it.

**ASX Announcement** means the announcement released to the ASX on Monday, 11 December 2023 in relation to the Offer and the Proposed Merger, which has been included in Section 3 of this Offer Booklet.

**ASX Listing Rules** means the listing rules of ASX (including the ASX Settlement Operating Rules, the ASX Operating Rules and the ASX Clear Operating Rules) as waived or modified by ASX in respect of Sigma or the Offer in any particular case.

**Closing Date** means the date on which the Retail Entitlement Offer, as specified in the Timetable and varied from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CWG** means CW Group Holdings Limited (ACN 635 851 839).

**Eligible Retail Shareholders** has the meaning given in Section 5.1 of this Offer Booklet.

**Entitlement** means the right to subscribe for 1 New Share for every 1.85 existing Shares held by Eligible Retail Shareholders on the Record Date at an Offer Price of \$0.70 per New Share, pursuant to the Retail Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form that will accompany this Offer Booklet when it is dispatched to Eligible Retail Shareholders.

**Ineligible Shareholder** has the meaning given in Section 5.1 of this Offer Booklet.

**Information** has the meaning given in Section 5.1 of the Offer Booklet.

**Institutional Entitlement Offer** means the institutional component of the Offer.

**Investor Presentation** means the presentation released to the ASX on 11 December 2023 in relation to the Offer and the Proposed Merger, which has been included in Section 3 of this Offer Booklet.

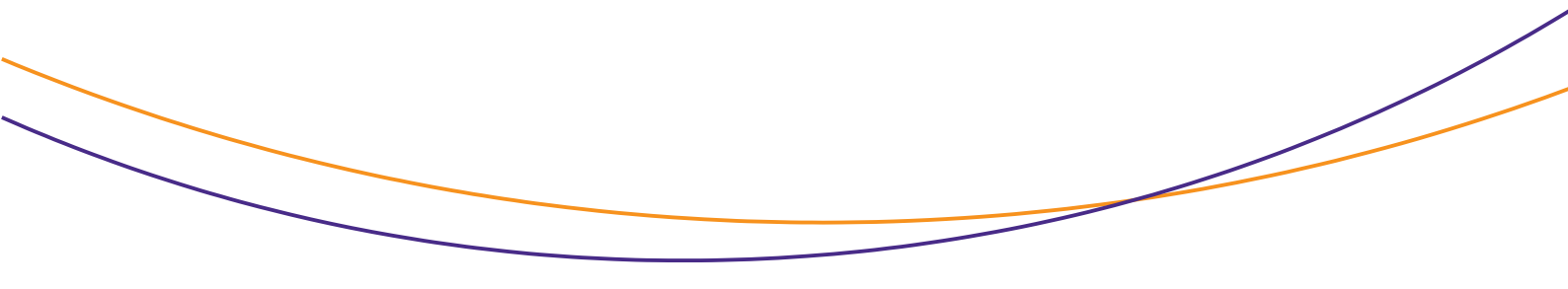
**New Shares** means Shares to be allotted and issued under the Offer and includes Additional New Shares.

**Offer** means the accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 New Share for every 1.85 Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$0.70 per New Share, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.

**Offer Booklet** means this booklet.

**Offer Period** means the period during which the Retail Entitlement Offer is open (as set out in the Timetable, as varied from time to time).

**Offer Price** means \$0.70 per New Share.



**Oversubscription Facility** means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement up to a maximum of 25% of an Eligible Retail Shareholder's Entitlement.

**Proposed Merger** means the potential merger transaction between Sigma and CWG pursuant to which Sigma will acquire 100% of the issued shares in the CWG in exchange for a combination of cash and shares in Sigma, as announced by Sigma on 11 December 2023 (see the ASX Announcement and Investor Presentation).

**Record Date** means 7.00pm (AEDT) on Wednesday, 13 December 2023.

**Retail Entitlement Offer** means the retail component of the Offer, pursuant to this Offer Booklet.

**Section** means a section of this Offer Booklet.

**Share** means a fully paid ordinary share in the capital of Sigma.

**Share Registry** means Link Market Services Limited (ABN 54 083 214 537).

**Shareholder** means a holder of Shares.

**Sigma** or the **Company** means Sigma Healthcare Limited (ACN 088 417 403).

**TERP** means the theoretical price at which Sigma's shares trade immediately after the ex-date for the Offer assuming 100% take-up of the Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP.

**Timetable** means the indicative table set out in the "Key dates" section of this Offer Booklet.

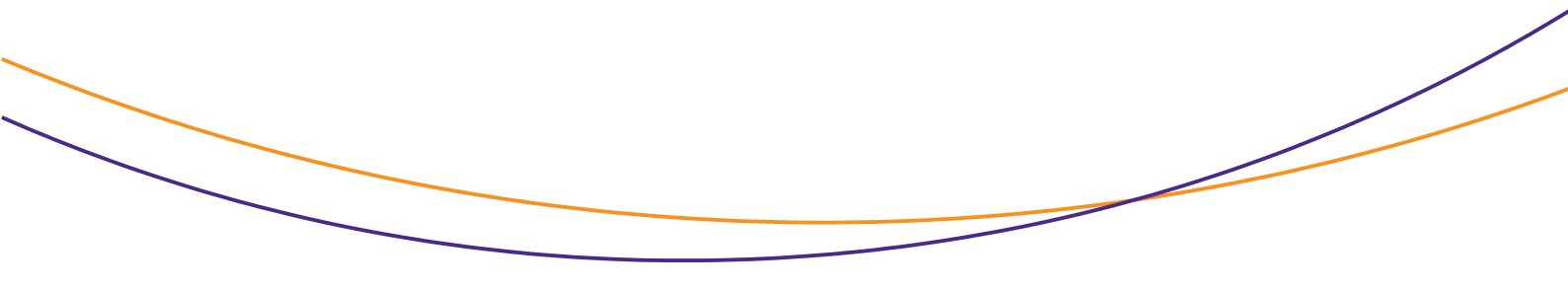
**Top-Up Shares** means the issue of additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares.

**Underwriter** means Goldman Sachs Australia Pty Ltd (ACN 006 797 897).

**Underwriter Parties** means the Underwriter and its affiliates and related bodies corporate (as that term is defined in the Corporations Act) and each of its respective directors, officers, employees, representatives, agents, partners, consultants, advisers and intermediaries.

**Underwriting Agreement** means the underwriting agreement dated 11 December 2023 between Sigma and the Underwriter, as amended from time to time.

**U.S. Securities Act** means the U.S. Securities Act of 1933, as amended.



## 7. Corporate Directory

### **SIGMA HEALTHCARE REGISTERED OFFICE AND HEAD OFFICE**

Level 6  
2125 Dandenong Road  
Clayton VIC 3168

### **SIGMA HEALTHCARE WEBSITE**

Corporate information and the Sigma Interim and Annual Reports can be found via the Company's website at <https://investorcentre.sigmahealthcare.com.au/>

### **UNDERWRITER**

Goldman Sachs Australia Pty Ltd  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

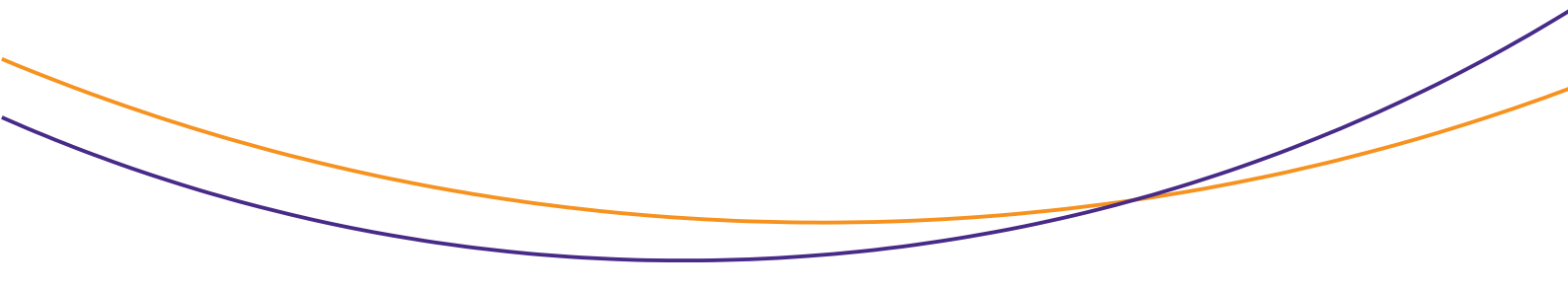
### **SHARE REGISTRY**

Link Market Services Limited  
Tower 4, 727 Collins Street  
Docklands VIC 3008

### **LEGAL ADVISER**

Gilbert + Tobin  
Level 35, Tower 2, International Towers Sydney  
200 Barangaroo Avenue  
Sydney NSW 2000

For personal use only



**PRIVATE AND CONFIDENTIAL**  
**Monday, 18 December 2023**

Dear Shareholder

**SIGMA HEALTHCARE LIMITED PRO RATA ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER OF NEW FULLY PAID ORDINARY SHARES TO RAISE APPROXIMATELY A\$400 MILLION – NOTIFICATION TO ELIGIBLE SHAREHOLDERS**

On Monday, 11 December 2023, Sigma Healthcare Limited ACN 088 417 403 (“**Sigma**”) announced a fully underwritten 1 for 1.85 pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Sigma (“**New Shares**”) (“**Entitlement Offer**”).

The Entitlement Offer is being made to eligible Sigma shareholders on the basis of an entitlement to subscribe for 1 New Share for every 1.85 existing Sigma fully paid ordinary shares (“**Existing Shares**”) (“**Offer Ratio**”) held and recorded on the Sigma share register (“**Register**”) as at 7:00pm (AEDT) on Wednesday, 13 December 2023 (“**Record Date**”), (“**Entitlement**”) at an offer price of \$0.70 per New Share (“**Offer Price**”).

Net proceeds from the Entitlement Offer will be used to fund the increased working capital required to implement the Chemist Warehouse supply contract (signed 31 August 2023) commencing on 1 July 2024 and progress business growth initiatives including relaunching the Amcal and Discount Drug Store brands and expanding Sigma’s private and exclusive label product range.

In the event the Proposed Merger referred to in the Investor Presentation released to ASX on Monday, 11 December 2023 proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration payable under the Proposed Merger.

**Why are we sending you this letter?**

The purpose of this letter is to inform you about the Retail Entitlement Offer and to explain that if you are an Eligible Retail Shareholder (see below), you will be eligible to participate in the Retail Entitlement Offer. Sigma has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer (“**Retail Offer Booklet**”). You should read the Retail Offer Booklet as it contains important information on the Retail Entitlement Offer.

**What is the Entitlement Offer?**

The Entitlement Offer is being conducted in two stages:

- (a) an accelerated pro rata non-renounceable entitlement offer of New Shares to institutional shareholders (“**Institutional Entitlement Offer**”), which is already complete; and
- (b) a pro rata non-renounceable retail entitlement offer of New Shares to Eligible Retail Shareholders (as defined below) (“**Retail Entitlement Offer**”) which opens on Monday, 18 December 2023.

The Retail Entitlement Offer is non-renounceable, and Entitlements that are not taken up by Eligible Retail Shareholders, together with the Entitlements of the Ineligible Shareholders (as defined below), will lapse and you will not receive any payment or value for your Entitlements in respect of any New Shares that would have been offered to you.

For personal use only

The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document needs to be prepared in relation to the Entitlement Offer.

The Institutional Entitlement Offer has already closed and the results were announced to ASX on Wednesday, 13 December 2023.

### Who is eligible?

Shareholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Shareholders**") are those who:

- (a) are registered as a holder of Existing Shares as at the Record Date, being 7.00pm (AEDT) on the Record Date;
- (b) have a registered address on the Register in Australia or New Zealand as at 7.00pm (AEDT) on the Record Date or are an existing shareholder not in Australia or New Zealand that Sigma and the Lead Manager (defined below) have otherwise determined is eligible to participate;
- (c) are not in the United States, and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Existing Shares for the account or benefit of such persons in the United States);
- (d) did not receive an offer to participate (other than as nominee or custodian, in each case in respect of other underlying holders) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered (except to the extent Sigma is in its absolute discretion willing to comply with such a requirement),

provided that, if a shareholder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Retail Entitlement Offer on behalf of such person.

Shareholders who are not Eligible Retail Shareholders are "Ineligible Shareholders" and are consequently unable to participate in the Retail Entitlement Offer. Sigma may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

### Retail Offer Booklet and personalised entitlement and acceptance form

An offer booklet that sets out further details in respect of the Retail Entitlement Offer ("**Retail Offer Booklet**") was lodged with the ASX on Monday, 18 December 2023 and is also available on Sigma's website at: <https://investorcentre.sigmahealthcare.com.au/>.

You can access the Retail Offer Booklet and a copy of your personalised entitlement and acceptance form setting out the details of your Entitlement at <https://events.miraqle.com/sigma-offer>

You are encouraged to read the entire Retail Offer Booklet carefully, and if in any doubt about whether or not to participate in the Retail Entitlement Offer, to consult with a financial or other professional adviser. In particular, you should consider the key risk factors outlined in "Key Risks" of the investor presentation released to the ASX on 11 December 2023 (a copy of which is included in Section 3 of the Retail Offer Booklet), any of which could affect the operating and financial performance of Sigma or the value of an investment in Sigma.

To apply for New Shares you must, by 5.00pm (Melbourne time) on Friday, 19 January 2024, follow the instructions set out on your personalised entitlement and acceptance form.

If you have any queries concerning the Retail Entitlement Offer, please contact the Sigma Offer Information Line on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia), from 8.30am to 5.30pm (AEDT) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

### Key dates for the Retail Entitlement Offer

Key Dates in relation to the Retail Entitlement Offer are as follows:

Event	Date
Announcement of the Entitlement Offer	11 December 2023
“Ex” date	13 December 2023
Record date for the Retail Entitlement Offer (7.00pm AEDT)	13 December 2023
Offer Booklet and personalised Entitlement and Acceptance Form dispatched to Eligible Retail Shareholders	18 December 2023
Retail Entitlement Offer opens (9.00am AEDT)	18 December 2023
Retail Entitlement Offer closes (5.00pm AEDT)	19 January 2024
Results of Retail Entitlement Offer announced	24 January 2024
Settlement of Retail Entitlement Offer	25 January 2024
Issue of New Shares under the Retail Entitlement Offer	29 January 2024
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	30 January 2024
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	30 January 2024

*This timetable is indicative only and may change. Sigma reserves the right to amend any or all of these dates and times the timetable for the Retail Entitlement Offer without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Sigma reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX. All references to time are to AEDT. Sigma also reserves the right not to proceed with the Retail Entitlement Offer in whole or in part at any time prior to the allotment and issue of the New Shares.*

For personal use only

## Disclaimer

This letter is to inform you about the Retail Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to apply for, retain or purchase any entitlements or securities in Sigma in any jurisdiction. You are not required to do anything in response to this letter.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

The eligibility of investors for the purposes of the Retail Entitlement Offer is determined by Sigma and Goldman Sachs Australia Pty Ltd, as the lead manager and underwriter to the Entitlement Offer ("**Lead Manager**") with reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Sigma and the Lead Manager. Sigma and the Lead Manager, and each of their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents, disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements under the Retail Entitlement Offer may not be taken up or exercised by, and the New Shares in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to persons in the United States or acting for the account or benefit of any person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of a person in the United States, in each case in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The Lead Manager has not authorised or caused the issue of this letter or made or authorised the making of any statement that is included in this letter or any statement on which a statement in this letter is based. To the maximum extent permitted by law, the Lead Manager, and their respective related bodies corporate and affiliates and the directors, officers, employees or advisers and representatives of any of them expressly disclaim and take no responsibility for any statements in or omissions from this letter.

For personal use only



**PRIVATE AND CONFIDENTIAL**  
**Monday, 18 December 2023**

Dear Shareholder

**SIGMA HEALTHCARE LIMITED PRO RATA ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER OF NEW FULLY PAID ORDINARY SHARES TO RAISE APPROXIMATELY A\$400 MILLION – NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On Monday, 11 December 2023, Sigma Healthcare Limited (ACN 088 417 403) (“**Sigma**”) announced an underwritten 1 for 1.85 pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Sigma (“**New Shares**”) (“**Entitlement Offer**”). The offer price under the Entitlement Offer is A\$0.70 per New Share (“**Offer Price**”) to raise approximately A\$400 million under the Entitlement Offer.

The Entitlement Offer is being made to eligible Sigma shareholders on the basis of an entitlement to subscribe for 1 New Share for every 1.85 existing Sigma fully paid ordinary shares (“**Existing Shares**”) (“**Offer Ratio**”) held and recorded on the Sigma share register (“**Register**”) as at 7:00pm (AEDT) on Wednesday, 13 December 2023 (“**Record Date**”), (“**Entitlement**”).

Net proceeds from the Entitlement Offer will be used to provide the increased working capital required to implement the Chemist Warehouse supply contract (signed 31 August 2023) commencing on 1 July 2024 and progress business growth initiatives including relaunching the Amcal and Discount Drug Store brands and expanding Sigma’s private and exclusive label product range.

In the event the Proposed Merger referred to in the Investor Presentation released to ASX on Monday, 11 December 2023 proceeds to completion, and to the extent the proceeds have not been applied to fund working capital needs and new business initiatives – some of the net proceeds from the Entitlement Offer may instead be used to partially fund the cash consideration payable under the Proposed Merger. Further detail, including in relation to the expected use of proceeds of the Entitlement Offer, is provided in Sigma’s Investor Presentation.

**Why are we sending you this letter?**

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue Entitlements (as defined below) or New Shares to you, nor an invitation for you to apply for Entitlements or New Shares. **You are not required to do anything in response to this letter, but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

**What is the Entitlement Offer?**

The Entitlement Offer will be conducted in two stages:

- (a) an accelerated pro-rata non-renounceable entitlement offer of New Shares to eligible institutional shareholders (“**Institutional Entitlement Offer**”), which is already complete; and
- (b) a pro-rata non-renounceable retail entitlement offer of New Shares to Eligible Retail Shareholders (as defined below) (“**Retail Entitlement Offer**”) which opens on Monday, 18 December 2023.

The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (“**Act**”) as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document needs to be prepared in relation to the Entitlement Offer.

The Institutional Entitlement Offer has already closed and the results were announced to ASX on Wednesday, 13 December 2023. Sigma has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer (“**Retail Offer Booklet**”).

### Who is eligible?

“**Eligible Retail Shareholders**” are those persons on the Record Date who:

- (a) are registered as a holder of Existing Shares as at 7:00pm (AEDT) on the Record Date;
- (b) have a registered address on the Register in Australia or New Zealand as at 7:00pm (AEDT) on the Record Date, or are an existing shareholder not in Australia or New Zealand that Sigma and the Lead Manager (defined below) have otherwise determined is eligible to participate;
- (c) are not in the United States, and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Existing Shares for the account or benefit of such person in the United States);
- (d) did not receive an offer to participate (other than as nominee or custodian, in each case in respect of other underlying holders) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered (except to the extent Sigma is in its absolute discretion willing to comply with such a requirement),

provided that, if a shareholder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Retail Entitlement Offer on behalf of such person.

### Why am I not eligible to participate in the Retail Entitlement Offer?

Unfortunately, according to our records you do not satisfy the criteria for an Eligible Retail Shareholder. Pursuant to ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Retail Entitlement Offer and, as such, you will not be offered any New Shares or Entitlements under the Retail Entitlement Offer. You will not be sent a copy of the Retail Offer Booklet.

The restrictions upon eligibility are due to a number of factors, including the legal limitations in some countries, the relatively small number of shareholders in those countries, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. Having given consideration to these factors, the Company has determined that, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, it would be unreasonable to extend the Retail Entitlement Offer to shareholders who are not Eligible Retail Shareholders, other than in respect of certain shareholders (subject to compliance with relevant laws). The eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements and logistical and registry constraints. Sigma and Goldman Sachs Australia Pty Ltd, as the lead manager and underwriter to the Entitlement Offer (“**Lead Manager**”) and each of their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

As the Retail Entitlement Offer is non-renounceable, Entitlements in respect of the New Shares you would have been offered if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for those Entitlements. Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of the ASX ([www.asx.com.au](http://www.asx.com.au)).

New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder will be allocated to the Lead Manager (in its capacity as underwriter) or to persons from whom the Lead Manager has procured subscriptions for New Shares (including any sub-underwriters), pursuant to the underwriting arrangements between Sigma and the Lead Manager.

**Further information**

If you have any questions, you should seek advice from your professional adviser or the Sigma Offer Information Line on 1300 139 653 (within Australia) or +61 1300 139 653 (outside Australia) at any time between 8:30am to 5:30pm (AEDT) on Monday to Friday (excluding public holidays), up to the closing date of the Retail Entitlement Offer at 5:30pm (AEDT) on Friday, 19 January 2024.

For personal use only

### Disclaimer

This letter is to inform you about the Retail Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. It is for information purposes only and does not constitute an offer, invitation, solicitation, advice or recommendation to apply for, retain or purchase any entitlements or securities in Sigma in any jurisdiction. You are not required to do anything in response to this letter.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements under the Retail Entitlement Offer may not be taken up or exercised by, and the New Shares in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to persons in the United States or acting for the account or benefit of any person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of a person in the United States, in each case in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The Lead Manager has not authorised or caused the issue of this letter or made or authorised the making of any statement that is included in this letter or any statement on which a statement in this letter is based. To the maximum extent permitted by law, the Lead Manager, and their respective related bodies corporate and affiliates and the directors, officers, employees or advisers and representatives of any of them expressly disclaim and take no responsibility for any statements in or omissions from this letter.

For personal use only