

19 August 2024

## SCHEME BOOKLET REGISTERED WITH ASIC

**APM Human Services International Limited** (ASX: APM) refers to the announcement made on Wednesday, 14 August 2024, in relation to:

- the proposed acquisition by Ancora BidCo Pty Ltd (**Ancora BidCo**), a wholly owned indirect subsidiary of funds managed and advised by Madison Dearborn Partners, LLC (**MDP**), of all of the shares in APM not already held by MDP or its affiliates (**MDP Shareholders**), by way of scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Scheme**);
- the orders made by the Supreme Court of New South Wales that APM convene and hold a meeting of APM shareholders (other than the MDP Shareholders) (**APM Shareholders**) to consider and vote on the Scheme and to distribute an explanatory statement providing information about the Scheme and notice of the Scheme meeting (**Scheme Meeting**) to APM Shareholders (**Scheme Booklet**); and
- the meeting of APM Shareholders that APM will convene to consider and vote on the Item 7 Transaction (as defined in the Scheme Booklet) immediately prior to the Scheme Meeting (**General Meeting**), and together with the Scheme Meeting, the **Meetings**.

### Scheme Booklet

APM confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**) for the purposes of section 412(6) of the Corporations Act.

A copy of the Scheme Booklet, which includes the Independent Expert's Report (as defined below), notice of Scheme Meeting and notice of General Meeting, is attached to this announcement as **Annexure A**, and will be made available electronically for viewing and downloading at [www.apminvestors.net.au](http://www.apminvestors.net.au).

The Scheme Booklet is expected to be despatched to APM Shareholders today.

The Scheme Booklet provides APM Shareholders with important information about the Scheme and the Item 7 Transaction.

### Meetings

The General Meeting is currently expected to be held from 11:00 am (Sydney time) on Wednesday, 18 September 2024 virtually via the online General Meeting platform at <https://meetnow.global/MTXJXGL>.

The Scheme Meeting is currently expected to be held from 12:00 pm (Sydney time) on Wednesday, 18 September 2024 (or immediately after the General Meeting, whichever is later) virtually via the online Scheme Meeting platform at <https://meetnow.global/MXCDVLL>.

APM Shareholders and their authorised proxies, attorneys and corporate representatives are encouraged to attend and participate in both Meetings. APM Shareholders who participate in the Meetings via the online platforms will be able to listen to the Meetings, cast an online vote and ask questions.

## Independent Expert's Report

The independent expert, Kroll Australia Pty Ltd (**Independent Expert**) has prepared a report (**Independent Expert's Report**) in which it has concluded that the Scheme, on the basis of the cash consideration of \$1.45 per share in APM (**APM Share**) (**Cash Consideration**), is fair and reasonable and therefore in the best interests of APM Shareholders in the absence of a superior proposal. The Independent Expert has assessed the value of an APM Share on a controlling interest basis to be in the range of \$1.40 to \$1.74.

The Independent Expert has reached this conclusion based on its valuation and assessment of the Cash Consideration as the default consideration under the Scheme. The Independent Expert has not expressed an opinion on the scrip consideration alternatives (**Scrip Consideration**), but has assessed the underlying economic value of the Scrip Consideration in the immediate or short-term following implementation of the Scheme will be lower than the value of the Cash Consideration.

The Independent Expert's conclusions should be read in the context of the full Independent Expert's Report.

## Recommendation of the APM Recommending Directors

Each member of the independent board committee of APM (**APM IBC**), and Megan Wynne and Michael Anghie (together with the APM IBC, the **APM Recommending Directors**) unanimously recommend that APM Shareholders vote in favour of the Scheme and the Item 7 Transaction, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders and in the absence of a superior proposal.

Subject to those same qualifications, the APM Recommending Directors intend to vote or procure the vote of all APM Shares held or controlled by them in favour of the Scheme and the Item 7 Transaction.

The APM Recommending Directors only make this recommendation with respect to the Cash Consideration and make no recommendation with respect to the Scrip Consideration.

## Further information

Once received, APM encourages shareholders to read the Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting and the Item 7 Transaction at the General Meeting.

**ENDS**

Authorised for release by the Company Secretary of APM Human Services International Limited

## For further information please contact:

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### **About APM**

Founded in 1994 in Perth, Western Australia, APM is an international human services provider with the purpose of “Enabling Better Lives”.

Each financial year, APM supports more than 2 million people of all ages and stages of life through its service offerings that include assessments; allied health and psychological intervention; medical, psycho-social and vocational rehabilitation; vocational training and employment assistance; and community-based support services.

With over 1,600 sites spanning 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore, and South Korea), APM’s more than 15,000 team members work to enhance community health and wellbeing, delivering services to clients across the early childhood, youth, employment, insurance, justice, veterans, disability, and aged care sectors.

For further information please visit: <https://apm.net.au>

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# ASX ANNOUNCEMENT



ANNEXURE A — SCHEME BOOKLET

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# Scheme Booklet

For a scheme of arrangement in relation to the proposed acquisition of APM Human Services International Limited by Ancora BidCo Pty Ltd, a wholly owned indirect subsidiary of funds managed and advised by Madison Dearborn Partners, LLC

- ✓ VOTE IN FAVOUR OF THE SCHEME
- ✓ VOTE IN FAVOUR OF THE ITEM 7 TRANSACTION

**Your Recommending Directors unanimously recommend that you vote in favour of the Item 7 Transaction and the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders**

This is an important document and requires your immediate attention. You should read this document carefully and in its entirety before deciding whether or not to vote in favour of the resolution to approve the Item 7 Transaction and the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

If, after reading this Scheme Booklet, you have any questions about the Item 7 Transaction, the Scheme or the number of APM Shares you hold or how to vote, please call the Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia) Monday to Friday between 8:30am and 5:30pm (Sydney time).

If you have recently sold all of your APM Shares, please disregard this document.

Financial Adviser



Legal Adviser



# Important notices

## 1. Interpretation

Capitalised terms used in this Scheme Booklet are defined in Schedule 1 (Glossary) of this Scheme Booklet (**Glossary**). The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which sometimes differ from those in the Glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information as at the Last Practicable Date. All numbers are rounded unless otherwise indicated.

## 2. Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Item 7 Transaction and the Scheme and the manner in which the Item 7 Transaction and the Scheme will be implemented (if approved), to provide certain information required by law and to provide all other information (other than information previously disclosed to APM Shareholders) that is known to APM that is material to the decision of APM Shareholders as to whether or not to vote in favour of the Item 7 Resolution and the Scheme Resolution to be considered at the General Meeting and the Scheme Meeting respectively.

This Scheme Booklet includes the explanatory statement required to be sent to APM Shareholders in relation to the Scheme under Part 5.1 of the Corporations Act and the explanatory statement required to be sent to APM Shareholders in relation to the Item 7 Transaction. A copy of the proposed Scheme is set out in Attachment B (Scheme) to this Scheme Booklet.

APM Shareholders should read this Scheme Booklet carefully and in its entirety before making a decision as to how to vote on the resolutions to be considered at the General Meeting and the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

## 3. Responsibility for information in this Scheme Booklet

- (a) Except as provided in paragraphs (b) to (d) below, the information in this Scheme Booklet has been provided by APM and is the responsibility of APM. Ancora BidCo and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of any such APM information.
- (b) Ancora BidCo has provided and is responsible for the MDP Information. APM and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of the MDP Information.
- (c) Ernst & Young (**EY**) has provided and is responsible for the information contained in Section 12 (*Taxation implications for Scheme Shareholders*) of this Scheme Booklet. Neither APM nor Ancora BidCo assume any responsibility for the accuracy or completeness of the information contained in Section 12 of this Scheme Booklet. EY does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Section 12.

- (d) The Independent Expert, Kroll, has provided and is responsible for the information contained in Attachment A (*Independent Expert's Report*) to this Scheme Booklet. APM does not assume any responsibility for the accuracy or completeness of the information contained in Attachment A (*Independent Expert's Report*) to this Scheme Booklet except in relation to information given by it to the Independent Expert. Ancora BidCo does not assume any responsibility for the accuracy or completeness of the information contained in Attachment A (*Independent Expert's Report*) to this Scheme Booklet. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Attachment A (*Independent Expert's Report*).
- (e) Computershare has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the APM Share Registry. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

## 4. Investment decisions

The information in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial situation or particular needs of any APM Shareholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decision. Independent legal, financial and taxation advice should be sought before making any investment decision in relation to your APM Shares.

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. Independent legal, financial and taxation advice should be sought before making any investment decision in relation to your APM Shares. You should consider, with or without the assistance of a financial adviser, whether the information in this Scheme Booklet is appropriate for you, having regard to your particular investment needs, objectives and financial circumstances. You should consult your legal, financial or other professional adviser before making any investment decision. The APM Directors encourage you to seek independent financial and tax advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Item 7 Resolution to be considered at the General Meeting and the Scheme Resolution to be considered at the Scheme Meeting. In particular, it is important that you consider the potential risks if the Item 7 Transaction and the Scheme do not proceed, as set out in Section 11 (*Key risks*) of this Scheme Booklet, and the views of the Independent Expert set out in the Independent Expert's Report contained

in Attachment A (*Independent Expert's Report*). If you are in doubt as to the course you should follow, you should consult your legal, financial, tax or other professional adviser.

### 5. ASIC and ASX involvement

This document is the explanatory statement for the scheme of arrangement between APM and the holders of APM Shares as at the Scheme Record Date for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet as Attachment B (Scheme).

A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with and registered for the purposes of section 412(6) of the Corporations Act by ASIC. ASIC has been requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, then it will be produced to the Court on the Court Approval Date.

Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet will be lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this Scheme Booklet.

### 6. Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the notice of the meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how members should vote (on this matter members must reach their own decision); or
- has prepared, or is responsible for the content of, the explanatory statement.

### 7. Notice regarding Second Court Hearing and if an APM Shareholder wishes to oppose the Scheme

The date of the Second Court Hearing to approve the Scheme is 25 September 2024. The hearing will be at 9:15am (Sydney time) at the Law Courts at 184 Phillip Street, Sydney, NSW 2000.

Each APM Shareholder has the right to appear and be heard at the Second Court Hearing and if so advised, oppose the approval of the Scheme at the Second Court Hearing. If you wish to oppose in this manner, you must file and serve on APM a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on APM at its address for service at least one day before 25 September 2024. The address for service for APM is: APM Human Services International Limited, 58 Ord Street, West Perth, WA 6005 (Attention: Peter Torre, Company Secretary) (Email: cosec@apm.net.au).

### 8. Disclosure regarding forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements.

The forward-looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views of APM or, in relation to the MDP Information the current views of Ancora BidCo, held only as at the date of this Scheme Booklet concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe APM's and MDP Group's objectives, plans, goals or expectations are or may be forward-looking statements.

The statements in this Scheme Booklet about the impact that the Item 7 Transaction and/or the Scheme may have on the results of APM's operations, and the advantages and disadvantages anticipated to result from the Item 7 Transaction and/or the Scheme, are also forward-looking statements.

Any forward-looking statements included in the MDP Information have been made on reasonable grounds. Although Ancora BidCo believes that the views reflected in any forward-looking statements included in the MDP Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Any other forward-looking statements included in this Scheme Booklet and made by APM have been made on reasonable grounds. Although APM believes that the views reflected in any forward-looking statements in this Scheme Booklet (other than the MDP Information, the information in Section 12 (*Taxation implications for Scheme Shareholders*) and the information in Attachment A (*Independent Expert's Report*)) have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either APM's or Ancora BidCo's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. APM Shareholders should note that the historical financial performance of APM is no assurance of future financial performance of APM (whether the Scheme is implemented or not). APM Shareholders should review carefully all of the information included in this Scheme Booklet. The forward-looking statements included in this Scheme Booklet are made only as of the date of this Scheme Booklet. Neither APM, nor MDP nor any of their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet makes or gives any representation, warranty, assurance or guarantee (either express or implied) to APM Shareholders that any forward-looking statements will actually occur or be achieved. APM Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, APM and Ancora BidCo do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

## 9. Privacy and personal information

APM and Ancora BidCo may collect personal information to implement the Scheme. The personal information may include the names, contact details and details of holdings of APM Shareholders, plus contact details of individuals appointed by APM Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Computershare advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Computershare to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the Corporations Act. Some or all of your personal information may be disclosed to contracted third parties, or related Computershare companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.computershare.com/au/privacy-policies](http://www.computershare.com/au/privacy-policies) for a copy of the Computershare condensed privacy statement, or contact us by phone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) 8:30am to 5:30pm Sydney time, Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

The information may be disclosed to print and mail service providers, and to APM and Ancora BidCo and their respective related bodies corporate and advisers to the extent necessary to effect the Scheme. If the information outlined above is not collected, APM may be hindered in, or prevented from, conducting the General Meeting, the Scheme Meeting or implementing the Scheme effectively or at all. APM Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the General Meeting and/or the Scheme Meeting should inform that individual of the matters outlined above.

## 10. Notice to persons outside Australia

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this document is based on financial statements that have been prepared in accordance with Australian equivalents to International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

## 11. Internet websites

Any reference in this Scheme Booklet to any website is only for informational purposes and any information on such websites does not form part of this Scheme Booklet. APM and MDP maintain websites. The information contained in APM and MDP's respective websites does not form part of this Scheme Booklet and should not be relied upon by APM Shareholders.

## 12. Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

## 13. Times and dates

Unless otherwise stated, all times referred to in this Scheme Booklet are times in Sydney, Australia. All dates following the date of the Scheme Meeting are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions Precedent to the implementation of the Scheme (see Section 8.1 (*Key steps to implement the Scheme*)).

## 14. Currency

The financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A reference to \$ and cents is to Australian currency, unless otherwise stated.

## 15. Supplementary information

APM Shareholders should contact the APM Shareholder Information Line with any questions or requests for further information about this Scheme Booklet or the Scheme. The telephone number is 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney time). APM Shareholders should consult their legal, financial or other professional adviser before making any decision regarding the Item 7 Transaction or the Scheme.

In certain circumstances, APM may provide additional disclosure to APM Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, APM Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Item 7 Transaction and the Scheme. Refer to Section 13.22 (*Supplementary information*) for information about the steps that APM will take if any such additional disclosure is required.

## 16. Date

This Scheme Booklet is dated 16 August 2024.



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# Letter from the Lead Independent Director

Dear APM Shareholders,

On behalf of the APM Independent Board Committee, I am pleased to provide you with this Scheme Booklet, which contains important information in relation to the proposed offer to acquire all of the issued shares in APM Human Services International Limited (**APM**) (other than those issued shares that are already held by entities advised or managed by MDP) by way of a scheme of arrangement under part 5.1 of the *Corporations Act 2001* (Cth) (**Scheme**) made by Ancora BidCo Pty Ltd (**Ancora BidCo**), an entity advised and managed by Madison Dearborn Partners, LLC (**MDP**) (the **MDP Proposal**).

This Scheme Booklet also contains detailed information about the Item 7 Transaction. Immediately prior to the Scheme Meeting, there will be an extraordinary general meeting of APM Shareholders to vote on the Item 7 Resolution to approve the Item 7 Transaction. The Transaction can only proceed if the Item 7 Resolution is passed by the required voting majority of APM Shareholders.

## Background to the Scheme

On 3 June 2024, APM announced that it had entered into the Scheme Implementation Deed with Ancora BidCo, under which Ancora BidCo has agreed to acquire all of the issued shares in the capital of APM not already held by entities advised or managed by MDP for \$1.45 per APM Share by way of the Scheme.

The entry by APM and Ancora BidCo into the Scheme Implementation Deed followed:

- (a) APM's financial performance and outlook in the context of an increasingly challenging operating environment (as disclosed to the ASX in various trading updates released by APM between November 2023 and June 2024) and in particular taking into account this trend in the period from February 2024 onwards and impact on the outlook for APM;
- (b) engagement from CVC Asia Pacific Limited (**CVC**) in relation to potential control transactions (**CVC Proposals**). On 19 February 2024, CVC submitted a non-binding indicative offer (**NBIO**) to acquire all of the issued shares in the capital of APM for \$1.60 per APM Share. The APM Board rejected this offer based on its view of the value of the APM Group having regard to the Board's expectation at the time of the Group's future earnings, which earnings subsequently deteriorated to a material extent. As announced on 27 March 2024, CVC submitted a revised NBIO for \$2.00 per APM Share and entered into a four-week period of exclusivity. At the end of the exclusivity period, CVC withdrew its revised offer on the basis that it was unable to proceed to finalise a transaction and CVC did not engage in any further substantive discussions;
- (c) engagement with a number of other potentially interested parties that ultimately did not result in any offers which were capable of being put to APM Shareholders;
- (d) feedback from key shareholders including institutional shareholders and assessment of likely market reaction to any offer at \$1.40 or otherwise: and
- (e) APM's announcement to the ASX on 8 April 2024 in which it advised that it had received a conditional, indicative, non-binding offer from MDP to acquire all of the APM Shares for \$1.40 per APM Share (the **Original MDP Proposal**). The APM Board formed an independent committee (**APM Independent Board Committee, APM IBC or IBC**), comprising the independent directors, being Robert Melia, Simone Blank, Ben Wyatt and myself (as chair of the IBC), to consider proposals for a control transaction from other interested parties (including the CVC Proposals, the Original MDP Proposal and the MDP Proposal).

After having engaged with a number of interested parties in relation to a potential control transaction involving APM, and having regard to a number of factors, including its assessment of APM's near and medium-term growth outlook (i.e., the next 1 to 3 years) and the other facts referred to in paragraphs (a) to (e) above, the IBC determined that, on balance, the Scheme is in the best interests of APM Shareholders.

## Overview of the All Cash Consideration

If the Scheme is implemented, APM Shareholders (other than those who make, or are required to make, a valid Election to receive the Scrip Consideration as described below) will be entitled to receive \$1.45 cash per APM Share (**All Cash Consideration**) held as at the Scheme Record Date.

The All Cash Consideration of \$1.45 per APM Share values the ordinary shares of APM at approximately \$1.3 billion and represents a premium of:

- (a) 74.7% to APM's closing share price of \$0.83 per APM Share on 16 February 2024, being the trading day prior to the announcement of receipt of the CVC Proposal for \$1.60 per APM Share (**Last Undisturbed Trading Date**); and
- (b) 23.8% to APM's volume weighted average price of \$1.17 per APM Share from 8 April 2024, being the date of announcement of the Original MDP Proposal; and
- (c) 1.8% to the closing price of \$1.43 per APM Share on the Last Practicable Date.

### Overview of the Scrip Consideration

As an alternative to the All Cash Consideration, Eligible APM Shareholders may elect (subject to certain limitations) to receive all or part of their consideration in the form of shares in Ancora TopCo, an unlisted Australian public company which, via interposed entities, owns 100% of the issued shares in the capital of Ancora BidCo (**Scrip Consideration**). This alternative will enable APM Shareholders who elect to receive Scrip Consideration to retain an interest in the APM business following implementation of the Scheme.

Eligible APM Shareholders who make a valid Election to receive all of their Scheme Consideration in the form of Ancora TopCo Shares will receive 95 Series A Shares and 5 Series B Shares for every APM Share, being unlisted scrip in Ancora TopCo, the entity which will indirectly own 100% of the issued capital in APM after implementation of the Scheme (**All Scrip Consideration**). Eligible APM Shareholders who make a valid Election to receive part of their Scheme Consideration in the form of Scrip Consideration will receive:

- (a) 90% of their Scheme Consideration as Ancora TopCo Shares, where the APM Shareholder will receive 95 Series A Shares and 5 Series B Shares in Ancora TopCo per each APM Share, being unlisted scrip in Ancora TopCo; and
- (b) the remainder as Cash Consideration under the Scheme of \$1.45 per APM Share held by an APM Shareholder as at the Scheme Record Date,

(together, the **Mixed Consideration**).

APM Shareholders considering whether or not to make an Election to receive Scrip Consideration (either through the All Scrip Consideration or the Mixed Consideration alternatives) should note that the aggregate issue price of \$1.45 for the unlisted scrip in Ancora TopCo may not equal or otherwise reflect the underlying economic value of those shares.

The Scheme is conditional on the Key Rolling Shareholders,<sup>1</sup> including Executive Chair Megan Wynne and founding related parties, Group CEO Michael Anghie and key management, electing to receive all (or such lesser percentage as agreed to with Ancora BidCo) of their consideration in Ancora TopCo Shares.

### Risks of electing to receive Scrip Consideration

Whether Scrip Consideration is appropriate will depend significantly on the characteristics and risk profile of each individual APM Shareholder. It is important to understand that any investment in unlisted scrip in Ancora TopCo would represent a fundamentally different investment than your current investment in APM. You should form your own view as to whether you wish to make an Election to receive the Scrip Consideration based on your own individual circumstances, financial situation, taxation position, investment objectives and risk profile.

Electing to receive Scrip Consideration carries additional risks, including:

- (a) there will be no public market for the trading of shares in Ancora TopCo (an unlisted public company) following implementation of the Scheme, nor is there expected to be any such market in the near future;
- (b) there are restrictions on the disposal of shares in Ancora TopCo under the Ancora TopCo Shareholders' Deed that will restrict any prospective seller of Ancora TopCo Shares from trading their Ancora TopCo Shares;
- (c) APM Shareholders who receive shares in Ancora TopCo under the Scheme will become parties to the Ancora TopCo Shareholders' Deed which is intended to govern the relationship between investors in Ancora TopCo, and will have fewer rights as a shareholder in Ancora TopCo when compared to your current investment in APM; and
- (d) APM Shareholders who receive shares in Ancora TopCo under the Scheme will be subject to risks inherent in minority shareholdings (as the Scrip Consideration is subject to a scaleback to ensure Scrip Consideration is not paid for more than 65% of the Scheme Shares).

APM Shareholders should carefully read Section 11.4 (*Risks associated with Ancora TopCo Shares*) for additional information on the risks associated with an investment in Ancora TopCo and consider obtaining appropriate professional advice before making any Election to receive Scrip Consideration.

<sup>1</sup> The Key Rolling Shareholders are Megan Wynne, Bruce Bellinge, Michael Anghie, MKW Nominees Pty Ltd, Bellinge Holdings Pty Ltd, Wattle WA Pty Ltd, May-Lee A/C, Matthew Cooper, Fiona Monahan, Carl Alexander Woodbridge, Karen Rainbow, Rainbow Ambition Pty Ltd, Jack Sawyer, Cait Hayes, Stephen Farrell (in his personal capacity and as trustee of the Fairfield Trust), Ian Taylor and each of their respective Affiliates that are APM Shareholders.

## Recommendation from the APM IBC and other APM Recommending Directors

The APM IBC unanimously recommends that you **vote in favour of the Scheme and the Item 7 Transaction**, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of APM Shareholders. Megan Wynne (APM Executive Chair and Founder) and Michael Anghie (APM Group Chief Executive Officer) (together with the IBC, the **Recommending Directors**) also unanimously recommend that APM Shareholders vote in favour of the Scheme and the Item 7 Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.

Subject to the same qualifications, the APM Recommending Directors, who hold or control 37.51% of APM Shares on issue in aggregate as at the Last Practicable Date, each intend to vote all the APM Shares held or controlled by them in favour of the Scheme and the Item 7 Transaction.

The Recommending Directors' unanimous recommendation on the Scheme is based on the quantum of the All Cash Consideration. The Recommending Directors make no recommendation in relation to the All Scrip Consideration or the Mixed Consideration alternatives.

The key reasons for the IBC and Recommending Directors' recommendation of the Scheme are set out in Section 2.4 and 6.2. In particular:

- (a) The APM Recommending Directors unanimously consider the Scheme, on balance, to be in the best interests of APM Shareholders, having regard to a number of factors, including its assessment of APM's near and medium-term growth outlook (i.e., the next 1 to 3 years). The APM IBC has undertaken an extensive process to reach this outcome, with the assistance of financial and legal advisers. The Scheme has been the only proposal received capable of being put to APM Shareholders.
- (b) The Cash Consideration provides you with the opportunity to realise certain cash value for all of your investment in APM. APM's employment services business continues to operate in an environment of extended low levels of unemployment and client flows, with increased support provided to achieve sustainable employment. While APM remains confident that these factors will return to levels more typical of historical performance over time and that APM's other businesses will continue to grow, there is no certainty as to the time frame in which this will occur.
- (c) The Cash Consideration of \$1.45 per APM Share represents a significant premium to the recent trading prices of APM Shares on the ASX prior to the announcement of the Scheme and on the Last Undisturbed Trading Date.
- (d) The ability to elect to receive Ancora TopCo Shares (through either the All Scrip Consideration or Mixed Consideration alternatives) allows you to maintain (subject to satisfaction of applicable pre-conditions and, if applicable, certain compulsory acquisition rights under the Ancora TopCo Shareholders' Deed) an indirect interest in APM, subject to the risks of doing so.
- (e) Based on the All Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of APM Shareholders, in the absence of a Superior Proposal, and also considers the advantages of the Item 7 Transaction to outweigh the disadvantages for APM Shareholders.
- (f) Implementation of the Scheme would mean APM Shareholders who elect the All Cash Consideration will no longer be exposed to the uncertainty of APM's near-term outlook.
- (g) No Superior Proposal has emerged as at the date of this Scheme Booklet and, as at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge.
- (h) The Scheme allows APM Shareholders (other than the Key Rolling Shareholders) to sell their entire holding of APM Shares, therefore, realising cash value for their investment in APM.
- (i) If the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal emerges, the APM Share price may continue to be subject to market volatility and may fall to a price that is below the value of the Cash Consideration (including, potentially, to a price that is equal, close to or materially below the APM Share Price on the Last Undisturbed Trading Date), at least in the near-term.
- (j) If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, APM Shareholders will continue to be exposed to risks associated with the APM business, including, but not limited to, economic and industry-specific risks and other macroeconomic risk factors, and the other risks outlined in Section 11 (Key risks).
- (k) APM Shareholders will not incur any brokerage charges on the transfer of your APM Shares if the Scheme proceeds.
- (l) Scheme Shareholders that are residents of Australia for tax purposes and make a valid Election to receive Scrip Consideration may be eligible for CGT roll-over relief for any gain made from the disposal of their Scheme Shares to the extent of the gain made on the Scheme Shares for which they receive Scrip Consideration.

However, factors which may lead an APM Shareholder to vote against the Scheme include:

- (a) They may disagree with the APM Recommending Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in their individual best interests and/or that the advantages of the Item 7 Transaction do not outweigh its disadvantages.
- (b) They may prefer to retain their APM Shares and have the opportunity to participate in the future financial performance of APM as a standalone ASX-listed company.
- (c) They may wish to maintain an investment in a publicly listed company which retains share trading liquidity and also with the specific characteristics of APM in terms of industry, operations, profile, size and capital structure.
- (d) The tax consequences of transferring APM Shares pursuant to the Scheme may not be optimal for their financial position.
- (e) There are risks associated with implementing the Scheme which they may consider outweigh the benefits of the Scheme.
- (f) They may believe that there is the potential for a Superior Proposal to be made in the foreseeable future (however, as at the date of this Scheme Booklet, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge).

Further detail on the recommendation given by the Recommending Directors and the reasons for that recommendation (together with possible reasons to not vote in favour of, and other matters that may be relevant to an APM Shareholder's vote on, the Scheme) are set out in Section 6 (*APM Recommending Directors' recommendation and matters relevant to your vote on the Item 7 Transaction and the Scheme*).

The Relevant Interests of the APM Recommending Directors in APM Shares, and the interests of the APM Recommending Directors in the Scheme, are disclosed in Section 13 (*Additional information*). APM Shareholders should have regard to these interests when considering the APM Recommending Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.<sup>2</sup>

### Independent Expert's opinion

The APM IBC appointed Kroll as the Independent Expert to assess the merits of the Scheme. The IBC's unanimous recommendation of the Scheme is supported by the conclusion of Kroll, who has concluded, based on the All Cash Consideration, that the Scheme is fair and reasonable and in the best interests of APM Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of an APM Share to be in the range of \$1.40 to \$1.74 per APM Share and the All Cash Consideration of \$1.45 per APM Share lies towards the low end of this range.

APM Shareholders should note that the Independent Expert has assessed the underlying economic value of the Scrip Consideration in the immediate or short-term following implementation of the Scheme as follows:

- (a) the All Scrip Consideration (subject to the application of the Scaleback Mechanism) at between \$1.33 and \$1.69 per APM Share; and
- (b) the Mixed Consideration at between \$1.34 and \$1.67 per APM Share.

<sup>2</sup> As at the date of this Scheme Booklet, Ms. Megan Wynne (Executive Chair and Founder of APM) together with her husband, Mr. Bruce Bellinge holds or controls 318,580,868 APM Shares (representing 34.73% of the APM Shares on issue) and Mr. Michael Anghie (Group Chief Executive Officer and APM Director) holds or controls 21,955,657 APM Shares (representing 2.39% of the APM Shares on issue). The other APM Recommending Directors hold or control such number of APM Shares as set out in Section 13.5 of this Scheme Booklet.

In addition:

- (a) Ms. Megan Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$958,721.15 (inclusive of any superannuation or pension contributions APM is required to make), the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail; and
- (b) Mr. Michael Anghie, Group Chief Executive Officer of APM, and entities associated with Mr. Michael Anghie, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$2,684,419.80 (inclusive of any superannuation or pension contributions APM is required to make), the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail.

Further detail on the treatment of APM Performance Rights under the Scheme is set out in Section 13.6 of this Scheme Booklet.

The APM IBC consider that, despite these arrangements and interests, it is important and appropriate for each of Ms. Wynne and Mr. Anghie to make a recommendation to the APM Shareholders in respect of the Scheme and the Item 7 Transaction, because:

- (a) of the importance of the Scheme (and the Item 7 Transaction to the Scheme) and their roles as APM Directors;
- (b) of their knowledge of APM and the industry in which it operates; and
- (c) in their view, the APM Shareholders would likely want to know their recommendations in respect of the Scheme. Each of Ms. Wynne and Mr. Anghie also consider that despite the arrangements and interests described above, it is appropriate for each of them to make a recommendation to the APM Shareholders in respect of the Scheme given the importance of the Scheme and their knowledge of APM and the industry in which it operates.

As noted above, APM Shareholders electing to receive Scrip Consideration will own a minority interest in an unlisted and illiquid entity, which carries risk and inherent uncertainty. The Independent Expert's assessment of the Scrip Consideration above does not account for this risk and uncertainty and its impact on the realisable value of the Ancora TopCo Shares. This is because such assessment would require a discount for a lack of control and marketability to be applied and such figures cannot be reliably estimated as at the Last Practicable Date given the limited situations in which the Ancora TopCo Shares could be disposed of. The Independent Expert, however, has noted that a substantial discount is warranted as a result of reduced liquidity, more limited voting rights, reduced shareholder rights and increased gearing of Ancora TopCo Shares, which would mean that the Scheme, on the basis of the Scrip Consideration Options only, is unlikely to be fair.

A copy of the Independent Expert's Report is included as Attachment A (*Independent Expert's Report*) to this Scheme Booklet.

### **How to vote at the General Meeting and the Scheme Meeting and approval requirements**

In order for the Item 7 Transaction to proceed, it must be approved by the Item 7 Majority of APM Shareholders at a meeting of APM Shareholders at the General Meeting.

In order for the Scheme to proceed, it must be approved by the Requisite Majorities of APM Shareholders at a meeting of APM Shareholders at the Scheme Meeting, and then by the Court. Implementation of the Scheme is also subject to the receipt of FIRB approval in respect of the Transaction and the satisfaction or, if applicable, waiver of certain other Conditions Precedent, which are described in Section 8.1(a) (*Key steps to implement the Scheme*).

**Your vote is important in determining whether or not the Item 7 Transaction and the Scheme proceed, and I encourage you to vote on the Item 7 Resolution at the General Meeting and the Scheme Resolution at the Scheme Meeting. Your vote will determine the future ownership of APM.**

We encourage you to vote on the Item 7 Resolution and the Scheme Resolution by completing the proxy forms enclosed with this Scheme Booklet, or alternatively by participating in the General Meeting and the Scheme Meeting respectively via the Online General Meeting Platform at <https://meetnow.global/MTXJXGL> and the Online Scheme Meeting Platform at <https://meetnow.global/MXCDVLL>. The General Meeting will be held from 11:00am (Sydney time) on 18 September 2024 and the Scheme Meeting will be held from 12:00pm (Sydney time) on Wednesday, 18 September 2024 (or immediately after the General Meeting, whichever is later). The Scheme can only be implemented if approved by APM Shareholders by the Requisite Majorities at the Scheme Meeting and by the Court. The Scheme is also subject to certain other conditions, as set out in Section 8.1 (*Key steps to implement the Scheme*) of this Scheme Booklet. If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution at the Scheme Meeting and the Item 7 Resolution at the General Meeting.

### **Further questions**

If you have any questions in relation to the Scheme Booklet, the Item 7 Transaction or the Scheme, please contact the APM Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia) Monday to Friday between 8:30am and 5:30pm (excluding public holidays). APM Shareholders should also consider seeking independent financial, legal, accounting and taxation advice as appropriate, before making any decision in relation to their APM Shares.

On behalf of the APM IBC and the remaining Recommending Directors, I would like to take this opportunity to thank you for your ongoing support and commitment to APM and its business, and I look forward to your participation at the General Meeting and Scheme Meeting.

Yours faithfully,



**Neville Power**  
Lead Independent Director  
APM Human Services International Limited

# 1. Key dates

Key event	Date and time
<b>First Court Hearing</b> At which the Court made orders approving dispatch of the Scheme Booklet and convening the Scheme Meeting.	9:15am (Sydney time) on Wednesday, 14 August 2024
<b>Date of this Scheme Booklet</b>	16 August 2024
<b>Election Time</b> Last time and date for receipt of an Election Form.	5:00pm (Sydney time) on Tuesday, 10 September 2024
<b>ASX announcement of Election results</b> Election results to be announced to the ASX, including whether the Scaleback Mechanism applies.	Thursday, 12 September 2024
<b>General Meeting and Scheme Meeting Proxy Form deadline</b> The last date and time by which proxy forms (including proxies lodged online), powers of attorney or certificates of appointment of body corporate representative for the General Meeting and Scheme Meeting must be received by the APM Share Registry.	11:00am (Sydney time) for the General Meeting and 12:00pm (Sydney time) for the Scheme Meeting on Monday, 16 September 2024
<b>Meetings Record Time</b> Date and time for determining eligibility to vote at the Scheme Meeting and the General Meeting.	7:00pm (Sydney time) on Monday, 16 September 2024
<b>General Meeting</b> To approve the Item 7 Transaction.  The General Meeting will be held as an online meeting. APM Shareholders or duly appointed proxies, attorneys or corporate representatives of APM Shareholders can attend, participate and vote at the General Meeting through the Online General Meeting Platform. For more details on the Online General Meeting Platform, refer to the Online Meeting Guide set out in Attachment L ( <i>Online Meeting Guide</i> ).	11:00am (Sydney time) on Wednesday, 18 September 2024
<b>Scheme Meeting</b> To approve the Scheme.  The Scheme Meeting will be held as an online meeting. APM Shareholders or duly appointed proxies, attorneys or corporate representatives of APM Shareholders can attend, participate and vote at the Scheme Meeting through the Online Scheme Meeting Platform. For more details on the Online Scheme Meeting Platform, refer to the Online Meeting Guide set out in Attachment L ( <i>Online Meeting Guide</i> ).	12:00pm (Sydney time) on Wednesday, 18 September 2024

## 1. Key dates

If the Scheme is approved by APM Shareholders, and all other Conditions Precedent (other than Court approval of the Scheme) are satisfied or waived (if applicable), on or before Wednesday, 25 September 2024, the following key dates will apply:

Key event	Date and time
<b>If APM Shareholders approve the Item 7 Transaction and the Scheme</b>	
<b>Second Court Hearing</b> To approve the Scheme.	9:15am (Sydney time) on Wednesday, 25 September 2024
<b>Effective Date</b> This is the date on which the Scheme comes into effect and is binding on APM Shareholders. Court order lodged with ASIC and announced on the ASX. APM Shares will be suspended from trading at the close of trading on the ASX on the Effective Date. If the Scheme proceeds, this will be the last day that APM Shares will trade on the ASX.	Wednesday, 25 September 2024
<b>Scheme Record Time</b> Time and date for determining entitlements to the Scheme Consideration. All APM Shareholders who hold APM Shares at the Scheme Record Time will be entitled to receive the Scheme Consideration.	7:00pm (Sydney time) on Monday, 30 September 2024
<b>Implementation Date</b> The date on which the Scheme and the Item 7 Transaction will be implemented, and the Scheme Consideration will be provided. All Scheme Shareholders will be sent the Scheme Consideration to which they are entitled on this date. Holding statements for new Ancora TopCo Shares will also be dispatched.	Thursday, 10 October 2024

**If the Scheme is approved by APM Shareholders, but any Conditions Precedent remain outstanding on the scheduled date for the Second Court Hearing (other than Court approval of the Scheme), the Second Court Hearing will be held as soon as reasonably practicable after those Conditions Precedent have been satisfied or waived (if applicable).**

All dates following the date of the Scheme Meeting are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions Precedent to the implementation of the Scheme (see Section 8.1 of this Scheme Booklet). In particular, the date of the Scheme Meeting and General Meeting may be postponed or adjourned. All dates and times, unless otherwise indicated, refer to the date and time in Sydney, Australia. Any changes to the above timetable will be announced to the ASX and notified on APM's investor website at: <https://www.apminvestors.net.au/>.



## 2. Purpose of this Scheme Booklet

### 2.1 What is the Scheme?

On 3 June 2024, APM announced that it had entered into the Scheme Implementation Deed with Ancora BidCo and that the APM Recommending Directors unanimously recommended that APM Shareholders vote in favour of the Scheme and the Item 7 Transaction at the Scheme Meeting and General Meeting respectively, in the absence of a Superior Proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of APM Shareholders. Under the Scheme, Ancora BidCo (being an indirectly wholly owned subsidiary of funds advised and managed by MDP) will acquire all of the Scheme Shares for \$1.45 per APM Share or a scrip alternative in the form of All Scrip Consideration or Mixed Consideration (subject to valid Elections made by Eligible APM Shareholders). Each APM Recommending Director continues to recommend that APM Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the APM Shareholders.

The Relevant Interests of the APM Recommending Directors in APM Shares and the interests of the APM Recommending Directors in the Scheme, are disclosed in Section 13 (*Additional information*). APM Shareholders should have regard to these interests when considering the APM Recommending Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.<sup>3</sup>

The Scheme is a scheme of arrangement between APM and the Scheme Shareholders for the transfer of all of the Scheme Shares to Ancora BidCo. If the Scheme is implemented:

- Ancora BidCo will acquire all of the APM Shares;
- each Scheme Shareholder will be entitled to receive the Scheme Consideration from Ancora BidCo,

being either the All Cash Consideration, the All Scrip Consideration or the Mixed Consideration (as elected by a Scheme Shareholder) for each APM Share held by that Scheme Shareholder as at the Scheme Record Date.

### 2.2 What is the Item 7 Transaction?

The Item 7 Transaction is the proposed transfer of the APM Shares currently held by each Excluded Shareholder, being any shareholder that is an MDP Group Member or holds APM Shares on behalf of, or for the benefit of, any MDP Group Member, to Ancora TopCo (to subsequently be transferred to Ancora BidCo) on the Implementation Date.

This transfer will be a separate transaction to the Scheme and requires a shareholder vote in favour of the resolution by the Item 7 Majority to implement the Item 7 Transaction. Approval of the Item 7 Transaction by passage of the Item 7 Resolution at the General Meeting by the Item 7 Majority is a Condition Precedent to implementation of the Scheme.

<sup>3</sup> As at the date of this Scheme Booklet, Ms. Megan Wynne (Executive Chair and Founder of APM) together with her husband, Mr. Bruce Bellinge holds or controls 318,580,868 APM Shares (representing 34.73% of the APM Shares on issue) and Mr. Michael Anghie (Group Chief Executive Officer and APM Director) holds or controls 21,955,657 APM Shares (representing 2.39% of the APM Shares on issue). The other APM Recommending Directors hold or control such number of APM Shares as set out in Section 13.5 of this Scheme Booklet.

In addition:

- (a) Ms. Megan Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$958,721.15 (inclusive of any superannuation or pension contributions APM is required to make), the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail; and
- (b) Mr. Michael Anghie, Group Chief Executive Officer of APM, and entities associated with Mr. Michael Anghie, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$2,684,419.80 (inclusive of any superannuation or pension contributions APM is required to make), the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail.

Further detail on the treatment of APM Performance Rights under the Scheme is set out in Section 13.6 of this Scheme Booklet.

The APM IBC consider that, despite these arrangements and interests, it is important and appropriate for each of Ms. Wynne and Mr. Anghie to make a recommendation to the APM Shareholders in respect of the Scheme and the Item 7 Transaction, because:

- (a) of the importance of the Scheme (and the Item 7 Transaction to the Scheme) and their roles as APM Directors;
- (b) of their knowledge of APM and the industry in which it operates; and
- (c) in their view, the APM Shareholders would likely want to know their recommendations in respect of the Scheme. Each of Ms. Wynne and Mr. Anghie also consider that despite the arrangements and interests described above, it is appropriate for each of them to make a recommendation to the APM Shareholders in respect of the Scheme given the importance of the Scheme and their knowledge of APM and the industry in which it operates.

### 2.3 What is the purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the proposed Scheme and provide you with information on the Scheme to assist you in your decision whether or not to vote in favour of the Scheme. The Scheme Booklet is also intended to help you decide how to vote on the Item 7 Resolution at the General Meeting.







Voting will take place at the General Meeting to be held from 11:00am on Wednesday, 18 September 2024 and the Scheme Meeting to be held from 12:00pm (or immediately after the General Meeting, whichever is later) on Wednesday, 18 September 2024. You should read this Scheme Booklet in full before deciding how to vote. The Scheme has a number of advantages, disadvantages and risks, which may affect APM Shareholders in different ways depending on their individual circumstances. APM Shareholders should seek professional advice on their particular circumstances, as appropriate.

### 2.4 Reasons to vote in favour of the Scheme

<p> The APM Recommending Directors unanimously consider the Scheme, on balance, to be in the best interests of APM Shareholders, having regard to a number of factors, including its assessment of APM's near and medium-term growth outlook (i.e. the next 1 to 3 years). The APM IBC has undertaken an extensive process to reach this outcome, with the assistance of financial and legal advisers. The Scheme has been the only proposal received capable of being put to APM Shareholders.</p>	<p> Implementation of the Scheme would mean APM Shareholders will no longer be exposed to the uncertainty of APM's near-term outlook.</p>
<p> The Cash Consideration provides you with the opportunity to realise certain cash value for all of your investment in APM.</p>	<p> No Superior Proposal has emerged as at the Last Practicable Date and, as at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge.</p>
<p> The Cash Consideration of \$1.45 per APM Share offered to APM Shareholders represents a significant premium to the recent trading prices of APM Shares on ASX prior to the announcement of the Scheme and on the Last Undisturbed Trading Date. APM's employment services business continues to operate in an environment of extended low levels of unemployment and client flows, with increased support provided to achieve sustainable employment. While APM remains confident that these factors will return to levels more typical of historical performance over time and that APM's other businesses will continue to grow, there is no certainty as to the time frame in which this will occur.</p>	<p> The Scheme allows APM Shareholders (other than the Key Rolling Shareholders) to sell their entire holding of APM Shares, therefore, realising cash value for their investment in APM.</p> <p> If the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal emerges, the APM Share price may continue to be subject to market volatility and may fall to a price that is below the value of the Cash Consideration (including, potentially, to a price that is equal, close to or materially below the APM Share Price on the Last Undisturbed Trading Date), at least in the near-term.</p>
<p> The ability to elect to receive Ancora TopCo Shares (through either the All Scrip Consideration or Mixed Consideration alternatives) allows you to maintain (subject to satisfaction of applicable pre-conditions and, if applicable, certain compulsory acquisition rights under the Ancora TopCo Shareholders' Deed) an indirect interest in APM, subject to the risks of doing so.</p>	<p> If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, APM Shareholders will continue to be exposed to risks associated with the APM business, including, but not limited to, economic and industry-specific risks and other macroeconomic risk factors, and the other risks outlined in Section 11 (Key risks).</p>
<p> Based on the All Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of APM Shareholders in the absence of a Superior Proposal.</p>	<p> APM Shareholders will not incur any brokerage charges on the transfer of your APM Shares if the Scheme proceeds.</p> <p> Scheme Shareholders that are residents of Australia for tax purposes and make a valid Election to receive Scrip Consideration may be eligible for CGT roll-over relief for any gain made from the disposal of their Scheme Shares to the extent of the gain made on the Scheme Shares for which they receive Scrip Consideration.</p>

For more information about the reasons to vote in favour of the Scheme, please see Section 6.2 of this Scheme Booklet which APM Shareholders should read carefully and in its entirety.

## 2.5 Reasons not to vote in favour of the Scheme

-  You may disagree with the APM Recommending Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your individual best interests.
-  You may wish to maintain your direct investment in APM and have the opportunity to participate in the future financial performance of APM as a standalone ASX-listed company.
-  You may wish to maintain an investment in a publicly listed company which retains share trading liquidity and also with the specific characteristics of APM in terms of industry, operations, profile, size and capital structure.
-  The tax consequences of transferring your APM Shares pursuant to the Scheme may not be optimal for your financial position.
-  There are risks associated with implementing the Scheme which you may consider outweigh the benefits of the Scheme.
-  You may believe that there is the potential for a Superior Proposal to be made in the foreseeable future (however, as at the date of this Scheme Booklet, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge).

For more information about the reasons to vote against the Scheme, please see Section 6.3 of this Scheme Booklet which APM Shareholders should read carefully and in its entirety.

## 3. Next steps and key actions for APM Shareholders

### 3.1 Carefully read this Scheme Booklet

This Scheme Booklet is an important document and you should read it carefully and in its entirety (including the advantages, disadvantages and risks of the Scheme described in Sections 6.2 and 6.3) before making a decision on how to vote at the Scheme Meeting and the General Meeting.

### 3.2 Vote on the Item 7 Transaction

As an APM Shareholder, you are entitled to vote on the Item 7 Resolution at the General Meeting as to whether the Item 7 Transaction should proceed.

Please refer to the following pages of this Scheme Booklet for details on how to vote at the General Meeting, including by proxy.

### 3.3 Vote on the Scheme

As an APM Shareholder, you are also entitled to vote on the Scheme at the Scheme Meeting as to whether the Scheme should proceed.

Please refer to the following pages of this Scheme Booklet for details on how to vote at the Scheme Meeting, including by proxy.

### 3.4 Seek further information

If you have any questions in relation to the Item 7 Transaction, the Scheme or the number of APM Shares you hold or how to vote, please call the APM Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia) Monday to Friday between 8:30am and 5:30pm (Sydney time).

Please note that the APM Share Registry cannot provide any financial, taxation or investment advice and cannot give an opinion on the merits of the Scheme. If you have any questions about your individual financial or taxation circumstances, please contact your financial, legal, taxation or other professional advisers.

If you have any doubts as to the actions you should take or you have further questions, please contact your legal, investment or other professional adviser.

### 3.5 Why you should vote

As an APM Shareholder, you have a say in whether Ancora BidCo will acquire all of the APM Shares. This is your opportunity to play a role in deciding the future of APM.

### 3.6 Preparing to receive the Scheme Consideration

APM has the capacity to store a nominated bank account in the APM Share Register. If the Scheme is approved and proceeds to implementation, Ancora BidCo will acquire all of the APM Shares. Make arrangements to update your payment instructions and if you have one, your email address, so you are promptly paid and are informed of the results of the Scheme's implementation.

## 4. How to vote on the Item 7 Resolution and the Scheme Resolution and how to make an Election

### 4.1 What is the purpose of the General Meeting?

The General Meeting will be held immediately prior to the Scheme Meeting to vote on the Item 7 Resolution.

The purpose of the General Meeting will be to approve the Item 7 Transaction, being the transfer of the APM Shares held by each Excluded Shareholder to Ancora TopCo (and subsequently transferred on to Ancora BidCo) on the Implementation Date, on the terms set out the Conditional Transfer Agreement, in accordance with item 7 of section 611 of the Corporations Act. The Scheme can only proceed if the Item 7 Resolution is passed by the required voting majority of the APM Shareholders at the General Meeting (being the Item 7 Majority).

### 4.2 What is the purpose of the Scheme Meeting?

The Scheme Meeting will be held immediately following the General Meeting to vote on the Scheme Resolution.

The purpose of the Scheme Meeting will be to approve the Scheme, being the transfer of all Scheme Shares held by all APM Shareholders to Ancora BidCo) on the Implementation Date for the Scheme Consideration. The Scheme can only proceed if the Scheme Resolution is passed by the required voting majority of the APM Shareholders at the Scheme Meeting (being the Requisite Majorities).

### 4.3 Who is entitled to vote at the General Meeting and the Scheme Meeting?

If you are registered on the APM Share Register as an APM Shareholder at 7:00pm (Sydney time) time on Monday, 16 September 2024, then you will be entitled to attend and vote at the General Meeting and the Scheme Meeting.

### 4.4 Voting is not compulsory

Voting is not compulsory. However, your vote will be important in determining whether the Item 7 Transaction and the Scheme will proceed, as only those votes cast by APM Shareholders on the Item 7 Transaction and/or the Scheme (as applicable) will be counted in determining whether the Item 7 Transaction has been approved by the Item 7 Majority of APM Shareholders and whether the Scheme has been approved by Requisite Majorities of APM Shareholders. The Scheme can only proceed if the Item 7 Resolution is passed by the Item 7 Majority of the APM Shareholders at the General Meeting.

### 4.5 Jointly held APM Shares

If voting during the General Meeting or the Scheme Meeting, joint holders should follow the appropriate prompts when accessing the Online General Meeting Platform and/or Online Scheme Meeting Platform (as applicable).

If voting by proxy:

- the proxy form must be signed by all shareholders; and
- the most recent proxy will supersede all previously lodged proxies.

## 4.6 Your vote is important

In order for the Scheme to be implemented:

- (a) the Item 7 Resolution must be passed by the required voting majority of the APM Shareholders at the General Meeting; and
- (b) the Scheme Resolution must be approved by APM Shareholders at the Scheme Meeting.

For this reason, the Recommending Directors unanimously recommend that you vote in favour of the Item 7 Resolution and the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of APM Shareholders.

If you are unable to attend the General Meeting or the Scheme Meeting, the Recommending Directors urge you to complete and return, in the enclosed reply paid envelope, the Proxy Forms that accompany this Scheme Booklet or lodge your Proxy Forms online at Computershare's website [www.investorvote.com.au](http://www.investorvote.com.au) (Scheme Meeting Control Number: 183919 or General Meeting Control Number: 183920) in accordance with the instructions given there.

## 4.7 Details of General Meeting and Scheme Meeting

The General Meeting and the Scheme Meeting will be both held as virtual meetings as set out below.

APM Shareholders and duly appointed proxies, attorneys and corporate representatives of APM Shareholders can attend, participate and vote at:

- the General Meeting through the Online General Meeting Platform (details of which are set out below); and
- the Scheme Meeting through the Online Scheme Meeting Platform (details of which are set out below).

APM Shareholders (and duly appointed proxies, attorneys or corporate representatives of APM Shareholders) who participate in the General Meeting and/or Scheme Meeting will be able to listen to the General Meeting or Scheme Meeting (as applicable) and cast a vote and ask questions online through the Online General Meeting Platform and Online Scheme Meeting Platform respectively.

The details of the General Meeting and Scheme Meeting are as follows:

<b>Online only</b>	<b>General Meeting</b> Online General Meeting Platform <a href="https://meetnow.global/MTXJXGL">https://meetnow.global/MTXJXGL</a>
	<b>Scheme Meeting</b> Online Scheme Meeting Platform <a href="https://meetnow.global/MXCDVLL">https://meetnow.global/MXCDVLL</a>
<b>Date</b>	Wednesday, 18 September 2024
<b>General Meeting Time</b>	11:00am (Sydney time)
<b>Scheme Meeting Time</b>	12:00pm (Sydney time)

The Scheme Meeting will be held at 12:00pm or immediately after the General Meeting (whichever is later).

## 4.8 Notice of General Meeting

A copy of the Notice of General Meeting is set out in Attachment H (*Notice of General Meeting*) to this Scheme Booklet. The terms of the Item 7 Resolution to be considered at the General Meeting are contained in the Notice of General Meeting.

## 4.9 Notice of Scheme Meeting

A copy of the Notice of Scheme Meeting is set out in Attachment I (*Notice of Scheme Meeting*) to this Scheme Booklet. The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting.

## 4.10 Voting at the General Meeting and the Scheme Meeting

APM is pleased to provide APM Shareholders with the opportunity to attend and participate in the General Meeting virtually through an online meeting platform hosted by Computershare, where shareholders will be able to watch, listen and vote online (**Online General Meeting Platform**).

Similarly, APM Shareholders will have the opportunity to attend and participate in the Scheme Meeting virtually through a separate online meeting platform hosted by Computershare, where shareholders will be able to watch, listen and vote online (**Online Scheme Meeting Platform**), and together with the Online General Meeting Platform, the **Online Meeting Platforms**.

Refer to the Online Meeting Guide attached to this Scheme Booklet at Attachment L (*Online Meeting Guide*) for further details about the Online Meeting Platforms. The Online Meeting Guide provides details about how to ensure that your browser is compatible with the Online Meeting Platforms, as well as a step-by-step guide to successfully log in and navigate both Online Meeting Platforms.

APM Shareholders are encouraged to submit questions in advance of the General Meeting and Scheme Meeting to APM. To do so, questions must be submitted in writing online by emailing the Company Secretary, Peter Torre at cosec@apm.net.au at least 48 hours before the General Meeting (being, 11:00am (Sydney time) on Monday, 16 September 2024).

APM will also provide APM Shareholders the opportunity to ask questions during the General Meeting and the Scheme Meeting in respect to the formal item of business as well as general questions in respect to APM and its business at the conclusion of the Scheme Meeting.

## 4.11 Voting by proxy

An APM Shareholder entitled to participate in and vote at the General Meeting or Scheme Meeting (as applicable) may appoint a person to participate in and vote at the Meeting as their proxy. If you are unable to attend the General Meeting or Scheme Meeting, you are encouraged to appoint a proxy to attend the Meeting that you are unable to attend and vote on your behalf.

You can direct your proxy to vote by following the instructions on the General Meeting Proxy Form or Scheme Meeting Proxy Form (as applicable). You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or 'abstain' from voting on, the Item 7 Resolution and/or Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the relevant Meeting.

If you do not direct your proxy how to vote on the relevant Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the APM Shares the subject of the proxy appointment will not be counted in computing the Requisite Majorities.

If the Chairperson of the relevant Meeting is appointed as your proxy (or is appointed as your proxy by default), he can be directed how to vote by ticking the relevant boxes next to the relevant Resolution on the relevant Meeting Proxy Form (i.e., 'for', 'against' or 'abstain'). The Chairperson of the Scheme Meeting is required to cast all votes as directed. The Chairperson of the Scheme Meeting intends to vote all undirected and other available proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the APM Shareholders.

Any directed proxies that are not voted on a poll at the Scheme Meeting by an APM Shareholder's appointed proxy will automatically default to the Chairperson of the Scheme Meeting, who is required to vote proxies as directed on a poll.

If you wish to appoint a proxy to attend and vote at the General Meeting and Scheme Meeting on your behalf, please complete and sign the relevant Proxy Forms accompanying this Scheme Booklet in accordance with the instructions set out on the Proxy Forms or lodge your proxy vote online at Computershare's website [www.investorvote.com.au](http://www.investorvote.com.au) (Scheme Meeting Control Number: 183919 or General Meeting Control Number: 183920) in accordance with the instructions given there. You may complete the Proxy Forms in favour of the Chairperson of the relevant Meeting or appoint up to two proxies to attend and vote on your behalf at the relevant Meeting.

**TO BE VALID, PROXY FORMS FOR THE GENERAL MEETING MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 11:00AM (SYDNEY TIME) ON MONDAY, 16 SEPTEMBER 2024 AND THE SCHEME MEETING MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 12:00PM (SYDNEY TIME) ON MONDAY, 16 SEPTEMBER 2024.**

#### 4. How to vote on the Item 7 Resolution and the Scheme Resolution and how to make an Election

Proxy Forms, duly completed in accordance with the instructions set out on the Proxy Forms, must be returned to the APM Share Registry either:

- by posting them in the reply paid envelope provided;
- by scanning the QR Code on your Proxy Form and following the prompts;
- by posting them to Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, VIC 3001, Australia;
- online at [www.investorvote.com.au](http://www.investorvote.com.au) (Scheme Meeting Control Number: 183919 or General Meeting Control Number: 183920);
- by facsimile: (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555; or
- for intermediary online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com).

Login to the Computershare website using the details as shown on the Proxy Forms and follow the prompts to lodge your vote. To use the online voting facility, APM Shareholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and the postcode of your registered address for your holding if you are an Australian shareholder or your country if you are an overseas shareholder as shown on the front of the Proxy Forms.

Further information about how you may vote by proxy and lodge a Proxy Form (whether a General Meeting Proxy Form or Scheme Meeting Proxy Form) is contained in the Notice of General Meeting and Notice of Scheme Meeting attached to this Scheme Booklet or on the relevant Proxy Form itself.

### 4.12 Voting by corporate representative

A body corporate that is an APM Shareholder, or that has been appointed as proxy, may appoint an individual to act as its representative at the relevant Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act.

To vote by corporate representative at the General Meeting and Scheme Meeting, the corporate representative should follow the appropriate prompts when accessing the Online General Meeting Platform and/or Online Scheme Meeting Platform (as applicable).

A validly appointed corporate representative wishing to attend and vote at the relevant Meeting will require the SRN/HIN and the post code/country of residence of the body corporate that appointed it in order to access the Online General Meeting Platform and/or Online Scheme Meeting Platform (as applicable).

### 4.13 Voting by attorney

You may appoint an attorney to participate in and vote at a relevant Meeting on your behalf. Your attorney need not be another APM Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Meeting must be duly executed by you and specify your name, the company (that is, APM), and the attorney, and also specify the Meeting(s) at which the appointment may be used. The appointment may be a standing one.

Certified copies of powers of attorney must be received by the APM Share Registry with a completed Proxy Form by no later than 11:00am (Sydney time) on Monday, 16 September 2024 (being at least 48 hours prior to the relevant Meetings). A certified copy of a power of attorney and an accompanying completed Proxy Form may be submitted in the same manner as a completed Proxy Form, as described above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to attend and vote at the Meetings, should follow the appropriate prompts when accessing the Online General Meeting Platform and/or Online Scheme Meeting Platform (as applicable).

A validly appointed attorney wishing to attend and vote at the Meetings will require the SRN/HIN and postcode/country of residence of the APM Shareholder that appointed it in order to access the Online General Meeting Platform or Online Scheme Meeting Platform.

### 4.14 Scheme Consideration Elections

You do not need to make an Election if you wish to receive the All Cash Consideration.

If you wish to receive a Scrip Consideration Option, you can make an Election by completing the Election Form (sent with this Scheme Booklet) and returning it in accordance with the instructions on the Election Form so that it is received by the APM Share Registry by no later than the Election Time (currently expected to be 5:00pm (Sydney time) on Tuesday, 10 September 2024).



An Election to receive Scrip Consideration will only be valid if it is received by the APM Share Registry by the Election Time. If you do not make a valid Election to receive the Scrip Consideration you will be deemed to have elected to receive the All Cash Consideration. Under the Scheme, the Election will apply to a number of APM Shares calculated by applying the Elected percentage to the higher of your holding on the Election Time and the Scheme Record Date, provided it does not exceed your holding at the Scheme Record Date.

If you are an Ineligible Foreign Shareholder or a person who becomes an APM Shareholder after the Election Time you will not be entitled to receive Scrip Consideration and will be deemed to have elected to receive the All Cash Consideration.

If you need a replacement, a new Election Form may be requested by calling the APM Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia).

You may also change your Election by completing and returning a new Election Form in accordance with the instructions on the Election Form. A new Election Form may be requested by calling the APM Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia).

Where an APM Shareholder returns more than one Election Form, the last valid Election Form that is received by the APM Share Registry before the Election Time will be treated as revoking for all purposes any other Election Form and will be used to determine your Election.

**TO BE VALID, ELECTION FORMS OR AMENDED ELECTION FORMS MUST BE RECEIVED BY THE APM SHARE REGISTRY BY NO LATER THAN THE ELECTION TIME (CURRENTLY EXPECTED TO BE 5:00PM (SYDNEY TIME) ON TUESDAY, 10 SEPTEMBER 2024).**

There are a number of ways Election Forms may be submitted:

Method	Instructions
<b>Email</b>	corpactprocessing@computershare.com.au
<b>Mail</b>	Computershare Investor Services Pty Limited GPO Box 1282 Melbourne, VIC 3001 Australia
<b>Hand delivery</b>	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford, VIC 3067 Australia

Elections are subject to the Scheme becoming Effective, the Maximum Scrip Threshold and the operation of a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. Therefore, even if you make a valid Election to receive a Scrip Consideration Election Option, there is no guarantee that you will receive any or all of it.

APM will announce the indicative results of the Election process to the ASX, including whether the Scaleback Mechanism applies. The announcement is currently expected to be made on Thursday, 12 September 2024 but remains subject to change.

Scheme Shareholders who make an Election to receive a Scrip Consideration Election Option agree to become members of Ancora TopCo and to be bound by the terms of the Ancora TopCo Shareholders' Deed, the Ancora TopCo Constitution and the Ancora TopCo Nominee Deed. For copies of the Ancora TopCo Shareholders' Deed, the Ancora TopCo Constitution and the Ancora TopCo Nominee Deed, see Attachment D (Ancora TopCo Shareholders' Deed), Attachment E (Ancora TopCo Constitution) and Attachment F (Ancora TopCo Nominee Deed) respectively.

You should read this Scheme Booklet in full before making an Election to receive a Scrip Consideration Election Option. You may also consider obtaining appropriate independent professional advice before making such an Election.

## 4.15 Changes to the current arrangement

APM may be required to make changes to the arrangements for the relevant Meetings. If there are any updates, APM will ensure that APM Shareholders are given as much notice as possible. Further information will also be made available at: <https://www.apminvestors.net.au/>.

## 5. Frequently asked questions

Question	Answer	More information
<b>An overview of the Transaction</b>		
<b>Why have I received this Scheme Booklet?</b>	<p>You have received this Scheme Booklet because you are an APM Shareholder and you are being asked to vote on the Scheme in respect of the proposed acquisition of APM by Ancora BidCo, and the Item 7 Transaction.</p> <p>This Scheme Booklet is intended to help you consider and decide on how to vote on the Scheme at the Scheme Meeting.</p>	Section 2.3
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement between APM and the Scheme Shareholders, being those APM Shareholders who hold APM Shares as at the Scheme Record Date.</p> <p>A “scheme of arrangement” is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution by the Requisite Majorities to implement the scheme of arrangement.</p> <p>If the Scheme becomes Effective, Ancora BidCo will acquire all of the Scheme Shares for the Scheme Consideration. APM will be delisted from the ASX and will become a wholly owned indirect subsidiary of Ancora BidCo.</p>	Section 2.1
<b>What is the Item 7 Transaction?</b>	<p>The Item 7 Transaction is the proposed transfer of the APM Shares currently held by each Excluded Shareholder, being any shareholder that is an MDP Group Member or holds APM Shares on behalf of, or for the benefit of, any MDP Group Member, to Ancora TopCo (to subsequently be transferred to Ancora BidCo) on the Implementation Date.</p> <p>This transfer will be a separate transaction to the Scheme and requires a shareholder vote in favour of the resolution by the Item 7 Majority to implement the Item 7 Transaction.</p>	Section 2.2
<b>What are APM Shareholders being asked to consider?</b>	<p>APM Shareholders are being asked to consider and vote on two items:</p> <ul style="list-style-type: none"> <li>(a) a proposal to transfer all of the APM Shares held by the APM Shareholders to Ancora BidCo, in exchange for Ancora BidCo paying \$1.45 cash for each APM Share they hold as at the Scheme Record Date (or the Scrip Consideration Options); and</li> <li>(b) a proposal to transfer all of the APM Shares held by the Excluded Shareholders to Ancora TopCo (to then be transferred to Ancora BidCo) on the terms of the Conditional Transfer Agreement.</li> </ul> <p>As an alternative to the All Cash Consideration (described above), there is also an All Scrip Consideration alternative and a Mixed Consideration alternative which provide APM Shareholders with an opportunity to acquire a continuing indirect minority interest in the APM business.</p> <p>The proposal is structured as a scheme of arrangement between APM and all APM Shareholders who hold APM Shares as at the Scheme Record Date.</p> <p>If the Scheme becomes Effective, APM will become a wholly owned indirect subsidiary of Ancora BidCo and will be removed from the Official List.</p>	Section 2

Question	Answer	More information
<b>What is the purpose of the General Meeting?</b>	<p>A general meeting will be held immediately prior to the Scheme Meeting to vote on the Item 7 Resolution.</p> <p>The purpose of the General Meeting will be to approve the Item 7 Transaction, being the transfer of the APM Shares held by each Excluded Shareholder to Ancora TopCo (and subsequently transferred on to Ancora BidCo) on implementation of the Scheme, on the terms set out in the Conditional Transfer Agreement, in accordance with item 7 of section 611 of the Corporations Act. The Scheme can only proceed if the Item 7 Resolution, being a resolution in accordance with item 7 of section 611 of the Corporations Act to approve the Item 7 Transaction is passed by the required voting majority of the APM Shareholders at the General Meeting.</p>	Section 4.1
<b>Is voting compulsory for the Item 7 Resolution and the Scheme Resolution?</b>	<p>No, voting is not compulsory. However, your vote is important. If you cannot attend the General Meeting or the Scheme Meeting scheduled to be held on Wednesday, 18 September 2024 you should appoint a proxy to vote on your behalf.</p>	Section 4.4
<b>Who are MDP, the MDP Group and Ancora TopCo?</b>	<p>MDP is a private equity investment firm based in Chicago. Since MDP's formation in 1992, the firm has raised aggregate capital of over US\$31 billion through its private equity funds and is currently investing out of its eighth fund, which has aggregate capital commitments of US\$5 billion. MDP has completed over 160 platform investments and currently invests across four dedicated industry verticals, including basic industries; technology and government services; financial and transaction services; and healthcare. Ancora BidCo is an Australian proprietary company incorporated for the purpose of acquiring all of the APM Shares.</p> <p>Ancora TopCo is an unlisted Australian public company incorporated for the purpose of indirectly holding all shares in Ancora BidCo, and, therefore, indirectly holding all of the shares in APM following implementation of the Scheme, as well as issuing the Ancora TopCo Shares to APM Shareholders who make a valid Election to receive Scrip Consideration.</p>	Section 10
<b>What are MDP's intentions regarding APM?</b>	<p>It is MDP's intention that APM continues to focus on the global human services market and largely operate APM in its current form while providing support to pursue organic and acquisition-based growth opportunities as appropriate.</p> <p>Recognising that APM is a people driven business, Ancora BidCo does not currently intend to make changes to existing roles within the APM workforce and intends to work with APM's management team to ensure the organisation is appropriately set up to pursue the growth opportunities in the market in line with APM's recently announced efficiency initiatives.</p> <p>Amongst other things, Ancora BidCo also intends following implementation of the Scheme to:</p> <ol style="list-style-type: none"> <li>operationalise programs that APM has recently won and pursue additional tenders with a view to expand APM's current customer base;</li> <li>have the quotation of APM Shares on the ASX be terminated and APM removed from the Official List of the ASX on or around the Business Day following the Implementation Date; and</li> <li>replace APM's constitution with a constitution appropriate for a proprietary company limited by shares (and which is a subsidiary of Ancora TopCo).</li> </ol> <p>Additional details on Ancora BidCo's intention for APM if the Scheme proceeds are set out in Section 10.6.</p>	Section 10.6

Question	Answer	More information
<b>How will the Scheme be implemented?</b>	Details on how the Scheme will be implemented are set out in Section 7.	Section 7
<b>What do the Recommending Directors recommend in relation to the Item 7 Transaction and the Scheme?</b>	The IBC and the Recommending Directors unanimously recommend that APM Shareholders vote in favour of the Item 7 Transaction and the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.	Sections 6.1 and 6.2(a)
<b>What do the Recommending Directors recommend in relation to the form of Scheme Consideration APM Shareholders may elect to receive?</b>	<p>The Recommending Directors' unanimous recommendation to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders is based on the quantum of the All Cash Consideration only. The Recommending Directors make no recommendation in relation to the All Scrip Consideration or the Mixed Consideration.</p> <p>If the Scheme is implemented, you will automatically receive the All Cash Consideration if you are an Ineligible Foreign Shareholder or do not make a valid Election to receive All Scrip Consideration or Mixed Consideration on or before the Election Time.</p>	Sections 7.2(a) and 7.2(b)
<b>How are the Recommending Directors intending to vote?</b>	Each Recommending Director intends to vote, or procure the voting of, any APM Shares held or controlled by him or her at the time of the Scheme in favour of the Item 7 Transaction at the General Meeting and the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.	Sections 6.1, 6.2 and 8.2(d)
<b>What is the Independent Expert's opinion of the Item 7 Transaction and the Scheme?</b>	<p>The Independent Expert concluded that the Scheme is fair and reasonable and in the best interests of APM Shareholders and that the advantages of the Item 7 Transaction to APM Shareholders (other than the Excluded Shareholders) who receive the All Cash Consideration outweigh its disadvantages. On the other hand, the Independent Expert has concluded that APM Shareholders who make a valid Election to receive a Scrip Consideration Option are likely to be disadvantaged by the Item 7 Transaction.</p> <p>The Independent Expert has estimated the full underlying value of APM to be in the range of \$1.40 and \$1.74 per APM Share.</p> <p>The Independent Expert's Report is included as Attachment A to this Scheme Booklet.</p> <p>The Recommending Directors recommend that you read the Independent Expert's Report carefully and in its entirety.</p>	Section 6.2(b) and Attachment A
<b>Why you may consider voting in favour of the Scheme</b>	<p>Please refer to Section 2.4 for a summary of the reasons to vote in favour of the Scheme.</p> <p>For more information about the reasons to vote in favour of the Scheme, please see Section 6.2 of this Scheme Booklet.</p>	Sections 2.4 and 6.2

Question	Answer	More information
<b>Why you may consider voting against the Scheme</b>	<p>Please refer to Section 2.5 for a summary of the reasons to vote in favour of the Scheme.</p> <p>For more information about the reasons to vote in favour of the Scheme, please see Section 6.3 of this Scheme Booklet.</p>	Sections 2.5 and 6.3
<b>What will happen if a Superior Proposal emerges?</b>	<p>Since the Scheme was announced, no Superior Proposal has emerged. If an alternative proposal is received the IBC will review that proposal and determine if it represents a Superior Proposal and advise you on their recommendation. Under the Scheme Implementation Deed, Ancora BidCo has a matching right in relation to any Superior Proposal received by APM.</p> <p>As at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge.</p>	Sections 13.14(c) and 13.14(d)
<b>Is there a break fee payable?</b>	<p>If the Scheme is not implemented the parties will incur significant costs, including significant opportunity costs. To reflect this, a break fee may be payable by APM to MDP or by MDP to APM in certain circumstances. For further information on the break fees see Sections 7.1 and 13.14.</p>	Sections 7.1(d)(iii), 13.14(e), 13.14(f) and 13.14(g)
<b>What are the risks associated with an investment in APM if the Scheme does not become Effective?</b>	<p>If the Scheme is not approved by APM Shareholders and the Court, APM Shareholders will retain their APM Shares. In the absence of a Superior Proposal, there is a risk that APM Shareholders may not be able to realise a price for all of their APM Shares (at least in the short term) comparable to the price that they would receive under the Scheme. Additionally, if the Scheme does not proceed, and no comparable proposal or Superior Proposal is received by the APM Board, the APM Share price may fall.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> <li>(a) you will not be paid/issued the Scheme Consideration; and</li> <li>(b) you will retain your APM Shares.</li> </ul> <p>If the Scheme is not implemented, the APM Directors intend to continue to operate the business of APM in a manner consistent with its business plan and strategy. APM Shareholders will be exposed to any benefits and risks associated with their investment in APM.</p>	Sections 11.2 and 11.3
<b>What are the transaction costs associated with the Scheme?</b>	<p>APM is expected to have incurred one-off transaction costs of approximately \$6.5 million which will be payable by APM regardless of whether the Scheme is implemented or not.</p> <p>These costs are expected to comprise advisory, legal, accounting and expert fees and various other costs. These costs exclude success-based fees and other costs which are contingent upon the implementation of the Scheme.</p>	Section 13.15

Question	Answer	More information
<b>An overview of the Scheme Consideration</b>		
<b>What is the Scheme Consideration?</b>	<p>If the Scheme is implemented, you will receive (unless you make a valid Election to receive the All Scrip Consideration or Mixed Consideration), the All Cash Consideration of \$1.45 in cash per APM Share.</p> <p>As an alternative to receiving the All Cash Consideration, you may, if you are not an Ineligible Foreign Shareholder (and subject to certain limitations), make an Election to receive the All Scrip Consideration, being unlisted scrip in Ancora TopCo, or Mixed Consideration, comprising cash and unlisted scrip in Ancora TopCo.</p>	Section 7.2
<b>What is the All Scrip Consideration and Mixed Consideration?</b>	<p>The All Scrip Consideration and Mixed Consideration are alternatives to receiving the All Cash Consideration and will only be available to you if you make a valid Election to receive Scrip Consideration.</p> <p>If you make a valid Election to receive the All Scrip Consideration, 100% of your Scheme Consideration will be unlisted scrip in Ancora TopCo, in the form of 95 Series A Shares and 5 Series B Shares for each of your APM Shares, with an aggregate issue price of \$1.45 per APM Share.</p> <p>The Mixed Consideration will have a notional value of \$1.45 per APM Share, comprising:</p> <ul style="list-style-type: none"> <li>(a) cash consideration under the Scheme of \$1.45 per APM Share you hold as at the Scheme Record Date (applying to 10% of your Scheme Shares); and</li> <li>(b) the remainder in unlisted scrip in Ancora TopCo in the form of 95 Series A Shares and 5 Series B Shares for each APM Share, with an aggregate issue price of \$1.45 per APM Share (applying to 90% of your Scheme Shares).</li> </ul>	Section 7.2(b)
<b>What is the premium of the Scheme Consideration to APM's Share price?</b>	<p>The All Cash Consideration of \$1.45 per APM Share values the ordinary shares of APM at approximately \$1.3 billion and represents a premia of:</p> <ul style="list-style-type: none"> <li>(a) 74.7% to APM's closing share price on 16 February 2024, being the trading day prior to the announcement of receipt of a non-binding, indicative proposal from CVC Asia Pacific Limited; and</li> <li>(b) 23.8% to the volume weighted average price of APM shares from 8 April 2024, being the date of announcement of MDP's original non-binding indicative proposal.</li> </ul>	Section 6.2(d)
<b>Do I need to elect to receive the All Cash Consideration?</b>	No. If the Scheme is approved and implemented, APM Shareholders will automatically receive the All Cash Consideration unless they have made a valid All Scrip Election Option or Mixed Consideration Election Option on or before the Election Time.	Section 7.2(a)
<b>How do I make an Election to receive Scrip Consideration?</b>	<p>If you are an Eligible APM Shareholder and wish to elect to receive the All Scrip Consideration or the Mixed Consideration, you need to complete an Election Form in accordance with the instructions set out in the Election Form and return it to the APM Share Registry so that it is received by the Election Time being 5:00pm (Sydney time) on Tuesday, 10 September 2024.</p> <p>APM will announce the results of the Election process to the ASX, including whether the Scaleback Mechanism applies.</p> <p>The announcement is currently expected to be made on Thursday, 12 September 2024.</p>	Section 7.2(c)

Question	Answer	More information
<b>If I make an Election, can I later withdraw or change it?</b>	Yes. You may change your Election by completing and returning a new Election Form in accordance with the instructions on the Election Form so that it is received by no later than the Election Time (being 5:00pm (Sydney time) on Tuesday, 10 September 2024). Where an APM Shareholder returns more than one Election Form, the last valid Election Form received by Computershare before the Election Time will be treated as revoking for all purposes any other Election Form and used to determine your election.	Sections 4.14 and 7.2(c)
<b>What should I consider when deciding whether to make an Election to receive Scrip Consideration?</b>	<p>Whether Scrip Consideration is appropriate will depend significantly on the characteristics and risk profile of each individual APM Shareholder.</p> <p>APM Shareholders should be aware that if they make a valid Election to receive the All Scrip Consideration or the Mixed Consideration, they will:</p> <ul style="list-style-type: none"> <li>(a) face risks that apply to an investment in Ancora TopCo that are materially different from, and in addition to, those risks that apply to their existing investment in APM;</li> <li>(b) there will be no public market for the trading of Shares in Ancora TopCo (an unlisted public company) post-implementation of the Scheme nor is there expected to be any such market in the near future;</li> <li>(c) become parties to the Ancora TopCo Shareholders' Deed, which is intended to govern the relationship between investors in Ancora TopCo, and will have substantially restricted rights as a Shareholder in Ancora TopCo when compared to their current investment in Ancora TopCo; and</li> <li>(d) there are risks in relation to an Exit Event that may be commenced by Ancora TopCo (or another MDP Group Member) if required by the Ancora TopCo Shareholders' Deed, including an Exit Event that may not necessarily involve all Ancora TopCo Shareholders' having the right or ability to realise cash for their Ancora TopCo Shares.</li> </ul> <p>Please refer to Section 10.4 (<i>Overview of Ancora TopCo Shares</i>) for a summary of the Ancora TopCo Shareholders' Deed and the rights and obligations attaching to Ancora TopCo Shares, and Section 11.4 (<i>Risks associated with Ancora TopCo Shares</i>) which sets out some of the risks relating to Ancora TopCo Shares.</p>	Sections 7.2(b), 10.4 and 11.4
<b>What is the Maximum Scrip Threshold and Scaleback Mechanism?</b>	<p>The All Scrip Consideration and Mixed Consideration alternatives are subject to a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. That is, if Elections received under the Scheme would result in Scrip Consideration being paid for such number of Scheme Shares that, in aggregate, would be greater than 65% of the Scheme Shares, the Scaleback Mechanism will apply.</p> <p>If the Maximum Scrip Threshold is exceeded, then the pro rata Scaleback Mechanism will apply to all valid Elections made by APM Shareholders (including the Key Rolling Shareholders) to receive the Scrip Consideration to ensure that the total number of Scheme Shares for which the Scrip Consideration is paid does not exceed 65% of the total Scheme Shares. To the extent the Scaleback Mechanism applies, APM Shareholders who had made a valid Election to receive Scrip Consideration will receive Cash Consideration in lieu of Ancora TopCo Shares for their relevant proportion of the Scheme Shares subject to the Scaleback Mechanism.</p>	Section 7.2(b)(i)

Question	Answer	More information
<b>When will I find out if the Maximum Scrip Threshold has been met and if the Scaleback Mechanism applies?</b>	<p>APM will announce the results of the Election process to the ASX, including whether the Maximum Scrip Threshold has been met and, if so, whether the Scaleback Mechanism applies.</p> <p>The announcement is currently expected to be made on Thursday, 12 September 2024.</p>	Section 4.14
<b>What is the Ancora TopCo Shareholders' Deed?</b>	Please refer to Section 10.4 for a summary of the Ancora TopCo Shareholders' Deed and the rights and obligations attaching to Ancora TopCo Shares. The full Ancora TopCo Shareholders' Deed is included as Attachment D.	Section 10.4 and Attachment D
<b>How is MDP funding the Scheme Consideration?</b>	<p>Ancora BidCo intends to fund the aggregate Scheme Consideration using a combination of equity and debt funding. MDP has up to approximately \$360 million of equity funding committed from the MDP Funds. The equity funding covers the total aggregate All Cash Consideration under the Scheme. Ancora BidCo also has underwritten commitments for up to \$1,415 million of debt funding. Ancora BidCo intends to use a portion of these debt funds to pay part of the aggregate Cash Consideration (with the remaining part to be used for the purposes of refinancing APM's existing debt facilities or reserved for future liquidity).</p> <p>Please refer to Section 10.5 for further details.</p>	Section 10.5
<b>Who is entitled to participate in the Scheme?</b>	All APM Shareholders who are registered holders of APM Shares in the APM Share Register at the Scheme Record Date are entitled to participate in the Scheme.	Section 4.3
<b>When will I receive the Scheme Consideration?</b>	<p>If the Scheme becomes Effective, Ancora TopCo (at the direction of and on behalf of Ancora BidCo) will provide the Ancora TopCo Shares to holders of Scheme Shares who have made a valid Election to receive Scrip Consideration (other than Ineligible Foreign Shareholders) on the Implementation Date, which is currently expected to be Thursday, 10 October 2024. Otherwise, APM Shareholders (other than Ineligible Foreign Shareholders) who have not made a valid Election will receive All Cash Consideration on the Implementation Date.</p> <p>If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Scrip Consideration and you will receive the All Cash Consideration for all of your Scheme Shares held on the Scheme Record Date on the Implementation Date.</p>	Sections 8.4(a) and 8.4(b)
<b>What are the tax implications of the Scheme for you?</b>	<p>If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain made on disposal of their Scheme Shares. Section 12 provides a general description of the tax consequences of the Scheme.</p> <p>The tax consequences of the Scheme may vary depending on the nature and characteristics of each Scheme Shareholder and their individual circumstances.</p> <p>It is recommended that Scheme Shareholders seek professional tax advice in relation to the tax implications associated with the Scheme.</p>	Section 12



Question	Answer	More information
<b>Will I have to pay brokerage or stamp duty?</b>	<p>No brokerage should be payable by the Scheme Shareholders on the acquisition by Ancora BidCo of their Scheme Shares under the Scheme or on the receipt by Scheme Shareholders of the Ancora TopCo Shares as Scheme Consideration. If you dispose of your Scheme Shares before the Scheme Record Date, brokerage fees may be payable.</p> <p>No stamp duty should be payable by the Scheme Shareholders on the acquisition by Ancora BidCo of their Scheme Shares under the Scheme. Further, no stamp duty should be payable on the receipt by Scheme Shareholders of the Ancora TopCo Shares as Scheme Consideration provided less than a 50% interest in Ancora TopCo is issued as consideration (in aggregate) and/or provided no person, either alone or together with associated or related persons, obtains an interest of 50% or more in Ancora BidCo.</p>	Section 6.2(i)
<b>Can I sell my APM Shares now?</b>	<p>You can sell your APM Shares on ASX at any time before the close of trading on Wednesday, 25 September 2024. APM Shares will be suspended from official quotation on ASX from the close of trading on Wednesday, 25 September 2024. You will not be able to sell your APM Shares on ASX after this time. If you sell your APM Shares on market, you may pay brokerage on the sale, you will not receive the Scheme Consideration and there may be different tax consequences compared to those that would arise if you retained those APM Shares until the Scheme is implemented. If you cease to be a registered holder before the Scheme Record Date, you will not be entitled to the Scheme Consideration.</p>	Sections 7.2(a), 7.2(b) and 8.3(c)
<b>When will APM shares cease trading?</b>	<p>Provided that the Scheme becomes Effective, APM Shares are expected to be suspended from trading on the ASX from the close of trading on Wednesday, 25 September 2024.</p>	Section 8.3(b)
<b>Ineligible Foreign Shareholders</b>		
<b>Who is classified as an Ineligible Foreign Shareholder?</b>	<p>An APM Shareholder whose address shown in the Register is a place outside Australia and its external territories unless Ancora BidCo determines that it is lawful and, after having consulted with APM, not unduly onerous or impracticable to provide that Scheme Shareholder with Ancora TopCo Shares when the Scheme becomes Effective.</p> <p>Please contact the APM Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia) Monday to Friday (excluding public holidays in Australia) between 8:30am and 5:30pm (Sydney time), if you have any questions regarding what jurisdictions are impacted by the treatment of Ineligible Foreign Shareholders.</p>	Section 7.2(c)
<b>What will Ineligible Foreign Shareholders receive under the Scheme?</b>	<p>If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Scrip Consideration. If you make an Election to receive Scrip Consideration and you are an Ineligible Foreign Shareholder, your Election will be invalid and have no effect, and you will receive the All Cash Consideration for all of your Scheme Shares held on the Scheme Record Date if the Scheme becomes Effective. All Ineligible Foreign Shareholders will receive the All Cash Consideration in respect of all of their Scheme Shares held on the Scheme Record Date if the Scheme becomes Effective.</p>	Section 10.4(b)

Question	Answer	More information
<p><b>Scheme</b></p> <p><b>Are there any conditions that must be satisfied or waived in order for the Scheme to be implemented?</b></p>	<p>In order for the Scheme to become Effective and then be implemented, each of the Conditions Precedent must be satisfied or waived (if applicable). The Conditions Precedent include:</p> <ul style="list-style-type: none"> <li>• Ancora BidCo obtaining FIRB approval;</li> <li>• any applicable waiting period under the <i>Hart-Scott Rodino Antitrust Improvements Act of 1976</i> expiring or being terminated;</li> <li>• APM Shareholders approving the Scheme at the Scheme Meeting by the Requisite Majorities;</li> <li>• valid Elections to receive the Scrip Consideration have been received from each Key Rolling Shareholder and their respective Affiliates in respect of 100% (or such lesser percentage as agreed with Ancora BidCo) of their respective holdings of APM Shares, representing in aggregate not less than 342,097,703 APM Shares;</li> <li>• the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of APM Shareholders;</li> <li>• there being no legal or regulatory restraint by a court or Government Agency in place, or pending or outstanding review or assessment that makes illegal, restrains, prohibits or impedes (or could reasonably be expected to make illegal, restrain, prohibit or impede) the implementation of the Transaction;</li> <li>• the Court approving the Scheme;</li> <li>• no APM Prescribed Occurrence and no APM Material Adverse Change occurring;</li> <li>• APM taking all necessary steps to ensure that the APM Equity Incentives are dealt with in accordance with the terms of the Scheme Implementation Deed;</li> <li>• all ASIC and ASX consents, approvals, waivers or relief that are necessary or desirable to implement the Scheme having been obtained;</li> <li>• the Item 7 Resolution being approved by the Item 7 Majority of APM Shareholders at the General Meeting; and</li> <li>• each counterparty to a Specified Contract having provided to Ancora BidCo either a consent to the change of control or ownership of APM or otherwise confirming or indicating to Ancora BidCo that no consent or other formal response is required.</li> </ul> <p>If the Conditions Precedent are not satisfied or waived (if applicable), the Scheme will not proceed.</p> <p>Further details on the Conditions Precedent are set out in Section 8.1(a).</p>	Section 8.1(a)
<p><b>What happens if these conditions are not satisfied or the Scheme Implementation Deed is terminated?</b></p>	<p>If the Conditions Precedent are not satisfied or waived (if applicable), or the Scheme Implementation Deed is terminated, the Scheme will not proceed.</p>	Sections 6.4(b) and 8.1(a)
<p><b>What happens if the Scheme is approved, all conditions are satisfied and it is implemented?</b></p>	<p>APM Scheme Shareholders will receive the Scheme Consideration.</p>	Section 8.3(a)

Question	Answer	More information
<b>Can the Scheme be terminated?</b>	The Scheme Implementation Deed may be terminated in certain circumstances as described in clause 14 of the Scheme Implementation Deed. If the Scheme Implementation Deed is terminated, the Scheme will not proceed. For further details on the termination rights, see Section 13.14(i).	Sections 13.14(i)
<b>Item 7 Transaction</b>		
<b>Why should I vote on the Item 7 Transaction?</b>	Your vote on the Item 7 Transaction will be important in determining whether the Scheme will proceed. The Recommending Directors unanimously recommend you vote in favour of the Item 7 Transaction in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of APM Shareholders.	Sections 4.4 and 4.6
<b>What are my options in respect of the Item 7 Resolution?</b>	<p>You may:</p> <ul style="list-style-type: none"> <li>(a) vote in favour of the Item 7 Resolution at the General Meeting;</li> <li>(b) vote against the Item 7 Resolution at the General Meeting;</li> <li>(c) sell your APM Shares on market at any time while APM Shares remain tradeable on the ASX; or</li> <li>(d) do nothing.</li> </ul> <p>You should note that you have the option of voting in favour of the Item 7 Resolution but against the Scheme.</p>	Section 4
<b>What vote is required to approve the Item 7 Resolution?</b>	The Item 7 Resolution must be passed as an ordinary resolution. That is, a majority (more than 50%) of votes cast in favour of the resolution is required, without any votes being cast in favour of that resolution by MDP and their respective Associates.	Section 7.1(d)
<b>Voting and approvals</b>		
<b>Am I entitled to vote at the General Meeting and the Scheme Meeting?</b>	<p>Each APM Shareholder who is registered on the APM Share Register at the Meetings Record Time (currently expected to be 7:00pm (Sydney time) on Monday, 16 September 2024) is entitled to vote at the General Meeting and the Scheme Meeting.</p> <p><i>More information</i></p> <p>The Notice of General Meeting and the Notice of Scheme Meeting are attached as Attachment H and Attachment I (respectively) and set out further details on your entitlement to vote.</p>	Section 4.3, Attachment H and Attachment I
<b>How do I vote?</b>	<p>You can vote:</p> <ul style="list-style-type: none"> <li>(a) personally by attending the online General Meeting (via the Online General Meeting Platform) and the online Scheme Meeting (via the Online Scheme Meeting Platform); or</li> <li>(b) by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative, to attend the online General Meeting or online Scheme Meeting and vote on your behalf.</li> </ul> <p>You can appoint a proxy online or by completing the Proxy Forms and returning the forms to the APM Share Registry by 11:00am (Sydney time) for the General Meeting and 12:00pm (Sydney time) for Scheme Meeting on Monday, 16 September 2024.</p> <p><i>More Information</i></p> <p>The Notice of General Meeting and the Notice of Scheme Meeting are attached as Attachment H and Attachment I and set out further details on your entitlement to vote and how to submit the Proxy Forms.</p>	Section 4, Attachment H and Attachment I

Question	Answer	More information
<b>When and where will the General Meeting and Scheme Meeting be held?</b>	<p>The General Meeting will be held virtually via the General Meeting Online Platform at <a href="https://meetnow.global/MTXJXGL">https://meetnow.global/MTXJXGL</a> and the Scheme Meeting will be held via the Scheme Meeting Online Platform at <a href="https://meetnow.global/MXCDVLL">https://meetnow.global/MXCDVLL</a>.</p> <p>The General Meeting will commence at 11:00am (Sydney time) on Wednesday, 18 September 2024. The Scheme Meeting will commence at 12:00pm on Wednesday, 18 September 2024 or immediately following the General Meeting, whichever is later.</p> <p>You (or your proxy, attorney or, if you are a body corporate, your duly appointed corporate representative) may virtually attend the General Meeting and the Scheme Meeting by using a web browser for the General Meeting at: <a href="https://meetnow.global/MTXJXGL">https://meetnow.global/MTXJXGL</a>; and the Scheme Meeting at: <a href="https://meetnow.global/MXCDVLL">https://meetnow.global/MXCDVLL</a>, on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.</p> <p>The <b>meeting IDs</b> for the General Meeting and Scheme Meeting are General Meeting – MTXJXGL and Scheme Meeting – MXCDVLL.</p> <p>To make the registration process quicker, please have your SRN/HIN and registered postcode or country of residence ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.</p> <p>To participate in the meeting online follow the instructions below.</p> <ol style="list-style-type: none"> <li>1. Click on 'Join Meeting Now'.</li> <li>2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.</li> <li>3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.</li> <li>4. Accept the Terms and Conditions and 'Click Continue'.</li> </ol> <p>Please refer to the Online Meeting Guide attached to this Scheme Booklet as Attachment L (<i>Online Meeting Guide</i>) for further details.</p> <p>The online platform enables participants to view the General Meeting and the Scheme Meeting live, ask questions online and vote on the Scheme Resolution in real time.</p> <p><i>More information</i></p> <p>The Notice of General Meeting and the Notice of Scheme Meeting are attached as Attachment H and Attachment I and set out further details on your entitlement to vote and how to submit the Proxy Forms.</p>	Section 4.7, Attachment H and Attachment I
<b>What vote is required to approve the Scheme?</b>	<p>For the Scheme to be approved, the Scheme Resolution must be passed by the Requisite Majorities, being:</p> <ol style="list-style-type: none"> <li>(a) more than 50% by number of APM Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and</li> <li>(b) at least 75% of the total number of votes cast on the Scheme Resolution.</li> </ol>	Section 8.2
<b>What happens if I do not vote or if I vote against the Scheme?</b>	<p>If the Scheme is approved by the Requisite Majorities of APM Shareholders, then, subject to the other Conditions Precedent being satisfied or waived (if applicable) and the Scheme becoming Effective, the Scheme will be implemented and will be binding on all Scheme Shareholders, including those who voted against the Scheme, or did not vote.</p>	Section 6.4(a)

Question	Answer	More information
<b>Can I keep my shares in APM?</b>	If the Scheme is implemented, APM Shareholders will not be able to keep their APM Shares as these will be exchanged for the All Cash Consideration or Ancora TopCo Shares (if Eligible APM Shareholders make a valid Election to receive All Scrip Consideration or Mixed Consideration).	Section 8.3(a)
<b>When will the results of the General Meeting and the Scheme Meeting be available?</b>	The results of the General Meeting and the Scheme Meeting will be made available by APM on ASX on the date of the General Meeting and the Scheme Meeting following the close of the Scheme Meeting and the finalisation of results.	Section 8.2(e)
<b>Conditions Precedent</b>		
<b>When does the Scheme become Effective?</b>	In order to become Effective, the Scheme must be approved by the Court at the Second Court Hearing. APM will apply to the Court for an order approving the Scheme, if the Scheme is approved by the Requisite Majorities of Scheme Shareholders voting at the Scheme Meeting and all other Conditions Precedent (other than approval of the Court) have been satisfied or waived. If the Court makes orders approving the Scheme, APM will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur on, or on the next Business Day after, the date on which the Court issues orders approving the Scheme (currently scheduled to be Wednesday, 25 September 2024).	Section 8.3(a)
<b>What are the Conditions Precedent to the Scheme becoming Effective?</b>	In order for the Scheme to become Effective and then be implemented, each of the Conditions Precedent must be satisfied or waived (if applicable). The Conditions Precedent include, but are not limited to, APM Shareholder approval, Court approval and other regulatory approvals. If the Conditions Precedent are not satisfied or waived (if applicable), the Scheme will not proceed.  Further details of the Conditions Precedent are set out in Section 8.1 ( <i>Key steps to implement the Scheme</i> ).	Section 8.1(a)
<b>Trading</b>		
<b>Can I sell my APM Shares before the Scheme is implemented?</b>	You are able to sell your APM Shares on market in the usual manner on or before the close of trading on Wednesday, 25 September 2024 if you do not wish to hold them and participate in the Scheme.  However, you should note that if you choose to sell your APM Shares, you may not receive consideration equivalent to the implied value of the Scheme Consideration, and brokerage expenses on sale may be incurred.  If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal and taxation advisers before making any decision regarding the Scheme.  For the purpose of determining entitlements under the Scheme, APM will not accept for registration or recognise any transfer or transmission application in respect of APM Shares received after the Scheme Record Date.	Sections 7.2(a), 7.2(b) and 8.3(c)
<b>When will APM Shares cease trading on ASX?</b>	Provided the Scheme becomes Effective, APM Shares are expected to be suspended from trading on ASX from the close of trading on Wednesday, 25 September 2024.	Section 8.3(b)

Question	Answer	More information
<b>Information on the MDP Group</b>		
<b>If the Scheme is implemented, what will the MDP Group look like?</b>	Information on the MDP Group is contained in Section 10 ( <i>Information about MDP and the MDP Group</i> ), including details regarding the proposed MDP Group board of directors and senior management team.	Section 10
<b>What are MDP's intentions in relation to the MDP Group?</b>	MDP's intentions in relation to the MDP Group are set out in Section 10.6 ( <i>Intentions if the Scheme is implemented</i> ).	Section 10.6
<b>What are the key risks associated with implementation of the Transaction and the creation of the MDP Group?</b>	The key risks associated with the implementation of the Transaction and the MDP Group are detailed in Sections 11.4 ( <i>Risks associated with Ancora TopCo Shares</i> ) and 11.5 ( <i>Risks associated with the Scheme</i> ).	Sections 11.4 and 11.5.
<b>What is MDP's dividend policy?</b>	Any future determination relating to Ancora TopCo's dividend policy will be at the discretion of the Ancora TopCo Board, subject to applicable laws, and will depend on the financial position, results of operations, capital requirements, general business conditions of the relevant members of the MDP Group, and other factors that the Ancora TopCo Board considers relevant.	Sections 10.4(c) and 11.4(b)(ii)
<b>Further information</b>		
<b>What if I want further information?</b>	If you have any questions about the General Meeting and the Scheme or you would like additional copies of this Scheme Booklet, please contact the Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia) Monday to Friday between 8:30am and 5:30pm (Sydney time).  For information about your individual financial or taxation circumstances please consult your financial, legal, taxation or other professional adviser.	Section 3.4

## 6. APM Recommending Directors' recommendation and matters relevant to your vote on the Item 7 Transaction and the Scheme

### 6.1 APM Recommending Directors' recommendation and voting intentions in respect of the Item 7 Transaction and the Scheme

The APM Recommending Directors unanimously recommend that APM Shareholders vote in favour of the Item 7 Transaction and the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders (**Recommendation**).

Subject to the same qualifications, each APM Recommending Director intends to vote, or cause to be voted, all APM Shares held or controlled by them in favour of the Item 7 Transaction at the General Meeting and the Scheme at the Scheme Meeting.

The Relevant Interests of the APM Recommending Directors in APM Shares, and the interests of the APM Recommending Directors in the Scheme, are disclosed in Section 13 (*Additional information*). APM Shareholders should have regard to these interests when considering the APM Recommending Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.<sup>4</sup>

4 As at the date of this Scheme Booklet, Ms. Megan Wynne (Executive Chair and Founder of APM) together with her husband, Mr. Bruce Bellinge holds or controls 318,580,868 APM Shares (representing 34.73% of the APM Shares on issue) and Mr. Michael Anghie (Group Chief Executive Officer and APM Director) holds or controls 21,955,657 APM Shares (representing 2.39% of the APM Shares on issue). The other APM Recommending Directors hold or control such number of APM Shares as set out in Section 13.5 of this Scheme Booklet.

In addition:

- (a) Ms. Megan Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$958,721.15 (inclusive of any superannuation or pension contributions APM is required to make), the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail; and
- (b) Mr. Michael Anghie, Group Chief Executive Officer of APM, and entities associated with Mr. Michael Anghie, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$2,684,419.80 (inclusive of any superannuation or pension contributions APM is required to make), the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail.

Further detail on the treatment of APM Performance Rights under the Scheme is set out in Section 13.6 of this Scheme Booklet.

The APM IBC consider that, despite these arrangements and interests, it is important and appropriate for each of Ms. Wynne and Mr. Anghie to make a recommendation to the APM Shareholders in respect of the Scheme and the Item 7 Transaction, because:

- (a) of the importance of the Scheme (and the Item 7 Transaction to the Scheme) and their roles as APM Directors;
- (b) of their knowledge of APM and the industry in which it operates; and
- (c) in their view, the APM Shareholders would likely want to know their recommendations in respect of the Scheme. Each of Ms. Wynne and Mr. Anghie also consider that despite the arrangements and interests described above, it is appropriate for each of them to make a recommendation to the APM Shareholders in respect of the Scheme given the importance of the Scheme and their knowledge of APM and the industry in which it operates.

## 6.2 Reasons for the APM Recommending Directors' recommendation and advantages of the Scheme

The factors which the APM Recommending Directors have taken into account in recommending the Scheme to APM Shareholders include:

**(a) The APM Recommending Directors unanimously recommend that you vote in favour of the Scheme (and the Item 7 Transaction), in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.**

In reaching this conclusion and determining that, on balance, APM should enter into the Scheme Implementation Deed, the APM IBC and the remaining APM Recommending Directors took into account, amongst other factors:

- (i) the opportunity that the Cash Consideration provides to investors to realise certain cash value for their investment in APM. APM's employment services business continues to operate in an environment of extended low levels of unemployment and client flows, with increased support provided to achieve sustainable employment. While APM remains confident that these factors will return to levels more typical of historical performance over time and that APM's other businesses will continue to grow, there is no certainty as to the time frame in which this will occur; and
- (ii) the APM IBC has undertaken an extensive process to reach this outcome, with the assistance of financial and legal advisers. This included an evaluation of APM's strategic plan as an independent company and the various operational and execution risks inherent in achieving this strategic plan. Having regard to a number of factors, including the APM IBC's assessment of APM's near and medium-term growth outlook (i.e., the next 1 to 3 years). The Scheme has been the only proposal received capable of being put to APM Shareholders.

Following consideration of these matters, the APM Recommending Directors unanimously concluded that the Scheme is an attractive option for APM Shareholders as the Scheme Consideration recognises the value and future growth potential of APM and provides certainty of value for Scheme Shareholders in the near-term at an attractive premium to recent APM Share prices.

Accordingly, the APM Recommending Directors unanimously recommend that APM Shareholders vote in favour of the Item 7 Resolution and the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders. Subject to the same qualifications, each APM Recommending Director who holds APM Shares intends to vote, or cause to be voted, all APM Shares that he or she holds or controls in favour of the Item 7 Transaction at the General Meeting and the Scheme at the Scheme Meeting.

**(b) Based on the All Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of APM Shareholders, in the absence of a Superior Proposal**

The Independent Expert has assessed the value of an APM Share on a controlling interest basis to be in the range of \$1.40 to \$1.74 and the All Cash Consideration of \$1.45 per APM Share is at the lower end of this range.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included at Attachment A (Independent Expert's Report). The APM Recommending Directors encourage you to read the Independent Expert's Report in its entirety.

**(c) The Cash Consideration provides APM Shareholders with the opportunity to realise certain cash value for all of your investment in APM**

If the Scheme is implemented, the Scheme Consideration of \$1.45 per APM Share provides the value and certainty of cash to APM Shareholders.

Specifically, if the Scheme is implemented, APM Shareholders will have the option to receive \$1.45 per APM Share as All Cash Consideration. In contrast, if the Scheme does not proceed, the amount which APM Shareholders will be able to realise for their APM Shares (in terms of price) and from their APM Shares (by way of future dividends), is uncertain and subject to the performance of APM's business from time to time, general economic conditions and movements in the share market.

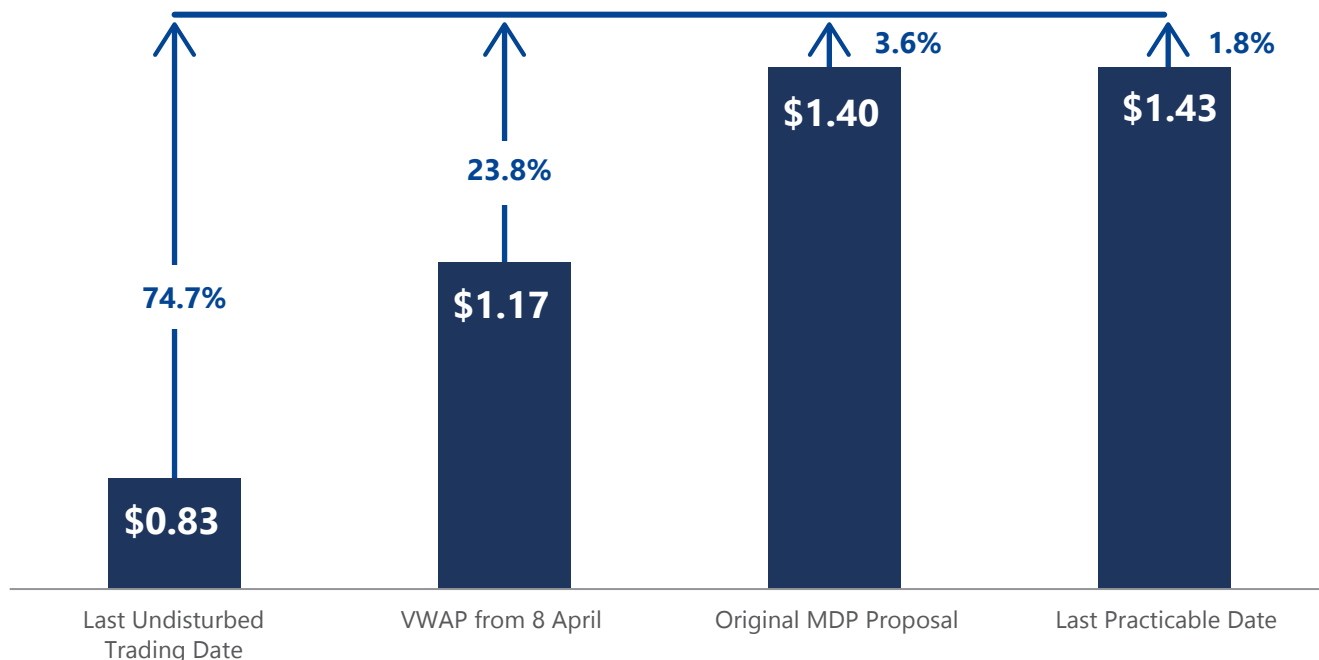
**(d) The Cash Consideration of \$1.45 per APM Share represents a significant premium to the recent trading prices of APM Shares on ASX prior to the announcement of the Scheme**

The value of the Cash Consideration offered to APM Shareholders represents a significant premium to recent trading prices, including:

- (i) a premium of 74.7% to APM's closing share price on the Last Undisturbed Trading Date;
- (ii) a premium of 24% to the volume-weighted-average price of APM Shares from 8 April 2024 being the date of announcement of the Original MDP Proposal;
- (iii) a \$0.05 increase to the Original MDP Proposal; and
- (iv) a premium of 1.8% to the closing price of \$1.43 per APM Share on the Last Practicable Date.



Figure 1

**Cash Consideration: \$1.45 per APM Share****(e) No Superior Proposal has emerged as at the date of this Scheme Booklet**

Since the announcement of the entry by APM and Ancora BidCo into the Scheme Implementation Deed, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge.

**(f) The Scheme allows you to sell your entire holding of APM Shares**

The Scheme allows APM Shareholders (other than the Key Rolling Shareholders) to dispose of all their APM Shares for certain cash value of \$1.45 for each APM Share held by them as at the Scheme Record Date.

**(g) If the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal emerges, the APM Share price may continue to be subject to market volatility and may fall to a price that is below the value of the Cash Consideration (including, potentially, to a price that is equal, close to or materially below the APM Share Price on the Last Undisturbed Trading Date), at least in the near-term**

If the Scheme is not implemented, APM Shares will continue to remain Officially Quoted on the ASX and the price at which APM Shares trade will continue to be subject to market volatility (including general stock market movements, the impact of general economic conditions, the impact of general industry conditions, and the demand for listed securities) and APM Shareholders will continue to be exposed to the risks associated with APM's business (see Section 11 (Key risks) below for a summary of these key risks). As such, if the Scheme is not implemented, the price at which APM Shares trade may fall to a price that is below the Cash Consideration of \$1.45 per APM Share (including, potentially, to a price that is equal or close to the APM Share price on the Last Undisturbed Trading Date), at least in the near-term.

**(h) If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, APM Shareholders will continue to be exposed to risks associated with the APM business**

If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, APM Shareholders will continue to be exposed to risks associated with the APM business, including, but not limited to, economic and industry-specific risks and other macroeconomic risk factors, and the other risks outlined in Section 11 (Key risks).

**(i) No brokerage or stamp duty will be payable by you on the transfer of your APM Shares to Ancora BidCo under the Scheme or on the receipt by Scheme Shareholders of the Ancora TopCo Shares as Scheme Consideration**

APM Shareholders will not incur any brokerage charges or stamp duty on the transfer of your APM Shares or receipt of the Ancora TopCo Shares as Scheme Consideration if the Scheme proceeds.

**(j) Scheme Shareholders that are residents of Australia for tax purposes and make a valid Election to receive Scrip Consideration may be eligible for CGT roll-over relief**

Scheme Shareholders that are residents of Australia for tax purposes and make a valid Election to receive Scrip Consideration may be eligible for CGT roll-over relief for any gain made from the disposal of their Scheme Shares to the extent of the gain made on the Scheme Shares for which they receive Scrip Consideration.

### **6.3 Reasons why APM Shareholders may consider voting against the Scheme and disadvantages of the Scheme**

Although the APM Recommending Directors unanimously recommend that you vote in favour of the Item 7 Resolution and the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme to be in the best interests of APM Shareholders, factors which may lead APM Shareholders to vote against the Scheme include:

**(a) You may disagree with the APM Recommending Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your individual best interests**

Despite the recommendation of the APM Recommending Directors, and the opinion of the Independent Expert that the Scheme is in the best interests of APM Shareholders in the absence of a Superior Proposal, you may believe that the Scheme is not in your best interests or that of other APM Shareholders.

**(b) You may prefer to retain your APM Shares and have the opportunity to participate in the future financial performance of APM as a standalone ASX-listed company**

If the Conditions Precedent are satisfied or, if applicable, waived, the Scheme is expected to be implemented on or about Thursday, 10 October 2024. This timeframe may not be consistent with your investment objectives, and you may consider that your APM Shares have greater value over the longer term (if APM remained as a standalone, ASX-listed entity). You may consider that, despite the risk factors outlined in Sections 11 (Key risks), APM has long-term growth potential and that the Scheme Consideration does not fully reflect your views on that long-term value. You may, therefore, prefer to retain your APM Shares and have the opportunity to realise the value of your APM Shares over the longer term. However, note that if the Scheme becomes Effective, the Scheme will be implemented and will be binding on all Scheme Shareholders, including those who voted against the Scheme, or did not vote.

**(c) You may wish to maintain an investment in a publicly listed company which retains share trading liquidity and also with the specific characteristics of APM in terms of industry, operations, profile, size and capital structure**

You may wish to maintain your investment in APM in order to have an investment in a publicly listed company which retains share trading liquidity and also with the specific characteristics of APM in terms of industry, operational profile, size and capital structure.

Implementation of the Scheme may result in a disadvantage to those who wish to maintain their investment profile. APM Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of APM and they may incur transaction costs in undertaking any new investment.

**(d) The tax consequences of transferring your APM Shares pursuant to the Scheme may not be optimal for your financial position**

Implementation of the Scheme may trigger taxation consequences for Scheme Shareholders, and these consequences may not be favourable to you. A general guide to the taxation implications of the Scheme for Scheme Shareholders is set out in Section 12 (Taxation implications for Scheme Shareholders). This guide is expressed in general terms only and APM Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

**(e) You may consider there is a possibility that a Superior Proposal could emerge in relation to APM in the foreseeable future**

You may believe that there is the potential for a Superior Proposal to be made in the foreseeable future (however, as at the date of this Scheme Booklet, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the APM Recommending Directors are not aware of any Superior Proposal that is likely to emerge).

## 6.4 Other considerations relevant to an APM Shareholder's vote

In addition to the factors that the APM Recommending Directors have taken into account in recommending the Scheme to APM Shareholders or which may lead APM Shareholders to vote against the Scheme, as described above, the other key considerations that the APM Recommending Directors consider may be relevant to an APM Shareholder's decision on how to vote on the Item 7 Resolution and the Scheme Resolution are summarised below:

### (a) The Scheme may be implemented even if you do not vote or vote against the Scheme at the Scheme Meeting

Even if you do not vote on, or vote against:

- the Item 7 Resolution at the General Meeting, the Item 7 Transaction may still be implemented if the Item 7 Resolution is approved by the Item 7 Majority at the General Meeting; and
- the Scheme Resolution at the Scheme Meeting, the Scheme may still be implemented if the Scheme Resolution is approved by the Requisite Majorities of APM Shareholders and, subsequently, the Court.

### (b) Conditions Precedent

The Scheme is subject to a number of Conditions Precedent, which are summarised in Section 8.1. If these Conditions Precedent are not satisfied (or, if applicable, waived), the Scheme will not proceed, even if it is approved by the Requisite Majorities of APM Shareholders at the Scheme Meeting.

### (c) Risks associated with the Scheme

If the Scheme becomes Effective, APM Shareholders will receive the Scheme Consideration, will cease to be an APM Shareholder, and will also no longer be exposed to the existing risks relating to APM's business and an investment in APM Shares summarised in Section 11 (Key risks) (and other risks to which APM may be exposed). However, if the Scheme does not proceed, APM will continue to operate as a standalone entity listed on the ASX, APM Shareholders will continue to hold their APM Shares and be exposed to these risks and any opportunities associated with that investment.

In making your decision on how to vote on the Scheme Resolution, you should read this Scheme Booklet carefully and in its entirety. You should carefully consider the risks outlined in Section 11 (Key risks) and your individual circumstances (however, APM notes that Section 11 (Key risks) is general in nature only and does not take into account your individual objectives, financial situation, taxation position or particular needs).

While the APM Board unanimously recommends that APM Shareholders vote in favour of the Item 7 Transaction and the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the APM Shareholders, APM Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Item 7 Transaction and the Scheme.

### (d) The value of the Ancora TopCo Shares which form part of the Scheme Consideration is not certain and have different features to APM Shares

Ancora TopCo Shares have different features compared to APM Shares. For further information about the features and risks associated with Ancora TopCo Shares see Section 10.4 (Overview of Ancora TopCo Shares) of this Scheme Booklet. APM Shareholders who are considering making an Election to receive Scrip Consideration should:

- (i) note that they will face risks that apply to an investment in Ancora TopCo that are materially different from, and in addition to, those risks that apply to their existing investment in APM as an ASX listed company;
- (ii) note that any dividends will be at the sole discretion of the Ancora TopCo Board, having regard to the capital requirements (as well as the debt financing arrangements) of the Ancora TopCo Group;
- (iii) consider that there will be no public market for the trading of shares in Ancora TopCo (an unlisted public company) post-implementation of the Scheme nor is there expected to be any such market in the future;
- (iv) take into account the Independent Expert's Report and the views expressed in relation to the Ancora TopCo Shares, noting the Independent Expert has concluded that the value of each of the Scrip Consideration Election Options is likely to be materially less than the Cash Consideration;
- (v) take into account there are restrictions on the disposal of Ancora TopCo Shares under the Ancora TopCo Shareholders' Deed that will restrict Non-MDP Shareholders from trading their shares in Ancora TopCo;
- (vi) take into account the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 8 of this Scheme Booklet, which may affect the number of Ancora TopCo Shares that will actually be received;

## 6. APM Recommending Directors' recommendation and matters relevant to your vote on the Item 7 Transaction and the Scheme

- (vii) take into account that the holders of Ancora TopCo Shares would be subject to the rights and restrictions set out in the Ancora TopCo Shareholders' Deed, the Ancora TopCo Constitution and the Ancora TopCo Nominee Deed, copies of which are set out in Attachment D (*Ancora TopCo Shareholders' Deed*), Attachment E (*Ancora TopCo Constitution*) and Attachment F (*Ancora TopCo Nominee Deed*) and described in Section 10.4 (*Overview of Ancora TopCo Shares*) of this Scheme Booklet, and will have fewer rights as a shareholder in Ancora TopCo when compared to your current investment in APM. The Ancora TopCo Shareholders Deed also includes a restraint on competitive activities or providing substantially similar products or services in any country in which any Ancora TopCo Group Company operates whilst an Ancora TopCo Shareholder;
- (viii) note that APM Shareholders (other than Ms. Megan Wynne, Executive Chair and Founder of APM, and her associated entities)<sup>5</sup> who receive Ancora TopCo Shares under the Scheme will be subject to risks inherent in minority shareholdings (as APM Shareholders, other than Ms. Megan Wynne (Executive Chair and Founder of APM) and her associated entities, who receive Ancora TopCo Shares under the Scheme will collectively have no more than a 23.5% interest in Ancora TopCo);<sup>6</sup>
- (ix) note that after the first anniversary of the implementation of the Scheme, the Ancora TopCo Board will have the power, subject to approval by the Major Shareholders, to require a Non-MDP Shareholder who holds Ancora TopCo Shares which had, at the time of the implementation of the Scheme, an aggregate value of \$25,000 or less to dispose of their Ancora TopCo Shares in TopCo at a fair market value price determined by the Ancora TopCo Board. That is, such Ancora TopCo Shareholders may be forced to sell their Ancora TopCo Shares in Ancora TopCo in any event after one year following the implementation of the Scheme;
- (x) carefully consider the matters set out in Sections 10 (*Information about MDP and the MDP Group*) and 11 (*Key risks*) of this Scheme Booklet;
- (xi) carefully consider the tax considerations set out in Section 12 (*Taxation implications for Scheme Shareholders*) of this Scheme Booklet and how they apply to the Scrip Consideration Options in comparison to the Cash Consideration; and
- (xii) consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in Ancora TopCo meets their individual investment objectives.

<sup>5</sup> As at the date of this Scheme Booklet, Ms. Megan Wynne (Executive Chair and Founder of APM) together with her husband, Mr. Bruce Bellinge holds or controls 318,580,868 APM Shares (representing 34.73% of the APM Shares on issue). A Condition Precedent to implementation of the Scheme is that Ms. Megan Wynne, in addition to the other Key Rolling Shareholders, make a valid Election to receive the All Scrip Election Option. In addition, Ms. Megan Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne that hold FY23 Performance Rights and/or FY24 Performance Rights, will receive a cash payment as consideration in respect of the exercise of those Performance Rights which will automatically vest on the Effective Date, of an amount equal to \$958,721.15 (in relation to Ms Wynne and each other Performance Rights holder, the **Performance Rights Cash Amount**). A Condition Precedent to implementation of the Scheme is that each holder of Vested APM Performance Rights must reinvest an amount equal to that Performance Right holder's Performance Rights Cash Amount less all applicable tax into the Ancora TopCo Group by subscribing for Ancora TopCo Shares following implementation of the Scheme (**Performance Rights Reinvestment**). See Sections 13.5 and 13.6 for further detail. In electing to receive the All Scrip Election Option and participating in the Performance Rights Reinvestment, Ms. Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne are anticipated to hold approximately 23.2% to 36.3% of the Ancora TopCo Shares following implementation of the Scheme.

<sup>6</sup> This collective ownership percentage in Ancora TopCo by APM Shareholders (other than Ms. Megan Wynne, Executive Chair and Founder of APM, and her associated entities) who receive Ancora TopCo Shares under the Scheme assumes the maximum valid Elections for Scrip Consideration scenario as further detailed in Section 10.8(e) of this Scheme Booklet.

# 7. Overview of the Scheme

## 7.1 Background to the Scheme

### (a) Scheme Implementation Deed

On 3 June 2024, APM entered into the Scheme Implementation Deed with Ancora BidCo, under which:

- (i) APM agreed to propose the Scheme and the Item 7 Transaction to APM Shareholders; and
- (ii) Ancora BidCo agreed to acquire all of the APM Shares as at the Scheme Record Date by way of the Scheme for the Scheme Consideration,

subject to the terms and conditions of the Scheme Implementation Deed and the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out in Sections 8 (*Implementation of the Scheme*) and 13.14 (*Key terms of the Scheme Implementation Deed*) of this Scheme Booklet. A copy of the Scheme Implementation Deed was released to the ASX by APM on 3 June 2024 and is also available on APM's website (<https://www.apminvestors.net.au/>).

### (b) Deed Poll

Ancora BidCo and Ancora TopCo have executed the Deed Poll, pursuant to which Ancora BidCo and Ancora TopCo have covenanted and undertaken in favour of each Scheme Shareholder to:

- (i) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (ii) perform all other actions and obligations attributed to and/or contemplated or required of Ancora BidCo, and give each acknowledgement, representation and warranty (if any) given by (or otherwise attributed to or required of) Ancora BidCo, under the Scheme,

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

A copy of the Deed Poll is set out in Attachment C (*Deed Poll*) to this Scheme Booklet.

### (c) Overview of the Scheme

This Section 7 (*Overview of the Scheme*) contains an overview of the Scheme. If the Scheme becomes Effective and is implemented, APM will become a wholly owned indirect subsidiary of Ancora BidCo, APM will be delisted from ASX and Scheme Shareholders will receive the Scheme Consideration. If the Scheme is not approved, the Scheme will not be implemented, Scheme Shareholders will not receive the Scheme Consideration and APM will continue as a standalone entity listed on ASX.

### (d) Item 7 Transaction

It is a condition of the Scheme that the Item 7 Resolution is passed as an ordinary resolution at the General Meeting. That is, that a majority (more than 50%) of votes are cast in favour of the Item 7 Resolution, without any votes being cast in favour of that resolution by MDP and its respective Associates. The purpose of the Item 7 Resolution is to approve the Item 7 Transaction, being the transfer of the APM Shares held by each Excluded Shareholder to Ancora TopCo (and subsequently transferred on to Ancora BidCo) on implementation of the Scheme, on the terms set out the Conditional Transfer Agreement, in accordance with item 7 of section 611 of the Corporations Act. The Item 7 Resolution will be proposed at the General Meeting.

**For the Scheme to proceed, the Item 7 Transaction must be approved by the Item 7 Majority of APM Shareholders at the General Meeting, the Scheme Resolution must be approved by the Requisite Majorities of APM Shareholders at the Scheme Meeting, and the Scheme must be approved by the Court. There are also other Conditions Precedent that need to be satisfied before the Scheme proceeds. The key Conditions Precedent are outlined in Section 8.1(a).**

If the Scheme is not approved, then the Scheme will not be implemented, and:

- (i) APM Shareholders will continue to hold APM Shares and will be exposed to general risks as well as risks specific to the APM Group, including those set out in Section 11 (*Key risks*);
- (ii) APM Shareholders will not receive the Scheme Consideration;
- (iii) either the APM Break Fee of \$13,470,000 or APM Partial Break Fee of \$6,730,000 may be payable by APM to Ancora BidCo under certain circumstances. Neither the APM Break Fee nor the APM Partial Break Fee will be payable solely because APM Shareholders fail to approve the Scheme at the Scheme Meeting and/or the Item 7 Transaction at the General Meeting. Further information on both break fee is set out in Section 13.14 (*Key terms of the Scheme Implementation Deed*);
- (iv) APM will continue as a stand-alone entity listed on the ASX with management continuing to implement the business plan and financial and operating strategies it had in place prior to 3 June 2024, being the date of announcement of the Scheme to the ASX; and
- (v) the price of a APM Share on the ASX will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

## 7.2 What APM Shareholders will receive – an overview of the Scheme Consideration

If the Scheme becomes Effective and is implemented, APM Shareholders will receive the Scheme Consideration. The Scheme Consideration comprises the Cash Consideration, or may comprise or include the Scrip Consideration if you make a valid Election.

### (a) Cash Consideration

If the Scheme becomes Effective, each APM Shareholder (other than the Key Rolling Shareholders and those who make a valid Election to receive a Scrip Consideration Option) will receive the Cash Consideration of \$1.45 for each APM Share held by that APM Shareholder as at the Scheme Record Date.

The default form of Scheme Consideration under the Scheme is the Cash Consideration, which provides APM Shareholders who participate in the Scheme with the opportunity to receive cash payments of \$1.45 per APM Share for all of their APM Shares. APM Shareholders do not need to make any Election to receive the Cash Consideration for all of their APM Shares.

Under the Scheme, an APM Shareholder will receive the Cash Consideration for all the APM Shares held by that APM Shareholder on the Scheme Record Date in the absence of a valid Election to receive a Scrip Consideration Option. Ineligible Foreign Shareholders and persons who become APM Shareholders after the Election Date will also be deemed to have elected to receive the Cash Consideration.

It is important to note that if an APM Shareholder sells their APM Shares before the Scheme Record Date, they will not receive the Cash Consideration.

The Cash Consideration will be paid to Scheme Shareholders on the Implementation Date.

### (b) Scrip Consideration Election Options

As an alternative to receiving the All Cash Consideration, APM Shareholders (other than Ineligible Foreign Shareholders) have the option to elect to receive one of the two Scrip Consideration Election Options below that would enable APM Shareholders to retain an interest in the APM business after the proposed Scheme has been implemented.

Under the Scrip Consideration Election Options, APM Shareholders can elect to receive one of the following:

- (i) **All Scrip Election Option:** 95 Series A Shares and 5 Series B Shares in Ancora TopCo, for each APM Share held, subject to any scale back to ensure that Scrip Consideration is not paid for more than 65% of the Scheme Shares; or
- (ii) **Mixed Consideration Election Option:**
  - (A) 10% of their Scheme Consideration as Cash Consideration; and
  - (B) 90% of their Scheme Consideration as Scrip Consideration, where the APM Shareholder will receive 95 Series A Shares and 5 Series B Shares in Ancora TopCo for each APM Share held.

In each of the Scrip Consideration Options, the Scrip Consideration will be 95 Series A Shares and 5 Series B Shares per Scheme Share subject to the Maximum Scrip Threshold and the operation of the Scaleback Mechanism if the Maximum Scrip Threshold is exceeded.

APM Shareholders should note the Independent Expert's assessment of the Scrip Consideration. APM Shareholders who make a valid Election and receive either Scrip Consideration Election Option will become parties to the Ancora TopCo Shareholders' Deed and subject to the Ancora TopCo Constitution. Under the terms of the Ancora TopCo Shareholders' Deed, Ancora TopCo Shareholders will have different rights to those currently applicable to their APM Shares. The ultimate capital structure of Ancora TopCo depends on a number of factors, including the number of valid Elections received. Please refer to Section 10.3 (*Ownership structure*) for further information about the Ancora TopCo Shares and illustrative examples of the possible Ancora TopCo capital structure, and Section 11.4 (*Risks associated with Ancora TopCo Shares*) of this Scheme Booklet for further information on the risks associated with receiving the Scrip Consideration.

The Independent Expert has identified a number of factors that APM Shareholders should consider before making any election for a Scrip Consideration Option. APM Shareholders should note that the Independent Expert has assessed the underlying value of the Scrip Consideration in the immediate or short-term following implementation of the Scheme as follows:

- (i) the All Scrip Consideration (subject to the application of the Scaleback Mechanism) at between \$1.33 and \$1.69 per APM Share; and
- (ii) the Mixed Consideration at between \$1.34 and \$1.67 per APM Share.

APM Shareholders electing to receive Scrip Consideration will own a minority interest in an unlisted and illiquid entity, which carries risk and inherent uncertainty. The Independent Expert's assessment of the Scrip Consideration above does not account for this risk and uncertainty and its impact on the realisable value of the Ancora TopCo Shares. This is because such assessment would require a discount for a lack of control and marketability to be applied and such figures cannot be reliably estimated as at the Last Practicable Date given the limited situations in which the Ancora TopCo Shares could be disposed of. The Independent Expert, however, has noted that a substantial discount is warranted as a result of reduced liquidity, more limited voting rights, reduced shareholder rights and increased gearing of Ancora TopCo Shares, which would mean that the Scheme, on the basis of the Scrip Consideration Options only, is unlikely to be fair.

The APM Recommending Directors make no recommendation in relation to the Scrip Consideration Options, except to note that eligible APM Shareholders who are considering making an Election to receive a Scrip Consideration Option should:

- (i) note that they will face risks that apply to an investment in Ancora TopCo that are materially different from, and in addition to, those risks that apply to their existing investment in APM as an ASX listed company;
- (ii) note that any dividends will be at the sole discretion of the Ancora TopCo Board, having regard to the capital requirements (as well as the debt financing arrangements) of the Ancora TopCo Group;
- (iii) consider that there will be no public market for the trading of shares in Ancora TopCo (an unlisted public company) post-implementation of the Scheme nor is there expected to be any such market in the future;
- (iv) take into account the Independent Expert's Report and the views expressed in relation to the Ancora TopCo Shares, noting the Independent Expert has concluded that the value of each of the Scrip Consideration Options is likely to be materially less than the Cash Consideration;
- (v) take into account there are restrictions on the disposal of Ancora TopCo Shares under the Ancora TopCo Shareholders' Deed that will restrict Non-MDP Shareholders from trading their shares in Ancora TopCo;
- (vi) take into account the Maximum Scrip Threshold and the Scaleback Mechanism set out in Section 8 (*Implementation of the Scheme*) of this Scheme Booklet, which may affect the number of Ancora TopCo Shares that will actually be received;
- (vii) take into account that the holders of Ancora TopCo Shares would be subject to the rights and restrictions set out in the Ancora TopCo Shareholders' Deed, the Ancora TopCo Constitution and the Ancora TopCo Nominee Deed, copies of which are set out in Attachment D (*Ancora TopCo Shareholders' Deed*), Attachment E (*Ancora TopCo Constitution*) and Attachment F (*Ancora TopCo Nominee Deed*) and described in Section 10.4 (*Overview of Ancora TopCo Shares*) of this Scheme Booklet, and will have fewer rights as a shareholder in Ancora TopCo when compared to your current investment in APM. The Ancora TopCo Shareholders Deed also includes a restraint on competitive activities or providing substantially similar products or services in any country in which any Ancora TopCo Group Company operates whilst an Ancora TopCo Shareholder;

- (viii) note that APM Shareholders (other than Ms. Megan Wynne, Executive Chair and Founder of APM, and her associated entities)<sup>7</sup> who receive Ancora TopCo Shares under the Scheme will be subject to risks inherent in minority shareholdings (as APM Shareholders, other than Ms. Megan Wynne (Executive Chair and Founder of APM) and her associated entities, who receive Ancora TopCo Shares under the Scheme will collectively have no more than a 23.5% interest in Ancora TopCo),<sup>8</sup>
- (ix) note that after the first anniversary of the implementation of the Scheme, the Ancora TopCo Board will have the power, subject to approval by the Major Shareholders, to require a Non-MDP Shareholder who holds Ancora TopCo Shares which had, at the time of the implementation of the Scheme, an aggregate value of \$25,000 or less to dispose of their Ancora TopCo Shares in TopCo at a fair market value price determined by the Ancora TopCo Board. That is, such Ancora TopCo Shareholders may be forced to sell their Ancora TopCo Shares in Ancora TopCo in any event after one year following the implementation of the Scheme;
- (x) carefully consider the matters set out in Sections 10 (*Information about MDP and the MDP Group*) and 11 (*Key risks*) of this Scheme Booklet;
- (xi) carefully consider the tax considerations set out in Section 12 (*Taxation implications for Scheme Shareholders*) of this Scheme Booklet and how they apply to the Scrip Consideration Options in comparison to the Cash Consideration; and
- (xii) consult with their appropriate legal, financial, tax or other professional advisers about whether an investment in Ancora TopCo meets their individual investment objectives.

Ultimately, the APM Recommending Directors consider that it is a matter for each eligible APM Shareholder to decide whether or not to make an Election to receive a Scrip Consideration Election Option, having regard to their individual circumstances, financial situation, tax position, investment objectives and risk profile.

There is no assurance that the future value of the Ancora TopCo Shares will be equal to or higher than the value of the Cash Consideration. It is important to note that if an APM Shareholder sells their APM Shares before the Scheme Record Date, they will not receive the Scheme Consideration.

The Scrip Consideration will be paid to the applicable Scheme Shareholders on the Implementation Date, subject to the Maximum Scrip Threshold and the application of any Scaleback Mechanism. Scheme Shareholders who have been issued Scrip Consideration will be sent a share certificate or holding statement shortly thereafter, to their registered address as it appears on the APM Share Register.

Ancora TopCo intends to appoint the Nominee, Evolution Trustees, an independent third party trustee to hold Ancora TopCo Shares on bare trust for certain Non-Ancora TopCo Shareholders in accordance with the terms of the Ancora TopCo Shareholders' Deed and the Ancora TopCo Nominee Deed.

The intention of the nominee arrangements is that the Non-Ancora TopCo Shareholders will still have the rights as set out in the Ancora TopCo Shareholders' Deed, as though the Non-Ancora TopCo Shareholder were holding their Ancora TopCo Shares directly, even if they transfer legal title to their Ancora TopCo Shares to the Nominee.

### (c) Scaleback Mechanism

The Scrip Consideration Election Options are also subject to a pro rata Scaleback Mechanism that may apply depending on the number of valid Elections made by all eligible APM Shareholders (including the Key Rolling Shareholders) to receive the Scrip Consideration Election Options.

The Scaleback Mechanism will apply if Elections made by eligible APM Shareholders (including the Key Rolling Shareholders) would result in more than 65% of the Scheme Shares in aggregate being acquired for Scrip Consideration, being the Maximum Scrip Threshold. In these circumstances, the Scaleback Mechanism will apply to ensure that the total number of Ancora TopCo Shares issued under the Scheme does not exceed the Maximum Scrip Threshold.

Where the Scaleback Mechanism applies, each Scheme Shareholder (including the Key Rolling Shareholders) who makes a valid Election will receive the number of Ancora TopCo Shares as reduced by the Scaleback Mechanism (with any fractions rounded down to the nearest whole number of Ancora TopCo Shares) and will receive the Cash Consideration for each APM Share in respect of which Scrip Consideration is not issued.

7 As at the date of this Scheme Booklet, Ms. Megan Wynne (Executive Chair and Founder of APM) together with her husband, Mr. Bruce Bellinge holds or controls 318,580,868 APM Shares (representing 34.73% of the APM Shares on issue). A Condition Precedent to implementation of the Scheme is that Ms. Megan Wynne, in addition to the other Key Rolling Shareholders, make a valid Election to receive the All Scrip Election Option. In addition, Ms. Megan Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne that hold FY23 Performance Rights and/or FY24 Performance Rights, will receive a cash payment as consideration in respect of the exercise of those Performance Rights which will automatically vest on the Effective Date, of an amount equal to (inclusive of any superannuation or pension contributions APM is required to make) \$958,721.15 (in relation to Ms Wynne and each other Performance Rights holder, the **Performance Rights Cash Amount**). A Condition Precedent to implementation of the Scheme is that each holder of Vested APM Performance Rights must reinvest an amount equal to that Performance Right holder's Performance Rights Cash Amount less all applicable tax into the Ancora TopCo Group by subscribing for Ancora TopCo Shares at implementation of the Scheme (**Performance Rights Reinvestment**). See Sections 13.5 and 13.6 for further detail. In electing to receive the All Scrip Election Option and participating in the Performance Rights Reinvestment, Ms. Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne are anticipated to hold approximately 23.2% to 36.3% of the Ancora TopCo Shares following implementation of the Scheme.

8 This collective ownership percentage in Ancora TopCo by APM Shareholders (other than Ms. Megan Wynne, Executive Chair and Founder of APM, and her associated entities) who receive Ancora TopCo Shares under the Scheme assumes the maximum valid Elections for Scrip Consideration scenario as further detailed in Section 10.8(e) of this Scheme Booklet.



**(d) Ancora TopCo Shareholders' Deed**

Eligible APM Shareholders who elect to receive a Scrip Consideration Election Option and, as a result, receive Ancora TopCo Shares will become parties to the Ancora TopCo Shareholders' Deed. A summary of the rights attaching to the Ancora TopCo Shares is set out in Section 10.4. A copy of the Ancora TopCo Shareholders' Deed is also attached at Attachment D (Ancora TopCo Shareholders' Deed).

**(e) How to make an Election to receive a Scrip Consideration Election Option**

Eligible APM Shareholders can (subject to the conditions outlined above) make an Election to receive a Scrip Consideration Election Option by completing and returning an Election Form.

**An Election will only be valid if it is made using an Election Form and is received by the APM Share Registry by no later than the Election Time (currently expected to be 5:00pm (Sydney time) on Tuesday, 10 September 2024).**

This form can be returned to:

APM Human Services International Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia

An Election can also be emailed by completing the Election Form that accompanies this Scheme Booklet in accordance with the terms and conditions on the Election Form and emailing a scanned copy to Computershare at [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au).

An Election Form will be sent to APM Shareholders with this Scheme Booklet. If required, APM Shareholders may contact the APM Shareholder Information Line on 1300 396 568 (within Australia) and 03 9415 4126 (outside Australia), Monday to Friday between 8:30am and 5:30pm (Sydney time) and request a new Election Form be sent to them.

An eligible APM Shareholder who makes an Election may subsequently vary or withdraw it by lodging a replacement Election Form so that it is received by the APM Share Registry by no later than the Election Time (currently expected to be 5:00pm (Sydney time) on Tuesday, 10 September 2024). The last valid Election Form received by the APM Share Registry before the Election Time will be used to determine the Election made by an eligible APM Shareholder and will apply to the APM Shares held by that eligible APM Shareholder on the Scheme Record Date.

APM Shareholders who do not submit a valid Election Form to the APM Share Registry, or who submit an Election Form to the APM Registry after the Election Time (currently expected to be 5:00pm (Sydney time) on 10 September 2024), will receive the Cash Consideration for all of their APM Shares held on the Scheme Record Date.

APM Shareholders who are Ineligible Foreign Shareholders or who become an APM Shareholder after the Election Date, will also receive the Cash Consideration for all of their APM Shares held on the Scheme Record Date.

Election Forms, duly completed in accordance with the instructions set out in the Election Form, must be returned to the APM Share Registry in the manner described in Section 4.14 (*Scheme Consideration Elections*).

APM will announce the indicative results of the Election process to the ASX, including an indication of whether the Scaleback Mechanism is likely. The announcement is currently expected to be made on Thursday, 12 September 2024.

**Ineligible Foreign Shareholders**

An APM Shareholder whose address is shown on the APM Share Registry as at 7:00pm on the Scheme Record Date as a place outside Australia and its external territories will be an Ineligible Foreign Shareholder, unless Ancora BidCo determines that it is lawful and, after having consulted with APM, not unduly onerous or impractical to provide that Scheme Shareholder with Ancora TopCo Shares when the Scheme becomes Effective.

**Fractional entitlements**

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of an Ancora TopCo Share (after applying the Scheme Shareholders' entitlement (prior to rounding) to its entire holding of Scheme Shares), the fractional entitlement will be rounded down to the nearest whole number. The details regarding fractional entitlements are set out in full in clauses 5.7 and 5.8 of the Scheme (a copy of which is attached as Attachment B (Scheme)).

**(f) Worked examples**

Rows 1 – 3 of the table below illustrate the potential outcomes for APM Shareholders assuming the Maximum Scrip Threshold is not exceeded, the Scaleback Mechanism does not apply, and the Scheme is duly approved and implemented.

Row 4 of the table below illustrates the potential outcome for APM Shareholders assuming the Maximum Scrip Threshold is exceeded, the Scaleback Mechanism applies, and the Scheme is duly approved and implemented.

Scenario	What you receive
<b>1 All Cash Consideration</b> Either an APM Shareholder (other than an Excluded Shareholder) makes no Election or is an Ineligible Foreign Shareholder	\$1.45 for each Scheme Share held at the Scheme Record Date.  <b>For example</b> , if an APM Shareholder held 100 shares at the Election Time and the Scheme Record Date and made a valid Election to receive the All Cash Consideration, or did not make a valid Election or is an Ineligible Foreign Shareholder they would receive \$145 (being \$1.45 for each of their 100 Scheme Shares).
<b>2 All Scrip Consideration</b> The eligible APM Shareholder makes an Election to receive the All Scrip Consideration	95 Series A Shares and 5 Series B Shares for each Scheme Share held at the Scheme Record Date.  <b>For example</b> , if an APM Shareholder held 100 shares at the Election Time and the Scheme Record Date and made a valid Election to receive the All Scrip Consideration, they would receive 9500 Series A Shares and 500 Series B Shares (being 95 Series A Shares and 5 Series B Shares for each of their 100 Scheme Shares).
<b>3 Mixed Consideration</b> The eligible APM Shareholder makes an Election to receive the Mixed Consideration	<ul style="list-style-type: none"> <li>With respect to 90% of an APM Shareholder's Scheme Shares held at the Scheme Record Date, 95 Series A Shares and 5 Series B Shares for each Scheme Share; <i>plus</i></li> <li>With respect to the remaining 10% of an APM Shareholder's Scheme Shares held at the Scheme Record Date, \$1.45 per Scheme Share.</li> </ul> <b>For example</b> , if an APM Shareholder held 100 shares at the Election Time and the Scheme Record Date and made a valid Election to receive the Mixed Consideration, they would receive: <ul style="list-style-type: none"> <li>8,550 Series A Shares and 450 Series B Shares in Ancora TopCo (being 95 Series A Shares and 5 Series B Shares per Scheme Share as consideration for 90 of the APM Shareholder's 100 Scheme Shares (i.e., 90%)); <i>plus</i></li> <li>\$14.50 in cash (being \$1.45 per Scheme Share as consideration for the remaining 10 of the APM Shareholder's 100 Scheme Shares (i.e., 10%).</li> </ul>

Scenario	What you receive
<p><b>4 Scaleback Mechanism</b></p>	<p>The All Scrip Consideration and Mixed Consideration alternatives are subject to a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. That is, if valid Elections received under the Scheme would result in Scrip Consideration being paid for such number of Scheme Shares that, in aggregate, would be greater than 65% of the Scheme Shares, the Scaleback Mechanism will apply.</p> <p>If the Maximum Scrip Threshold is exceeded, then the pro rata Scaleback Mechanism will apply to ensure that the total number of Scheme Shares for which Scrip Consideration is paid does not exceed 65% of the total Scheme Shares. To the extent the Scaleback Mechanism applies, APM Shareholders who had made a valid Election to receive Scrip Consideration will receive Cash Consideration in lieu of Ancora TopCo Shares for their relevant proportion of the Scheme Shares subject to the Scaleback Mechanism.</p> <p><b>For example</b>, assume that there are in aggregate 500,000 APM Shares on issue, and an APM Shareholder:</p> <ul style="list-style-type: none"> <li>• holds 10,000 APM Shares at the Election Time and the Scheme Record Date;</li> <li>• APM Shareholders have in aggregate made valid Elections to receive Scrip Consideration for 80% of the Scheme Shares (i.e., in excess of the Maximum Scrip Threshold of 65%), such that the Scaleback Mechanism applies; and</li> <li>• the number of Ancora TopCo Shares liable to be issued at the Maximum Scrip Threshold (being 32.5 million Ancora TopCo Shares) represent 81.25% of the Aggregate Ancora TopCo Elected Shares (as that term is used in clause 5.11 of the Scheme, being 40 million Ancora TopCo Shares).</li> </ul> <p><b>All Scrip Consideration</b></p> <p>If the APM Shareholder made a valid Election to receive the All Scrip Consideration, they would receive:</p> <ul style="list-style-type: none"> <li>• 771,875 Series A Shares and 40,625 Series B Shares in Ancora TopCo (being 95 Series A Shares and 5 Series B Shares as consideration for the 8,250 Scheme Shares for which Scrip Consideration may be paid after applying the Scaleback (being 81.25% of the APM Shareholder's 10,000 Scheme Shares)); and</li> <li>• \$2,718.75 in cash (being \$1.45 per Scheme Share as consideration for the remaining 1,875 Scheme Shares (being 18.75% of the APM Shareholder's 10,000 Scheme Shares)).</li> </ul> <p><b>Mixed Consideration</b></p> <p>If the APM Shareholder made a valid Election to receive the Mixed Consideration, they would receive:</p> <ul style="list-style-type: none"> <li>• 694,640 Series A Shares and 36,560 Series B Shares in Ancora TopCo (being 95 Series A Shares and 5 Series B Shares as consideration for the 7,312 Scheme Shares for which Scrip Consideration may be paid after applying the Scaleback (being 81.25% of 90% of the APM Shareholder's 10,000 Scheme Shares)); and</li> <li>• \$3,897.60 in cash (being \$1.45 per Scheme Share as consideration for the remaining 2,688 Scheme Shares).</li> </ul>

# 8. Implementation of the Scheme

This Section outlines the key terms of the Scheme Implementation Deed, provides an overview of the APM Equity Incentives on issue and explains how they will be treated under the Scheme, and outlines the key steps to implement the Scheme.

## 8.1 Key steps to implement the Scheme

### (a) Conditions Precedent

Implementation of the Scheme is subject to the satisfaction (or, if applicable, waiver) of a number of Conditions Precedent. The following Conditions Precedent are outstanding as at the date of this Scheme Booklet:

- (i) **(FIRB approval)** Ancora BidCo obtains FIRB approval to acquire APM before 8.00am on the Second Court Date;
- (ii) **(Other Regulatory Approval – US HSR)** any applicable waiting period under the *Hart-Scott Rodino Antitrust Improvements Act of 1976* expiring or being terminated;<sup>9</sup>
- (iii) **(APM Shareholder approval)** APM Shareholders approve the Scheme at the Scheme Meeting by the Requisite Majorities;
- (iv) **(valid Elections)** valid Elections to receive the Scrip Consideration have been received from each Key Rolling Shareholder and their respective Affiliates in respect of 100% (or such lesser percentage as agreed with Ancora BidCo) of their respective holdings of APM Shares and no such Election is withdrawn, which based on the greater of their respective holdings of APM Shares at the Election Time and at 5:00pm on the Business Day prior to the Second Court Date, represent not less than 342,097,703 APM Shares;
- (v) **(Independent Expert)** the Independent Expert concludes in the Independent Expert's Report that in its opinion the Scheme is in the best interest of APM Shareholders before this Scheme Booklet is lodged with ASIC and the Independent Expert does not change its conclusion or withdraw the Independent Expert's Report before 8.00am on the Second Court Date;
- (vi) **(no restraints)** there is no legal or regulatory restraint or prohibition by a court or Government Agency in place, or pending or outstanding review or assessment by a Government Agency, that restrains, prohibits or impedes or makes illegal (or could reasonably be expected to restrain, prohibit, impede or make illegal) the implementation of the Transaction as at 8.00am on the Second Court Date;
- (vii) **(Court approval)** the Court approves the Scheme;
- (viii) **(no APM Prescribed Occurrence)** no APM Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- (ix) **(no APM Material Adverse Change)** no APM Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- (x) **(APM Equity Incentives)** APM has taken all necessary steps by 8.00am on the Second Court Date to ensure that the APM Equity Incentives are dealt with in accordance with the terms of the Scheme Implementation Deed;
- (xi) **(ASIC and ASX)** all ASIC and ASX consents, approvals, waivers or relief that are necessary or desirable to implement the Scheme are obtained and in place as at 8.00am on the Second Court Date;
- (xii) **(Item 7 Resolution)** the Item 7 Resolution is approved by the Item 7 Majority of APM Shareholders at the General Meeting under item 7 of section 611 of the Corporations Act; and
- (xiii) **(Specified Contracts)** each counterparty to a Specified Contract has provided to Ancora BidCo either a consent to the change of control or ownership of APM or otherwise confirmed or indicated to Ancora BidCo that no consent or other formal response is necessary.

The Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed. The Scheme will not proceed unless all the Conditions Precedent are satisfied (or, if applicable, waived) in accordance with the Scheme and the Scheme Implementation Deed.

<sup>9</sup> On 13 August 2024, APM and Ancora BidCo entered into a deed of amendment and restatement to amend the Condition Precedent in clause 3.1(b) (*Other Regulatory Approvals*) of the Scheme Implementation Deed. The purpose of the amendment was to remove the requirement for APM to obtain clearance from the Commissioner of Competition appointed under section 7(1) of the Canadian Competition Act (as defined in the Scheme Implementation Deed). Following execution of the Scheme Implementation Deed on 31 May 2024, APM and Ancora BidCo determined, upon further review of the threshold requirements for clearance under the Canadian Competition Act, that clearance was in fact not required to implement the Transaction.

As far as the APM Recommending Directors are aware, as at the Last Practicable Date, no circumstances have occurred that are likely to cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until 8.00am on the Second Court Date. In the event of any material change in status, APM will inform APM Shareholders of the status of the Conditions Precedent through an announcement to the ASX. Details regarding the Conditions Precedent are set out in full in clause 3 of the Scheme Implementation Deed.

### **(b) Support of the Transaction from the APM IBC and other Recommending Directors**

The Scheme Implementation Deed requires APM to procure that each APM Recommending Director collectively and individually, do not adversely change, withdraw, adversely modify or qualify (including by making any public statement supporting, endorsing or recommending a Competing Proposal and/or to the effect that she or he no longer supports the Scheme), its or their Recommendation unless:

- (i) the Independent Expert concludes in the Independent Expert's Report (or any update of, or any revision, amendment or supplement to, that report) that the Scheme is not in the best interests of APM Shareholders;
- (ii) APM has received a Competing Proposal and the APM IBC has determined, after the procedure in clause 11.7 of the Scheme Implementation Deed, being a matching right for Ancora TopCo in respect of any Competing Proposal received by APM, has been complied with, that the Competing Proposal constitutes a Superior Proposal; or
- (iii) the adverse change, withdrawal, adverse modification or adverse qualification in respect of an APM Recommending Director's Recommendation occurs because of a requirement by a court of competent jurisdiction, ASIC or the Takeovers Panel that the relevant APM Recommending Director abstains from making a recommendation that APM Shareholders vote in favour of the Scheme.

### **(c) Deed Poll**

On 12 August 2024, Ancora BidCo and Ancora TopCo executed the Deed Poll pursuant to which Ancora BidCo and Ancora TopCo agreed, subject to the Scheme becoming Effective, to comply with their respective obligations under the Scheme. A copy of the Deed Poll is attached at Attachment C (*Deed Poll*).

## **8.2 Remaining requirements for the Scheme to become Effective and be implemented**

The Scheme will only become Effective and be implemented if:

- (i) the Scheme Resolution is approved by the Requisite Majorities of APM Shareholders at the Scheme Meeting;
- (ii) the Scheme is approved by the Court at the Second Court Hearing; and
- (iii) the other Conditions Precedent (which are summarised in Section 8.1(a) above) are satisfied (or, if applicable, waived).

### **(a) Summary of the Resolutions to be considered at the Meetings**

APM Shareholders will be asked to consider and, if thought fit, pass:

- (i) the Item 7 Resolution at the General Meeting, which is a resolution under item 7 of section 611 of the Corporations Act to approve the Item 7 Transaction; and
- (ii) the Scheme Resolution at the Scheme Meeting, which is a resolution under section 411(4)(a)(ii) of the Corporations Act to approve the Scheme.

### **(b) The General Meeting**

APM has convened the General Meeting, to be held virtually through the Online General Meeting Platform at 11:00am (Sydney time) on Wednesday, 18 September 2024 (see Section 4 (*How to vote on the Item 7 Resolution and the Scheme Resolution and how to make an Election*)) for more information about how to participate in the General Meeting through the Online General Meeting Platform (or via proxy, attorney or otherwise) and vote on the Item 7 Resolution).

At the General Meeting, APM Shareholders will be asked to approve the Item 7 Transaction by voting in favour of the Item 7 Resolution. The terms of the Item 7 Resolution to be considered at the General Meeting are contained in the Notice of General Meeting set out in Attachment H (*Notice of General Meeting*).

For the Item 7 Transaction (and the Scheme) to proceed, votes "in favour of" the Item 7 Resolution at the General Meeting must be received from the Item 7 Majority of APM Shareholders. The Item 7 Majority for the Item 7 Resolution is a majority in number (more than 50%) of the APM Shareholders (other than Excluded Shareholders) who are present and voting at the General Meeting (either by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative).

Voting at the General Meeting will be conducted by poll. APM Shareholders who are registered on the APM Share Register as at the Meetings Record Time of 7.00pm (Sydney time) on Monday, 16 September 2024 will be entitled to vote at the General Meeting. Instructions on how to vote at the Scheme Meeting are set out in Section 4 (*How to vote on the Item 7 Resolution and the Scheme Resolution and how to make an Election*) and the Notice of General Meeting at Attachment H (*Notice of General Meeting*).

### (c) The Scheme Meeting

In accordance with an order of the Court dated 14 August 2024, APM has convened the Scheme Meeting, to be held virtually through the Online Scheme Meeting Platform at 12:00pm (Sydney time) on Wednesday, 18 September 2024 (see Section 4 (*How to vote on the Item 7 Resolution and the Scheme Resolution and how to make an Election*) for more information about how to participate in the Scheme Meeting through the Online Scheme Meeting Platform (or via proxy, attorney or otherwise) and vote on the Scheme Resolution).

At the Scheme Meeting, APM Shareholders will be asked to approve the Scheme by voting in favour of the Scheme Resolution. The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting set out in Attachment I (*Notice of Scheme Meeting*). The fact that the Court has ordered that the Scheme Meeting be convened is no indication that the Court has a view as to the merits of the Scheme or as to how APM Shareholders should vote on the Scheme Resolution. On these matters, APM Shareholders must reach their own decision.

For the Scheme to proceed, votes “in favour of” the Scheme Resolution at the Scheme Meeting must be received from the Requisite Majorities of APM Shareholders. The Requisite Majorities for the Scheme Resolution are:

- (i) a majority in number (more than 50%) of the Scheme Shareholders who are present and voting at the Scheme Meeting (either by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative), unless the Court orders otherwise; and
- (ii) at least 75% of the total number of votes cast on the Scheme Resolution by Scheme Shareholders.

Voting at the Scheme Meeting will be conducted by poll. APM Shareholders who are registered on the APM Share Register as at the Meetings Record Time of 7.00pm (Sydney time) on Monday, 16 September 2024 will be entitled to vote at the Scheme Meeting. Instructions on how to vote at the Scheme Meeting are set out in Section 4 (*How to vote on the Item 7 Resolution and the Scheme Resolution and how to make an Election*) and the Notice of Scheme Meeting at Attachment I (*Notice of Scheme Meeting*).

### (d) Recommendation of the APM Recommending Directors’ and voting intentions

The APM Recommending Directors (comprising each APM IBC Director and Ms. Megan Wynne and Mr. Michael Anghie) unanimously recommend that you vote in favour of the Item 7 Transaction and the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the APM Shareholders. Subject to the same qualifications, each APM Recommending Director who holds APM Shares intends to vote, or cause to be voted, all APM Shares that he or she holds or controls in favour of the Scheme Resolution.

The Relevant Interests of the APM Recommending Directors in APM Shares, and the interests of the APM Directors (including Ms. Megan Wynne, Executive Chair and Founder of APM, and Mr. Michael Anghie, Group Chief Executive Officer of APM) in the Scheme, are disclosed in Section 13 (*Additional information*). APM Shareholders should have regard to these interests when considering the APM Recommending Directors’ unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.<sup>10</sup>

In considering whether to vote in favour of the Item 7 Transaction and the Scheme, the APM Recommending Directors encourage you to:

- (i) carefully read this Scheme Booklet in its entirety (including the Independent Expert’s Report);
- (ii) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (iii) obtain advice from your legal, financial, tax or other professional advisers on the effect of the Scheme becoming Effective.

10 As at the date of this Scheme Booklet, Ms. Megan Wynne (Executive Chair and Founder of APM) together with her husband, Mr. Bruce Bellinge holds or controls 318,580,868 APM Shares (representing 34.73% of the APM Shares on issue) and Mr. Michael Anghie (Group Chief Executive Officer and APM Director) holds or controls 21,955,657 APM Shares (representing 2.39% of the APM Shares on issue). The other APM Recommending Directors hold or control such number of APM Shares as set out in Section 13.5 of this Scheme Booklet.

In addition:

- (a) Ms. Megan Wynne, Executive Chair and Founder of APM, and entities associated with Ms. Megan Wynne, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$958,721.15, the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail; and
- (b) Mr. Michael Anghie, Group Chief Executive Officer of APM, and entities associated with Mr. Michael Anghie, will receive a cash payment as consideration in respect of the exercise of Performance Rights held by those persons which will vest automatically on the Effective Date, of a gross amount equal to \$2,684,419.80, the after-tax proceeds of which will be paid to Ancora TopCo at Implementation to subscribe for Series A Shares and Series B Shares. See Sections 13.5 and 13.6 for further detail.

Further detail on the treatment of APM Performance Rights under the Scheme is set out in Section 13.6 of this Scheme Booklet.

The APM IBC consider that, despite these arrangements and interests, it is important and appropriate for each of Ms. Wynne and Mr. Anghie to make a recommendation to the APM Shareholders in respect of the Scheme and the Item 7 Transaction, because:

- (a) of the importance of the Scheme (and the Item 7 Transaction to the Scheme) and their roles as APM Directors;
- (b) of their knowledge of APM and the industry in which it operates; and
- (c) in their view, the APM Shareholders would likely want to know their recommendations in respect of the Scheme. Each of Ms. Wynne and Mr. Anghie also consider that despite the arrangements and interests described above, it is appropriate for each of them to make a recommendation to the APM Shareholders in respect of the Scheme given the importance of the Scheme and their knowledge of APM and the industry in which it operates.

**(e) Results of the Scheme Meeting**

The results of the General Meeting and the Scheme Meeting will be available as soon as practicable after the conclusion of each Meeting and will be announced to ASX ([www.asx.com.au](http://www.asx.com.au)) once available.

**8.3 Second Court Hearing**

In the event that:

- (i) the Item 7 Resolution is approved by the Item 7 Majority of APM Shareholders at the General Meeting;
- (ii) the Scheme Resolution is approved by the Requisite Majorities of APM Shareholders at the Scheme Meeting; and
- (iii) all other Conditions Precedent (other than Court approval of the Scheme) have been satisfied (or, if applicable, waived),

then APM will apply to the Court for orders approving the Scheme at the Second Court Hearing, which is expected to be held on or around Wednesday, 25 September 2024 (though a different date may be sought). The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majorities of APM Shareholders at the Scheme Meeting.

**(a) Effective Date**

If the Court makes orders approving the Scheme, on the Effective Date, APM will lodge with ASIC an office copy of the Court orders given under section 411(4)(b) of the Corporations Act approving the Scheme and the Scheme will then become Effective. Once the Scheme becomes Effective:

- (i) Ancora BidCo will become bound to, as applicable, pay, or procure the payment of, the Scheme Consideration (in the manner described in Section 8.4 below) to the Scheme Shareholders on the Implementation Date; and
- (ii) subject to the payment of the aggregate Scheme Consideration by Ancora BidCo (as described in Section 8.4 *(Implementation of the Scheme – payment of Scheme Consideration and transfer of APM Shares)* below), APM will become bound to take the steps required for Ancora BidCo to become the holder of all APM Shares.

**(b) Suspension from trading in APM Shares on ASX**

If the Scheme becomes Effective, APM intends to apply to ASX for APM Shares to be suspended from trading on ASX from the close of trading on the Effective Date.

**(c) Scheme Record Date and entitlement to Scheme Consideration**

Those APM Shareholders on the APM Share Register at the Scheme Record Time (which is currently expected to be 7.00pm (Sydney time) on Monday, 30 September 2024) will be Scheme Shareholders and will be entitled to receive the Scheme Consideration in respect of the APM Shares they hold at that time.

**(i) Dealings on or prior to the Scheme Record Date**

For the purpose of determining the persons who are Scheme Shareholders, dealings in APM Shares will only be recognised if:

- (A) in the case of dealings of the type to be effected by CHESSE, the transferee is registered on the APM Share Register as a holder of the relevant APM Shares as at the Scheme Record Date; and
- (B) in all other cases, registrable transfers or transmission applications are received at the place where the APM Share Register is maintained by 11.00am (Sydney time) on the Scheme Record Date (in which case, APM must register such transfers or transmission applications before 7.00pm (Sydney time) on the Scheme Record Date).

APM will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, any transmission application or transfer in respect of APM Shares received after such times or received prior to these times and not in registrable form.

**(ii) Dealings after the Scheme Record Date**

For the purposes of determining entitlements to and the method of payment of the Scheme Consideration, APM will, until the Scheme Consideration has been paid to Scheme Shareholders and the name and address of Ancora BidCo has been entered in the APM Share Register as the holder of all the APM Shares, maintain the APM Share Register in accordance with the terms of the Scheme, and the APM Share Register in this form will solely determine entitlements to and the method of payment of the Scheme Consideration.

After 7.00pm (Sydney time) on the Scheme Record Date, each entry on the APM Share Register will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the APM Shares relating to that entry.

Any share certificates or statements of holding in respect of APM Shares shall, from the Scheme Record Date, cease to have any effect as documents of evidence of title in respect of such APM Shares.

## 8.4 Implementation of the Scheme – payment of Scheme Consideration and transfer of APM Shares

On the Scheme Implementation Date (which is currently expected to be Thursday, 10 October 2024), the Scheme will be implemented by APM and Ancora BidCo undertaking the following steps.

### (a) Provision of Aggregate Cash Consideration

If the Scheme becomes Effective, by no later than 5:00pm on the Business Day before the Implementation Date, Ancora BidCo must deposit, or procure the deposit of, an amount in Immediately Available Funds at least equal to the Aggregate Cash Consideration payable into the Trust Account, to be held on trust for the Scheme Shareholders, except that any interest on the amount deposited (less bank fees and other charges) will accrue to the benefit of Ancora BidCo.

On the Implementation Date, subject to the funds having been deposited by Ancora BidCo in the manner described in the previous paragraph, APM will pay, or procure the payment, from the Trust Account to each Scheme Shareholder that made a valid Election to receive the All Cash Election Option or the Mixed Consideration Option, an amount equal to the amount of Cash Consideration which that Scheme Shareholder is entitled to receive for each Scheme Share registered in the name of that Scheme Shareholder as at the Scheme Record Date by (in APM's absolute discretion and despite any election made or given by the Scheme Shareholder):

- (i) paying, or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder, where the Scheme Shareholder has made a valid election prior to the Scheme Record Date in accordance with the requirements of the APM Share Registry to receive dividend payments from APM into that bank account;
- (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder by an appropriate authority received from the Scheme Shareholder to APM;
- (iii) by Global Wire Payment Service, if a Scheme Shareholder has made a valid election prior to the Scheme Record Date in accordance with the requirements of the APM Share Registry to receive payment electronically in their local currency using the APM Share Registry's Global Wire Payment Service;<sup>11</sup> or
- (iv) sending or procuring the dispatch to each Scheme Shareholder by prepaid ordinary post to the address of the Scheme Shareholder recorded in the APM Share Register as at the Scheme Record Date of a pre-printed cheque for the aggregate amount of Scheme Cash Consideration due to that Scheme Shareholder in accordance with the Scheme.

Cheques will not be issued to Scheme Shareholders in New Zealand or Papua New Guinea. Scheme Shareholders with a registered address in New Zealand or Papua New Guinea must nominate a valid bank account before the Scheme Record Date to receive the Scheme Consideration directly into their bank account. If Scheme Shareholders in New Zealand or Papua New Guinea do not provide their bank account details, the Scheme Cash Consideration payable to that Scheme Shareholder will be withheld pending receipt of payment instructions.

Scheme Shareholders in other jurisdictions who have not nominated a valid bank account, will have their Scheme Consideration sent by cheque in Australian dollars to their address shown on the APM Share Register.

You can nominate a bank account or update your bank account details online at [www.investorcentre.com/au](http://www.investorcentre.com/au). If you have already registered, log in using your User ID and password. If you are not a member you will need your HIN/SRN to register. The new user registration process requires an account verification code to be mailed to your registered address as an additional layer of security to protect your securityholding. Please allow sufficient time for delivery of the verification code so that you can update your bank account details before the Scheme Record Date.

### (b) Provision of Aggregate Scrip Consideration

Subject to the Scaleback Mechanism, Ancora TopCo must, and Ancora BidCo must procure that Ancora TopCo does, before 12:00pm on the Implementation Date (or such other time as APM and Ancora BidCo may agree in writing):

- (i) issue and allot the Scrip Consideration to each Scheme Shareholder who has made a valid Election, or is otherwise deemed to have validly Elected, to receive Scrip Consideration in accordance with the Scheme and Deed Poll in respect of that Scheme Shareholder's Scheme Shares; and
- (ii) procure that the name and address of each such Scheme Shareholder is entered into the Ancora TopCo Register in respect of the Scrip Consideration to which it is entitled under the Scheme (either directly or indirectly through the Custodian to hold as bare trustee for the relevant Scheme Shareholders pursuant to and in accordance with the terms of this Scheme and the Ancora TopCo Shareholders' Deed).

Within 5 Business Days after the Implementation Date, Ancora TopCo must send, or procure the sending of, a certificate or other holding statement to each Scheme Shareholder and/or the Custodian (if applicable) who received Scrip Consideration under this Scheme, reflecting the issue of such Scrip Consideration, to their Registered Address or as otherwise validly directed by the relevant Scheme Shareholder or the Custodian (as applicable).

<sup>11</sup> The amount received by an APM Shareholder in their local currency through the APM Share Registry's Global Wire Payment Service will depend on the prevailing currency exchange rate and the spread applied by the service provider making payments in the local currency.



**(c) APM Shares held in joint names**

In the case of APM Shares held by Scheme Shareholders in joint names:

- (i) any Cash Consideration is payable to the joint holders of Scheme Shares and any cheque required to be sent under the Scheme will be made payable to the joint holders and sent to either, at the sole discretion of APM, the holder whose name appears first in the APM Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account, in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
- (ii) any Scrip Consideration to be issued is to be issued to and registered in the names of the joint holders or, if Scrip Consideration is issued to the Custodian to hold as bare trustee for the joint holders, the joint holders will have joint beneficial ownership of that Scrip Consideration.

**(d) Implementation Date**

If the Scheme becomes Effective, it will be implemented on the Implementation Date. On that date, all APM Shares (other than those APM Shares on issue which are already held by Ancora BidCo or its related entities) will be transferred to Ancora BidCo, subject to the provision of the Scheme Consideration in the manner described above. The remaining APM Shares held by the Excluded Shareholders will also be transferred to Ancora BidCo on the Implementation Date immediately prior to implementation of the Scheme (via Ancora TopCo under the Conditional Transfer Agreement).

**(e) Warranties given by Scheme Shareholders under the Scheme**

If the Scheme is implemented, on the Implementation Date each Scheme Shareholder is deemed to have warranted to APM and Ancora BidCo, and appointed and authorised APM as its attorney and agent to warrant to Ancora BidCo, that all of their Scheme Shares (including any rights and entitlement attaching to those Scheme Shares) will, at the time of their transfer to Ancora BidCo pursuant to the Scheme, be fully paid, free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind, and that they have full power and capacity to sell and transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Ancora BidCo pursuant to the Scheme.

Each Scheme Shareholder is also deemed to have warranted to APM and Ancora BidCo, and appointed and authorised APM as its attorney and agent to warrant to Ancora BidCo, that the relevant Scheme Shareholder has no existing right to be issued any APM Shares, APM Equity Incentives or any other APM equity securities. APM undertakes that it will provide such warranty to Ancora BidCo on behalf of each Scheme Shareholder.

**(f) Delisting of APM**

Following implementation of the Scheme, APM will apply for the termination of the Official Quotation of APM Shares on the ASX and for APM to be removed from the Official List of the ASX by the close of trading on the trading day immediately following the Implementation Date.

**(g) End Date**

If the Scheme has not become Effective on or before the End Date (being the date that is eight months from the date of the Scheme Implementation Deed), either APM or Ancora BidCo is able to terminate the Scheme Implementation Deed. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

**(h) Copy of the APM Share Register**

Under sections 169 and 173 of the Corporations Act, any APM Shareholder has a right to inspect, and to ask for a copy of, the APM Share Register, which contains details of the registered name and address of each APM Shareholder. APM may require an APM Shareholder to provide reasons for their request prior to providing a copy of the APM Share Register, and an APM Shareholder must not use any information obtained for an improper purpose. A copy of the APM Share Register will be given to any APM Shareholder upon request and payment of the prescribed fee under the Corporations Act where APM is satisfied that the details provided are not likely to be used for an improper purpose.

**8.5 Indicative timetable**

An indicative timetable for the Scheme appears on pages 10 and 11 of this Scheme Booklet. All dates and times are indicative only and, among other things, are subject to the Court approval process and satisfaction or, where applicable, waiver of the Conditions Precedent. Any changes to the timetable (which may include an earlier or later date for the Scheme Meeting or Second Court Hearing) will be announced on the ASX and notified on APM's website (<https://www.apminvestors.net.au/>).

**8.6 Strategy and intentions for APM if the Scheme does not proceed**

If the Scheme does not proceed, the APM Board and management team intend to continue to operate the business of APM in a manner consistent with current practices. APM will continue to pursue its strategy outlined in Sections 9.3 (APM's business model — overview of operations) and 9.4 (APM's growth strategy).

# 9. Information on APM

This Section 9 provides key information on APM, including an overview of its operations and strategic priorities, the composition of its board and senior management, its capital structure, its recent share price history, its substantial shareholders and its historical financial information.

## 9.1 Overview of APM

APM was founded in 1994 and is headquartered in Perth, Australia.

APM is a leading international health and human services provider across multiple geographies and programs. APM's services include assessments, allied health and psychological intervention, medical, psycho-social and vocational rehabilitation, vocational training and employment assistance, and community-based support services. APM's focus is on enhancing a person's health and wellbeing, independence, employability, and social and economic participation in their community.

## 9.2 Operations

APM's strategy is to build a long-term sustainable health and human services business. Since listing on the ASX, APM has continued to deliver on this strategy which has included the award of key contracts, retaining contracts through re-tenders, diversifying its employment services business and investing in the establishment of a leading Australian allied health business to support growing client and market demand.

As a result of the execution of this strategy, today APM operates in 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore, and South Korea), with over 15,000 team members and who supported over 2 million people in FY23.

APM delivers these services through the following key service lines:

- **Employment Services:** Working with governments to deliver services to individuals who require support to find work, including those with injury, illness or disability, sole parents, youth, aged workers, ex-offenders, first nations people and people from culturally or linguistically diverse backgrounds. APM operates this service line in Australia, New Zealand, UK, Canada, USA, South Korea, Singapore, Germany, Switzerland, Sweden and Spain.
- **Health and Wellbeing:** Delivery of private, government, insurance and corporate health programs focused on prevention, rehabilitation (medical, psycho-social and vocational), allied health and psychological intervention services. APM operates this service line in Australia, New Zealand, UK, and Canada, with additional psychology services delivered by supply chain partners globally.
- **Communities and Assessment:** On behalf of Government, APM works with individuals to develop support plans for funded and non-funded support services. APM operates community-based programs in the youth, justice, homeless and veterans' sectors. APM's Communities and Assessment business operates in Australia, USA, UK, and New Zealand.
- **Disability and Aged Care Support Services:** Support services catering to the disability and aged care sectors, including plan management, support coordination and an on-demand home care services marketplace. These services are delivered in Australia.

Figure 2

# Global presence

## North America

USA, Canada

**547** locations

**5,041** team members

Sectors:



## United Kingdom (UK)

National presence

**159** locations

**2,067** team members

Sectors:



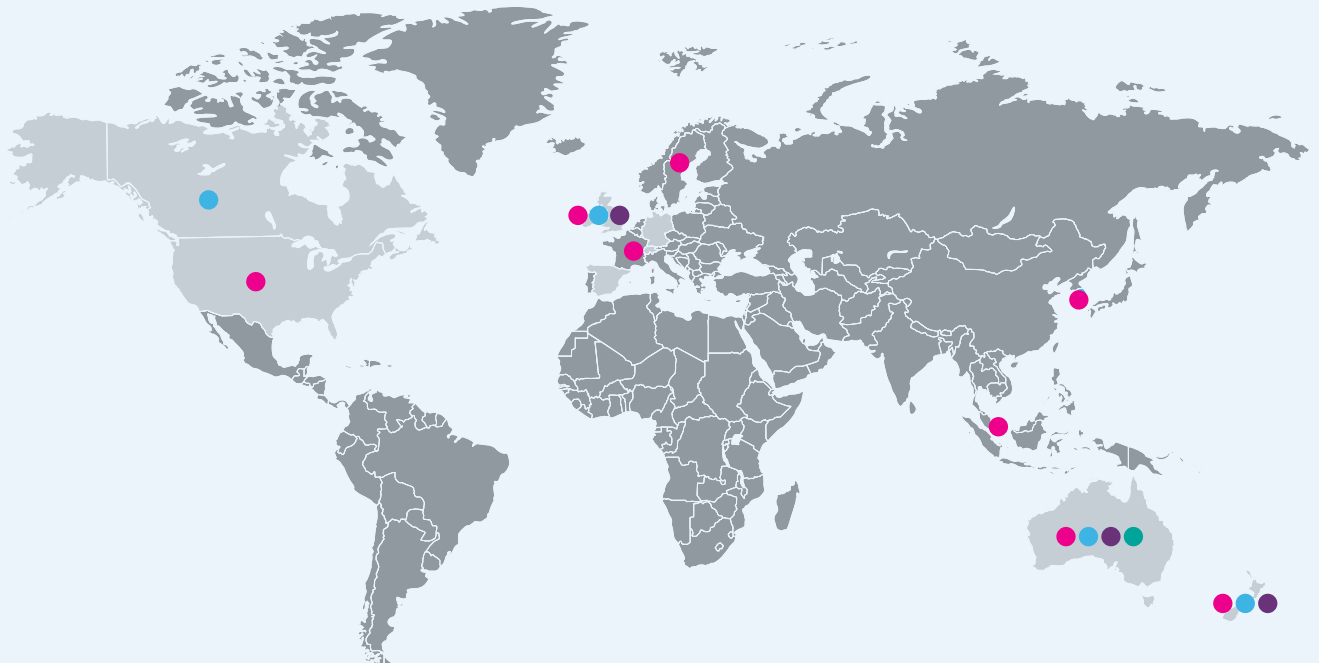
## Europe

Germany, Spain, Switzerland, Sweden

**109** locations

**586** team members

Sectors:



## Australia

National presence

**831** locations

**6,259** team members

Sectors:



## New Zealand

National presence

**38** locations

**297** team members

Sectors:



## Asia

South Korea, Singapore

**30** locations

**506** team members

Sectors:



**Employment  
Services**



**Health and  
Wellbeing**



**Communities  
and Assessments**



**Disability and  
Aged Care  
Support Services**

### 9.3 APM's business model — overview of operations

APM has a clear vision built on its purpose and core values. APM's purpose is simple: Enabling Better Lives, whether that be supporting a client to gain sustainable employment, rehabilitation post injury or illness, or to live as independently as possible.

#### (a) APM's critical success factors












APM believes its success has been driven by the following factors:

- **Dedicated people and aligned values:** APM focuses on attracting people with aligned values and has a team that is accountable, empathetic, responsive, and available with good decision-making capabilities. APM's model, policies, and procedures are implemented by local teams living in, and connected with, their communities, delivering locally tailored, nationally consistent quality services.
- **Delivering high quality outcomes for clients:** APM aims to ensure consistent service and performance across its business and APM has business partners and performance managers across key contracts who focus on performance and meeting contract KPIs. APM's quality management systems (ISO 9001 accredited since 2005) drive best practice, continuous improvement, and innovation.
- **Relationships with our customers:** APM has long-term relationships with its customers which are underpinned by its contract tenure and the foundation of aligned goals.
- **Large geographic footprint facing local markets:** APM's geographic footprint enables it to better interact with local communities and provides a better understanding of the local markets and stakeholders. APM's geographic footprint provides an established client network, accessibility across regions, and brand visibility which can be leveraged for growth.
- **Delivering on our promises:** APM has an uncompromising focus to deliver on its promises and has delivered many positive outcomes for its clients.

#### (b) APM's revenue model

APM contracts with various government departments and agencies, and corporations globally to provide services. While individuals participate in and are the primary beneficiaries of APM's programs and services, APM earns the majority of its revenue from programs that are funded by governments and corporations.

APM's contracts include a number of different revenue models, with service fee and outcome fee/payment by results contracts representing APM's most important sources of revenue.

Revenue model	Relevant service line	Description
<b>Service fee</b>	 	Initial fee for receiving and working with referrals, completing intake, assessing and providing advice. Service fees are generally a fixed amount  Can vary by individual due to the assessed level of difficulty to place each individual client into employment
<b>Outcome fee/payment by result or milestone</b>	 	Received after a client has been placed into a job, and then again at milestones after a client has sustained employment. The outcome fee may be based on the length of sustained employment (e.g. Australia), achieving an earnings threshold (e.g. UK) or achievement of a milestone (e.g. NDPP or NCS in UK)  Can vary by individual due to the assessed level of difficulty to place that individual into employment
<b>Cost reimbursement and cost plus</b>		Typically reimbursed for costs incurred to deliver the services and can include an allowance for providers to make a profit on the costs of providing the services. The profit is typically calculated as a specified percentage of direct costs
<b>Fixed fee</b>	  	Typically refers to an agreed amount that is fixed at the start of the contract and does not adjust with changes in volumes
<b>Fee for service</b>	  	Based on delivery of a service. Fee typically based on hourly rates, per assessment, per counselling session, per training program

#### Legend



Employment Services



Health and Wellbeing



Communities and Assessment




Disability and Aged Care Support Services

**(c) Key customers, stakeholders and contracts**

APM has multiple long-term customer relationships and delivers programs and services on behalf of a diverse customer base that includes government departments, agencies, and authorities (at the federal, state, and municipal level) and a number of corporations globally. A summary of APM's key contracts and programs are set out below.

The tenure of APM's contracts varies by geography. For example, in the USA, contract lengths are typically shorter, albeit rolling-over periodically, whilst in Australia, Canada and the UK, contracts are typically longer (e.g. three to five years) with options for the customer to extend.

Whilst APM does not for the most part contract with the individuals who participate in and benefit from APM's programs and services or employers who are seeking to fill vacant positions, they are key stakeholders. As the human services sector trend continues towards providing individuals with increased consumer choice and control, particularly in Employment Services in Australia, APM's reputation and brand is expected to become increasingly important. NDIS and Aged Care Support Services are also underpinned by client choice and control.

Contract/Program	Country	Customer	Key services	Contract start/tenure <sup>12</sup>	Contract renewal
Disability Employment Services (DES)		Australian Government Department of Social Services	Employment Services	2007	June 2025 (Option to June 2028)
Workforce Australia (WFA)		Australian Government Department of Employment and Workplace Relations	Employment Services	2009	June 2028
ADF – Vocational Rehabilitation		Bupa	Health & Wellbeing	2012	June 2024 (Option to June 2029)
Work and Health Program (WHP)		Department for Work & Pensions Greater Manchester Combined Authority (GMCA) Central London Forward	Employment Services	2008	September 2026
The Restart Scheme		Department for Work & Pensions Greater Manchester Combined Authority (GMCA) Central London Forward	Employment Services	2002	June 2026 (Currently in negotiation)
National Citizen Service (NCS)		National Citizen Service Trust	Communities & Assessment	2009	January 2025
Functional Assessment Service (FAS)		Department for Work & Pensions	Communities & Assessment	2023	March 2029
Rehabilitation Services and Vocational Assistance Program		Department of Veterans Affairs Canada	Health & Wellbeing	2009	August 2027
WorkBC		Ministry of Social Development & Poverty Reduction Province of British Columbia	Employment Services	1994	March 2027

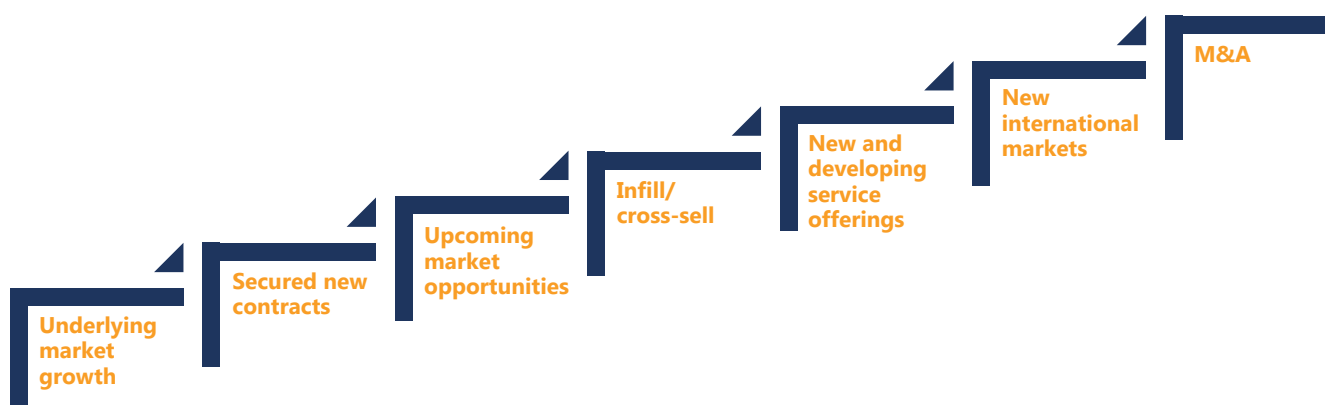
<sup>12</sup> Start date represents earliest iteration of the contract

Contract/Program	Country	Customer	Key services	Contract start/tenure <sup>12</sup>	Contract renewal
Ontario Employment Services Transformation		Ontario Ministry of Labour, Training and Skills Development	Employment Services	2020	March 2025 (Peel)/ March 2027 (York)/ December 2027 (Ottawa)
Job Corps		United States Department Labor	Employment Services	1976	Various
Workforce Innovation and Opportunity Act (WIOA)		United States Department Labor	Employment Services	2001	Various
Temporary Assistance for Needy Families (TANF)		United States Department of Health & Human Services	Employment Services	2001	Various

## 9.4 APM's growth strategy

APM's near to medium growth strategy over the next three years is focussed on seven key steps as outlined below.

Figure 3



### (a) Underlying market growth

Globally, the human services sector is growing on a per capita basis and as a percentage of GDP reflecting the increasing focus of governments on reducing socioeconomic inequality and managing structural labour changes. APM believes it is well placed to benefit from underlying growth in the human services market.

### (b) Secured new contracts

In the last 12 months, APM has secured several long-tenured contracts (not including renewals of existing contracts), including the Phase 3 Ontario Employment Services Transformation Program – Toronto region (Canada) and Penobscot Job Corps Center Contract (USA). These contracts will drive growth in the near term.

### (c) Upcoming market opportunities

APM leverages its global capability and experience to target key market opportunities and support stakeholders in developing future programs. There is a strong pipeline of upcoming tenders for which APM has been preparing.

**(d) Infill/cross-sell**

With its international footprint and diverse range of services, APM has opportunities to replicate existing service offerings in the international market, particularly around disability, allied health, and mental health.

**(e) New and developing service offerings**

Australia's National Disability Insurance Scheme (NDIS) represents the largest health related social reform in Australia since the introduction of Australia's Medicare system in 1984<sup>13</sup> and APM is well positioned to leverage its health and human service experience to expand into service provision as a registered provider of services.

In Australia, the increased focus on the delivery of high quality aged care services provides an opportunity for APM through the continued delivery of assessment services whilst seeking to leverage its allied health experience to further expand into service provision.

**(f) New international markets**

New markets are of interest to APM where there is a stakeholder that is committed to positive change. Given the continued focus on human services globally, APM continues to assess new markets and strategic opportunities internationally.

**(g) Mergers and acquisitions**

APM has a track record of expansion via acquisition and continues to assess, and execute on, merger and acquisition opportunities both domestically in Australia, as well as internationally to continue its expansion as a leading multinational human services provider while seeking to build a sustainable, long-term business.

## 9.5 APM Board and senior management

**(a) APM Directors**

APM's Board comprises the following members, as at the date of this Scheme Booklet:

APM Director	Current position
Megan Wynne	Founder and Executive Chair
Michael Anghie	Group Chief Executive Officer and Executive Director
Timothy Sullivan	Non-Executive Director
Elizabeth Betten	Non-Executive Director
William Ritchie	Non-Executive Director
Robert Melia	Independent Non-Executive Director
Simone Blank	Independent Non-Executive Director
Neville Power	Independent Non-Executive Director
Benjamin Wyatt	Independent Non-Executive Director

13 The National Disability Insurance Scheme – a review of the costs (Australian Government Productivity Commission, August 2017).

**(b) APM senior management**

APM's senior management comprises the following members, as at the date of this Scheme Booklet:

Name	Current position
Michael Anghie	Group Chief Executive Officer
Megan Wynne	Founder and Executive Chair
Mathew Cooper	Chief Financial Officer
Karen Rainbow	Chief Executive Officer, Employment Services
Fiona Monahan	Chief Executive Officer, UK
Jack Sawyer	Chief Executive Officer, Ingeus International, Assessment Services and Communities
Michele Grow	Chief Executive Officer, Mental Health and Wellness
Corina Della Posta	Chief Executive Officer, Therapy, Prevention and Rehab Services
Cait Hayes	Chief People Officer
Anthony Allcock	Chief Information Officer
Stephen Farrell	Chief Commercial Officer
Peter Torre	Chief Risk Officer and Company Secretary
Ian Taylor	Chief Strategy Officer
Peter Magill	Chief Development Officer

## 9.6 APM Recommending Director intentions

The Corporations Act requires a statement by the APM Recommending Directors of their intentions regarding APM's business.

If the Scheme is implemented, the APM Board will be reconstituted on the Implementation Date in accordance with instructions from Ancora BidCo (subject to the Scheme Consideration having been paid by Ancora BidCo in accordance with the Scheme). Ancora BidCo intends to replace some members of the APM Board and boards of other members of the APM Group with nominees of Ancora BidCo on the Implementation Date (noting that Megan Wynne will remain as a director of APM).

Accordingly, it is not possible for the APM Recommending Directors to provide a statement of their intentions regarding:

- the continuation of the business of APM or how APM's existing business will be conducted;
- any major changes to be made to the business of APM, including any redeployment of the fixed assets of APM; or
- the future employment of the present employees of APM,

in each case, after the Scheme is implemented.

If the Scheme is implemented, Ancora BidCo will have 100% ownership of APM and will control APM.

Ancora BidCo's current intentions in relation to APM and its directors and employees if the Scheme is implemented are set out in Section 10.6 (*Intentions if the Scheme is implemented*).

If the Scheme does not proceed, the APM Recommending Directors intend that APM will continue its current strategic plans and will remain listed on the ASX.

## 9.7 Capital Structure

As at the Last Practicable Date, there are:

- 917,181,946 APM Shares on issue and quoted on the ASX; and
- 12,364,179 APM Performance Rights issued under employee incentive arrangements.

APM does not anticipate that it will be required to issue any APM Shares or APM Performance Rights before the Implementation Date.



## 9.8 Recent APM Share price performance

APM Shares are listed on the ASX under the code 'APM'.

As at 16 February 2024, the Last Undisturbed Trading Date:

- the closing price of APM Shares on the ASX was \$0.83 per APM Share;
- the 3-month VWAP of APM Shares was \$0.96;
- the 6-month VWAP of APM Shares was \$1.26; and
- the 12-month VWAP of APM Shares was \$1.43.

On 3 June 2024, being the day of announcement of the Scheme Implementation Deed, the APM Share price closed at \$1.38. From 4 June 2024 to the Last Practicable Date, the closing prices of APM Shares has ranged between \$1.37 and \$1.43.

As at the Last Practicable Date:

- the closing price of APM Shares on the ASX was \$1.43;
- the 3-month VWAP of APM Shares was \$1.36;
- the 6-month VWAP of APM Shares was \$1.36; and
- the 12-month VWAP of APM Shares was \$1.37.

The graph below shows the closing APM Share price over the twelve months up to and including the Last Practicable Date.

**Figure 4:** APM share price performance over the twelve months up to and including the Last Practicable Date.



- October 2023:** share price at \$1.85 post AGM.
- November 2023:** Trading update and company outlook suggested muted growth in the near term due to strong headwinds such as caseloads being down 8-9% vs. the previous corresponding period. Share price drop from \$2.22 to \$1.76 per APM Share.
- January 2024:** 1H24 trading update shed light on a challenging operating environment with low unemployment, poor revenue mix, and uncertain recovery timing led to a price decline from \$1.33 to \$0.79 per APM Share.
- February 2024:** CVC puts through a Non-Binding acquisition proposal to acquire APM. Share price increased from \$1.41 to \$1.60 per APM Share.
- April 2024:** CVC withdraws offer and MDP puts forward non-binding proposal to acquire APM for \$1.40 per share. Share price dropped from \$1.63 to \$1.15 per APM Share.
- June 2024:** APM announces it has entered into the Scheme Implementation Deed with MDP to acquire the company for \$1.45 per share. Share price traded up from \$1.25 prior to the announcement to \$1.38 per APM Share post-announcement.

The current share price of APM Shares on the ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or APM's investor relations page (<https://www.apminvestors.net.au/>).

## 9.9 APM substantial shareholders

Based on the latest information provided to APM, the following persons were substantial holders with Relevant Interests of 5% or more in APM Shares:<sup>14</sup>

APM Shareholder	Number of APM Shares <sup>15</sup>	Voting power
Megan Wynne and Bellinge Holdings	318,580,868	34.73%
MDP Funds	266,719,701	29.08%
UBS AG and its related bodies corporate	46,214,397	5.04%

## 9.10 Historical financial information

### (a) Basis of preparation

This Section 9.10 contains a summary of the audited financial information relating to APM and the entities it controlled for the financial years ended 30 June 2022 (**FY22**) and 30 June 2023 (**FY23**) and reviewed interim financial information for the 6-month period ended 31 December 2023 (**H1FY24**). A trading update is presented on a preliminary unaudited and underlying basis for the financial year ended 30 June 2024 (FY24) in Section 9.11 (Trading update).

The financial information in this Scheme Booklet is in abbreviated form and does not contain all of the presentations and disclosures that are usually provided in an annual report or half-yearly report (as applicable) prepared in accordance with the Corporations Act, and should therefore be read in conjunction with the financial statements of APM for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

Further details about APM's financial performance can be found on APM's <https://www.apminvestors.net.au/>.

<sup>14</sup> These shareholdings are as disclosed to APM by the shareholders in substantial holding notices or otherwise. Information in regard to substantial holdings arising, changing or ceasing after this time or in respect of which the relevant announcement is not available on the ASX website ([www.asx.com.au](http://www.asx.com.au)) is not included above.

<sup>15</sup> This refers to the number of APM Shares in which the person or any associate has a Relevant Interest as noted in the substantial holder notice.

	6 months ending 31 December 2023 \$'000	12 months ending 30 June 2023 \$'000	12 months ending 30 June 2022 \$'000
Revenue from contracts with customers	1,115,176	1,893,806	1,328,128
Other income	1,598	2,638	2,594
<b>Total income</b>	<b>1,116,774</b>	<b>1,896,444</b>	<b>1,330,722</b>
People costs	(756,614)	(1,212,612)	(801,279)
Client support costs	(109,933)	(130,012)	(105,556)
Administration	(48,802)	(92,228)	(55,739)
Marketing	(7,061)	(14,559)	(10,019)
Travel expenses	(9,299)	(18,389)	(7,813)
Occupancy expenses	(42,003)	(73,109)	(44,616)
Other operating costs	(17,664)	(28,148)	(49,566)
Other gains/(losses)	8,861	15,886	(9,741)
Depreciation and amortisation	(75,538)	(139,987)	(122,364)
Net finance costs	(38,194)	(57,989)	(95,149)
<b>Profit before income tax</b>	<b>20,527</b>	<b>145,297</b>	<b>28,880</b>
Income tax (expense)/benefit	(3,529)	(36,597)	11,855
<b>Profit for the year</b>	<b>16,998</b>	<b>108,700</b>	<b>40,735</b>
<b>Profit is attributable to</b>			
Owners of APM Human Services International Limited	16,489	107,375	41,126
Non-controlling interests	509	1,325	(391)
	<b>16,998</b>	<b>108,700</b>	<b>40,735</b>
<b>Other comprehensive income/(loss), net of tax</b>			
Exchange differences on translation of foreign operations	(9,596)	(4,976)	1,577
Other comprehensive income	(192)	(33)	(114)
<b>Other comprehensive income/(loss) for the year</b>	<b>(9,788)</b>	<b>(5,009)</b>	<b>1,463</b>
<b>Total comprehensive income for the year</b>	<b>7,210</b>	<b>103,691</b>	<b>42,198</b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Owners of APM Human Services International Limited	6,701	102,366	42,589
Non-controlling interests	509	1,325	(391)
	<b>7,210</b>	<b>103,691</b>	<b>42,198</b>
<b>Underlying and Statutory results at EBITDA and NPATA</b>			
Statutory EBITDA (\$m)	<b>134.3</b>	<b>343.3</b>	<b>246.4</b>
Underlying EBITDA (\$m)	<b>147.8</b>	<b>365.0</b>	<b>308.0</b>
Statutory NPATA (\$m)	<b>43.6</b>	<b>158.5</b>	<b>92.3</b>
Underlying NPATA (\$m)	<b>55.0</b>	<b>178.2</b>	<b>166.3</b>

**(b) Consolidated statement of financial position**

	31 December 2023 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	106,705	106,846	171,392
Trade and other receivables	186,908	195,856	114,918
Accrued revenue	286,158	337,795	190,298
Inventory	51	–	–
Current tax receivables	7,866	–	–
Derivative financial instruments	–	–	17,463
Prepayments	61,656	43,639	38,475
<b>Total current assets</b>	<b>649,344</b>	<b>684,136</b>	<b>532,546</b>
<b>Non-current assets</b>			
Property, plant and equipment	44,232	49,019	55,629
Right-of-use assets	118,438	135,728	80,494
Intangible assets	2,169,066	2,199,790	1,968,406
Prepayments	16,835	27,209	9,413
Other non-current assets	12,589	12,548	11,584
Deferred tax assets	37,696	38,385	20,455
<b>Total non-current assets</b>	<b>2,398,856</b>	<b>2,462,679</b>	<b>2,145,981</b>
<b>Total assets</b>	<b>3,048,200</b>	<b>3,146,815</b>	<b>2,678,527</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	64,585	67,312	70,880
Accrued expenses	128,723	141,090	87,925
Interest-bearing liabilities	71,511	64,739	45,723
Current tax liabilities	–	5,208	20,795
Deferred revenue	84,171	78,122	87,493
Provisions	47,351	57,543	41,587
Other current liabilities	44,746	2,734	9,567
<b>Total current liabilities</b>	<b>441,087</b>	<b>416,748</b>	<b>363,970</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	978,318	962,974	644,841
Deferred tax liabilities	88,144	96,608	65,936
Provisions	24,398	34,139	34,802
Other non-current liabilities	19,676	78,268	37,145
Deferred revenue	41,376	60,536	52,071
<b>Total non-current liabilities</b>	<b>1,151,912</b>	<b>1,232,525</b>	<b>834,795</b>
<b>Total liabilities</b>	<b>1,592,999</b>	<b>1,649,273</b>	<b>1,198,765</b>
<b>Net assets</b>	<b>1,455,201</b>	<b>1,497,542</b>	<b>1,479,762</b>
<b>EQUITY</b>			
Contributed equity	1,449,630	1,449,630	1,449,630
Other reserves	(25,561)	(13,949)	(12,489)
Retained Earnings	25,154	54,717	39,093
<b>Equity attributable to the owners of APM</b>	<b>1,449,223</b>	<b>1,490,398</b>	<b>1,476,234</b>
Non-controlling interests	5,978	7,144	3,528
<b>Total Equity</b>	<b>1,455,201</b>	<b>1,497,542</b>	<b>1,479,762</b>

**(c) Consolidated statement of cash flows**

	6 months ending 31 December 2023 \$'000	12 months ending 30 June 2023 \$'000	12 months ending 30 June 2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST and VAT)	1,247,052	2,013,509	1,427,664
Payments to suppliers and employees (inclusive of GST and VAT)	(1,120,106)	(1,770,972)	(1,146,140)
Share issue costs (uncapitalised)	–	–	(36,326)
Interest received	670	1,118	210
Income tax paid	(24,379)	(39,298)	(28,272)
<b>Net cash flows from operating activities</b>	<b>103,237</b>	<b>204,357</b>	<b>217,136</b>
<b>Cash flows used in investing activities</b>			
Payment for property, plant and equipment and intangibles	(13,854)	(46,617)	(70,864)
Receipts/(payment) for security deposits	106	1,044	(5,375)
Payment for acquisition of subsidiaries, net of cash acquired	(9,361)	(283,831)	(176,060)
Proceeds from sale of property, plant and equipment	–	33	78
<b>Net cash used in investing activities</b>	<b>(23,109)</b>	<b>(329,371)</b>	<b>(252,221)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares	–	–	343,522
Share issue costs (capitalised)	–	–	(11,758)
Proceeds from borrowings	74,619	363,724	14,855
Repayment of borrowings	(38,659)	(98,146)	(167,835)
Principal elements of lease payments	(33,953)	(61,206)	(44,907)
Interest paid	(35,703)	(50,966)	(33,002)
Distribution to minority holders	(714)	(1,220)	–
Dividends paid to company shareholders	(45,859)	(91,718)	–
<b>Net cash from financing activities</b>	<b>(80,269)</b>	<b>60,468</b>	<b>100,875</b>
Net (decrease)/increase in cash and cash equivalents held	(141)	(64,546)	65,790
Cash and cash equivalents at beginning of year	106,846	171,392	106,781
Net foreign exchange differences	–	–	(1,179)
<b>Cash and cash equivalents at end of the year</b>	<b>106,705</b>	<b>106,846</b>	<b>171,392</b>

## 9.11 Trading update

### (a) Basis of preparation

This Section 9.11 contains a trading update for the financial year ended 30 June 2024 (FY24). This information is presented on an underlying and preliminary unaudited basis reflecting the most current information available to management. The information in this section remains preliminary until completion of the audit of APM's FY24 financial results and APM releases its full financial results for FY24, which it expects to release towards the end of August 2024. The "underlying" measurement is a non-IFRS measure that APM's management use and is consistent with APM's historic reporting to supplement those reports presented in accordance with Australian accounting standards and IFRS to permit a more complete and comprehensive analysis of APM's underlying operating performance. The trading update is prepared on an "underlying" basis excluding the impact of acquisition and integration related costs including redundancies, impairments and other one-time, non-recurring events.

### (b) APM Group FY24 results

Revenue, underlying EBITDA and underlying NPATA for FY24 is estimated to be \$2,332 million, \$281 million, and \$95 million (vs. \$1,897 million, \$365 million and \$178 million in FY23). These results are in line with the trading update provided on 8 April 2024.

\$m	FY2024 preliminary unaudited	FY2023 actual	Var (\$)	Var (%)
<b>Group revenue</b>	<b>\$2,332</b>	<b>\$1,897</b>	<b>\$435</b>	<b>22.9%</b>
<b>Group underlying EBITDA<sup>16</sup></b>	<b>\$280</b>	<b>\$365</b>	<b>(\$85)</b>	<b>(23.0%)</b>
<b>Margin %</b>	<b>12%</b>	<b>19%</b>		
<b>Group underlying NPATA<sup>17</sup></b>	<b>\$95</b>	<b>\$178</b>	<b>(\$83)</b>	<b>(46%)</b>
<b>Margin %</b>	<b>4%</b>	<b>9%</b>		

Net debt is estimated to be approximately \$800 million at 30 June 2024 (vs \$774 million at 30 June 2023).

\$m	FY2024 preliminary unaudited	FY2023 actual	Var (\$)	Var (%)
<b>Cash</b>	<b>\$116</b>	<b>\$107</b>	<b>\$9</b>	<b>9%</b>
<b>Debt</b>	<b>\$916</b>	<b>\$880</b>	<b>\$36</b>	<b>4%</b>
<b>Net debt (30 June)</b>	<b>\$800</b>	<b>\$774</b>	<b>\$26</b>	<b>3%</b>

APM had revenue growth of \$435 million (up 23%) to \$2,332 million on FY23 driven by a full year contribution from Equus in the US and Everyday Independence in Australia, as well as organic growth across the Australian Health business. This revenue growth was partially offset by a reduction in revenue from Employment Services programs in Australia and the UK.

Underlying EBITDA of \$280 million and underlying NPATA of \$95 million were both down 23% and 46% respectively on FY23, driven primarily by reduced contribution from performance-based Employment Services contracts due to lower client flow across Australia in DES and Workforce Australia and the Restart Scheme in the UK with an increased investment in support activity to sustain contract performance. Underlying NPATA was also impacted by the same programs as well as an increase in interest expense compared to FY23 as a result of additional debt and increased interest rates.

Underlying EBITDA margin of 12% was 7 percentage points lower than in FY23, impacted by the factors noted above as well as a change in the mix of earnings with a greater contribution from the cost-plus, lower margin US business. EBITDA growth in the Health business is largely attributable to the full-year earnings from Everyday Independence, with organic revenue growth in Health offset by the continued investment in and scaling of the allied health and NDIS business in FY24.

The carrying value of intangibles, including goodwill and customer contracts is reviewed as part of the year end audit process and totaled \$2,169 million at 31 December 2023. Whilst the audit process is ongoing as at the date of this Scheme Booklet, based on the offer price under the Scheme, there is an indicator of impairment that is in the process of being assessed. This indicates a preliminary unaudited impairment range of \$250 million to \$350 million, noting that there are various factors which can influence the impairment assessment.

Any impairment expense arising as a result of the completion of this process is non-cash and is excluded from the underlying results and APM's covenant calculations. Any such impairment expense will not have any impact on the Scheme.

<sup>16</sup> Underlying EBITDA (earnings before interest, tax, depreciation and amortisation) adjusts for the impact of acquisition and integration related costs including redundancies, impairments and other one-time, non-recurring events.

<sup>17</sup> Underlying NPATA (net profit after tax and after adding back contract amortisation expense) adjusts, on a tax-effected basis, for the impact of acquisition and integration related costs including redundancies, impairments and other one-time, non-recurring events.

**(c) Segment performance**

\$m	FY2024 preliminary unaudited	FY2023 actual	Var (\$)	Var (%)
<b>ANZ revenue</b>	\$862	\$817	\$45	5.5%
<b>RoW revenue</b>	\$400	\$437	(\$37)	(8.5%)
<b>North America revenue</b>	\$1,070	\$643	\$427	66.4%
<b>Group revenue</b>	<b>\$2,332</b>	<b>\$1,897</b>	<b>\$435</b>	<b>22.9%</b>
<b>ANZ underlying NPATA</b>	\$25	\$85	(\$60)	(70.5%)
<b>RoW underlying NPATA</b>	\$22	\$50	(\$28)	(56.0%)
<b>North America underlying NPATA</b>	\$48	\$44	\$4	9.1%
<b>Group underlying NPATA</b>	<b>\$95</b>	<b>\$178</b>	<b>(\$83)</b>	<b>(46%)</b>
<b>Margin %</b>	<b>4%</b>	<b>9%</b>		

**(d) ANZ segment (Australia and New Zealand)**

- (i) Revenue growth of \$45 million (5.5%) to \$862 million in FY24 was attributable to full year revenue contribution from Everyday Independence in Australia acquired in February 2023 and continued organic growth in existing Health businesses offset by a reduction in revenue from Employment Services due to lower client flow in DES and Workforce Australia.
- (ii) Underlying NPATA declined \$60 million (70.5%) to \$25 million in FY24, attributable to:
- (A) reduced contribution from performance-based Employment Services contracts due to lower client flow across DES and Workforce Australia impacted by sustained, historic low levels of unemployment. Caseloads are more challenging to support in a low unemployment cycle with an increased investment in support activity to sustain strong contract key performance indicators;
  - (B) subdued margin growth in Health due to investment in the attraction and retention of talent and systems to support the long term growth of the Allied Health and NDIS business; and
  - (C) additional interest expense associated with higher interest rates and debt levels across FY24, with APM Group debt and interest costs all recorded in Australia.

**(e) The North America segment (Canada and the United States)**

- (i) Revenue growth of \$427 million (66.4%) to \$1,070 million in FY24 was attributable to:
- (A) revenue growth in the US driven by a full year contribution of revenue from Equus; and
  - (B) revenue growth in Canada driven in part from a full year contribution of the RSVP contract commencing in December 2022, increased contribution from the York region, and the commencement of the Ottawa contract as part of the Ontario Employment Transformation program.
- (ii) Underlying NPATA increased \$4 million (9.1%) to \$48 million in FY24, which was attributable to a lower percentage margin in part due to the increased contribution of US contracts through Equus which delivers lower yet more stable margin through contracts with less volume volatility in North America.

**(f) The Rest of World segment (UK, Sweden, Germany, Switzerland, Spain South Korea and Singapore)**

- (i) Revenue declined \$37 million (8.5%) to \$400 million in FY24, which was mainly attributable to:
- (A) lower revenue primarily due to lower client flow in the UK Restart Scheme program and the end of the short term COVID-19 relief JETS program in the UK (Job Entry Targeted Scheme, JETS contributed \$18.0 million revenue in H1 FY23). This was partly offset by an increase in contribution from Work and Health Programme and the National Citizen Service program; and
  - (B) outside of the UK, the "rest of the world" was largely in line with FY23 on an underlying basis.
- (ii) Underlying NPATA decreased \$28 million (56.0%) to \$22 million in FY24 attributable to reduced contribution from performance-based Employment Services contracts due to lower client flow across the Restart Scheme driven by historic low levels of unemployment. Caseloads are more challenging to support in a low unemployment cycle with an increased investment in support activity to sustain contract performance.

## 9.12 Material changes to the financial position of APM since 31 December 2023

Other than:

- the accumulation of earnings and movements in working capital in the ordinary course of trading;
- additional debt of \$17.5 million, drawn on 1 July 2024 to pay a fixed deferred consideration amount for the acquisition of Everyday Independence; and
- as disclosed in this Scheme Booklet or as otherwise disclosed to ASX by APM, within the knowledge of the APM Recommending Directors,

the financial position of APM has not materially changed since 31 December 2023, being the date of the APM financial statements for the half year ended 31 December 2023 (released to ASX on 28 February 2024).

APM Shareholders may obtain a copy of the APM 2024 Half Year Report (including its auditor reviewed financial statements in respect of the half year ended 31 December 2023) from ASX's website ([www.asx.com.au](http://www.asx.com.au)), from APM's website (<https://www.apminvestors.net.au/>) or by calling the APM Shareholder Information Line on 1300 396 568 (within Australia) and 03 9415 4126 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday (excluding public holidays).

## 9.13 Financing

APM currently has syndicated multi-currency term and revolving corporate facilities totalling A\$1,140 million in aggregate. The financing is provided across 6 tranches as set out in the table below (the **Existing Facilities**).

Facility	Amount (A\$)	Maturity Date
A	200,000,000	31 January 2027
A1	163,000,000	20 July 2025
A2	87,000,000	20 July 2027
B	100,000,000	31 January 2026
B1	360,000,000	20 July 2025
B2	230,000,000	20 July 2027

The average costs of the Existing Facilities stand at 282 basis points above BBSY at the current levels of debt (i.e., an average margin of 282 basis points).

APM has also signed debt commitment papers with certain Goldman Sachs entities for new secured facilities of up to A\$1,310 million (the **New Facilities**) which may be used for the purposes of, among other things, refinancing the Existing Facilities. Key terms of the New Facilities include a covenant lite six year term loan of A\$950 million, a delayed draw term loan of A\$210 million and a five year revolving facility of A\$150 million, with a margin of 500 basis points, which is approximately 218 basis points higher than the average margin (of 282 basis points) applicable to the Existing Facilities at the current debt levels.

If the Scheme is implemented, the Existing Facilities will be refinanced by Ancora BidCo's Debt Acquisition Facilities. The average margin of Ancora BidCo's Debt Acquisition Facilities is substantially similar to the average margin of the New Facilities described above. See Section 10.5(d) (*Debt funding*) for further detail.

If the Scheme is not implemented, APM may elect to either:

- maintain the Existing Facilities; or
- implement the New Facilities for the purposes of refinancing the Existing Facilities.

## 9.14 Publicly available information

APM is a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

These obligations require APM to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market. APM has an obligation under the Listing Rules (subject to some exceptions) to notify the ASX immediately upon becoming aware of any information concerning it, which a reasonable person would expect to have a material effect on the price or value of APM Shares. APM's recent ASX announcements are available on the ASX website at [www.asx.com.au](http://www.asx.com.au). Further announcements will continue to be made available on the ASX website after the date of this Scheme Booklet.

Pursuant to the Corporations Act, APM is required to prepare and lodge with ASIC and the ASX both annual and half yearly consolidated financial statements accompanied by an APM Directors' statement and report, with an audit or review report, as applicable. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office, on the ASX's website ([www.asx.com.au](http://www.asx.com.au)) and on APM's website (<https://apm.net.au/>).



# 10. Information about MDP and the MDP Group

## 10.1 Introduction

This Section 10 contains information concerning MDP and the MDP Group, including information on the Ancora TopCo Shares, how the Scheme Consideration will be funded and the MDP Group's intentions in relation to APM if the Scheme is implemented.

This Section 10 forms part of the MDP Information. It has been prepared by Ancora BidCo and is the responsibility of Ancora BidCo. APM and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

## 10.2 Overview of MDP and the MDP Group

### (a) Bidder Group

Ancora BidCo is a direct wholly-owned subsidiary of Ancora MidCo III, which in turn is a direct wholly-owned subsidiary of Ancora MidCo II, which in turn is a direct wholly-owned subsidiary of Ancora MidCo I, which in turn is a direct wholly-owned subsidiary of Ancora TopCo (together, the **Bidder Group**). Each member of the Bidder Group is directly or indirectly wholly-owned by the MDP Funds as shown in Diagram 1 below.

Ancora BidCo is a special purpose company that was incorporated on 22 May 2024 for the purpose of acquiring all of the APM Shares. Ancora BidCo is an unlisted private Australian company and has not undertaken any trading activities. All of the shares in Ancora BidCo are owned by Ancora MidCo III and will continue to be so held on and from the Implementation Date. If the Scheme becomes Effective, Ancora BidCo will hold all of the APM Shares on the Implementation Date.

Ancora MidCo III is a special purpose company that was incorporated on 22 May 2024 for the purpose of holding all of the shares in Ancora BidCo. Ancora MidCo III is an unlisted private Australian company and has not undertaken any trading activities. All of the shares in Ancora MidCo III are owned by Ancora MidCo II and will continue to be so held on and from the Implementation Date.

Ancora MidCo II is a special purpose company that was incorporated on 22 May 2024 for the purpose of holding all of the shares in the Ancora MidCo III. Ancora MidCo II is an unlisted private Australian company and has not undertaken any trading activities. All of the shares in Ancora MidCo II are owned by Ancora MidCo I and will continue to be so held on and from the Implementation Date.

Ancora MidCo I is a special purpose company that was incorporated on 22 May 2024 for the purpose of holding all of the shares in the Ancora MidCo II. Ancora MidCo I is an unlisted private Australian company and has not undertaken any trading activities. All of the shares in Ancora MidCo I are owned by Ancora TopCo and will continue to be so held on and from the Implementation Date.

### **(b) MDP Funds**

The MDP Funds collectively make up the Madison Dearborn Capital Partners VIII Fund, which has total capital commitments in aggregate from investors of US\$5 billion. Each of the MDP Funds has a general partner which is an MDP Group Member.

The limited partner investors in the MDP Funds consist of purely passive investors. Such investors in the MDP Funds do not have any power or influence over any operational decision with respect to the relevant MDP Funds or the entities in which they hold direct or indirect interests. Each MDP Fund is managed on a commercial basis and is operated to provide commercial returns for its investors.

The following funds which comprise the MDP Funds will be indirectly participating in the Scheme and have an ownership interest in the Bidder Group:

- (i) **Madison Dearborn Capital Partners VIII-A, L.P.** (a Delaware limited partnership)
- (ii) **Madison Dearborn Capital Partners VIII-C, L.P.** (a Delaware limited partnership)
- (iii) **Madison Dearborn Capital Partners VIII Executive-A, L.P.** (a Delaware limited partnership)
- (iv) **Madison Dearborn Capital Partners VIII Executive-A2, L.P.** (a Delaware limited partnership)

The MDP Funds currently hold together 29.08% of the shares in APM. As further detailed in Section 10.5 of this Scheme Booklet, the MDP Funds will apply for shares in Ancora TopCo upon implementation of the Scheme as part of the Equity Funding.

### **(c) MDP**

MDP is a private equity investment firm based in Chicago. Since MDP's formation in 1992, the firm has raised aggregate capital of over US\$31 billion through its private equity funds and is currently investing out of its eighth fund, which has aggregate capital commitments of US\$5 billion. MDP has completed over 160 platform investments and invests across four dedicated industry verticals: basic industries; technology and government services; financial and transaction services; and healthcare. MDP's objective is to invest in companies in partnership with outstanding management teams.

The MDP Funds original investment in APM was each of their first direct investments into Australia. Further information on MDP is available from its website at <https://www.mdcp.com/>. MDP is regulated by the U.S. Securities and Exchange Commission as a registered investment adviser and a copy of its Form ADV filing can be located here: <https://adviserinfo.sec.gov/firm/summary/157349>.

### **(d) Ancora TopCo**

#### **(i) General overview and capital structure**

Ancora TopCo is a special purpose company that was incorporated on 22 May 2024 for the purposes of:

- (A) holding all of the shares in Ancora MidCo I;
- (B) issuing Series A Shares and Series B Shares to the MDP Shareholders in connection with the Conditional Transfer Agreement;
- (C) issuing Series A Shares and Series B Shares to each of the MDP Funds in connection with the Equity Commitment Letters;
- (D) issuing Series A Shares and Series B Shares to the Quadrant Funds and the Quadrant Affiliate(s) in connection with the Co-Investment Commitment;
- (E) issuing Series A Shares and Series B Shares to any additional co-investors (to the extent there are any); and
- (F) issuing Scrip Consideration in the form of Series A Shares and Series B Shares to those eligible APM Shareholders who validly elect to receive their Scheme Consideration wholly or partly in the form of Scrip Consideration in accordance with the Scheme.

Ancora TopCo is an unlisted public Australian company and has not undertaken any trading activities. All of the ordinary shares in Ancora TopCo are currently owned by the entities which together comprise the MDP Funds, with each having a 25% interest.

**(ii) Directors**

As at the Last Practicable Date, the directors of each Bidder Group Member are Ms. Elizabeth Betten, Mr. William Ritchie and Ms. Swapna Keskar. Additionally, Mr. Mark Langan has been appointed as a director to Ancora TopCo.

The Bidder Group intends to supplement or replace these directors with additional nominees, pursuant to its right to do so under the Ancora TopCo Shareholders' Deed.

The Bidder Group has not identified which other persons might join the boards of the Bidder Group.

It is proposed that Ms. Swapna Keskar and Mr. Mark Langan will be removed as directors on implementation of the Scheme. Brief profiles of the current directors of the Bidder Group who are proposed to remain as directors post-Implementation are below.

Following Implementation of the Transaction, it is anticipated that Megan Wynne (Executive Chair and Founder of APM) together with her Affiliates will be entitled under the Ancora TopCo Shareholders' Deed to appoint between two and three directors to the Ancora TopCo Board (of whom Megan Wynne will be one of the directors), depending on the aggregate Adjusted Series B Shareholding of Megan Wynne and her Affiliates.

**Ms. Elizabeth Betten**

Elizabeth was appointed to the APM Board in 2020 as a Non-Executive Director.

Elizabeth is a Managing Director at MDP and Co-Head of the Healthcare team. Elizabeth currently serves on the Board of Directors of APM, Sevita, CareRing Health, Option Care Health, Inc. (Nasdaq: OPCH), and Solis Mammography, formerly served on the Board of Directors of Ikaria and was actively involved with Sirona Dental Systems. Elizabeth joined MDP in 2004 as an associate and re-joined after business school in 2008. Prior to MDP, she worked in investment banking in the health care group at J.P. Morgan.

Elizabeth also serves on the Board of the Stanley Manne Children's Research Institute of the Ann & Robert Lurie Children's Hospital of Chicago and the Stanford Graduate School of Business Trust. She is a Trustee of The Civic Federation and is also a member of The Chicago Network.

Elizabeth holds a Bachelor of Arts from Brown University and Master of Business Administration from Stanford University Graduate School of Business.

**Mr. William Ritchie**

Will was appointed to the APM Board in 2020 as a Non-Executive Director.

Will is a Managing Director at MDP with the Healthcare team. Prior to MDP, he was an Investment Banking Analyst in the Consumer, Retail and Healthcare Group at J.P. Morgan.

Will serves on the Board of Directors of APM, Sevita, CareRing Health, InMoment, and Kaufman Hall, formerly served on the Board of Directors of Syntellis and was actively involved with Ardonagh and Liquid Web.

Will holds a Bachelor of Arts from Yale University and a Master of Business Administration from Stanford University Graduate School of Business.

**(iii) Corporate governance**

Eligible APM Shareholders who make a valid Scrip Election will receive Series A Shares and Series B Shares under the Scheme.

Under the Scheme those persons agree to become shareholders of Ancora TopCo and be bound by the Ancora TopCo Shareholders' Deed (set out in Attachment D (*Ancora TopCo Shareholders' Deed*)) and the constitution of Ancora TopCo. A summary of the rights attaching to the Series A Shares, Series B Shares and Series C Shares is set out in Section 10.4(c) of this Scheme Booklet.

The board of directors of each Bidder Group Member will be responsible for the overall corporate governance of that entity, including adopting appropriate policies and practices and seeking to ensure that its directors and employees (if any) fulfil their functions effectively and responsibly.

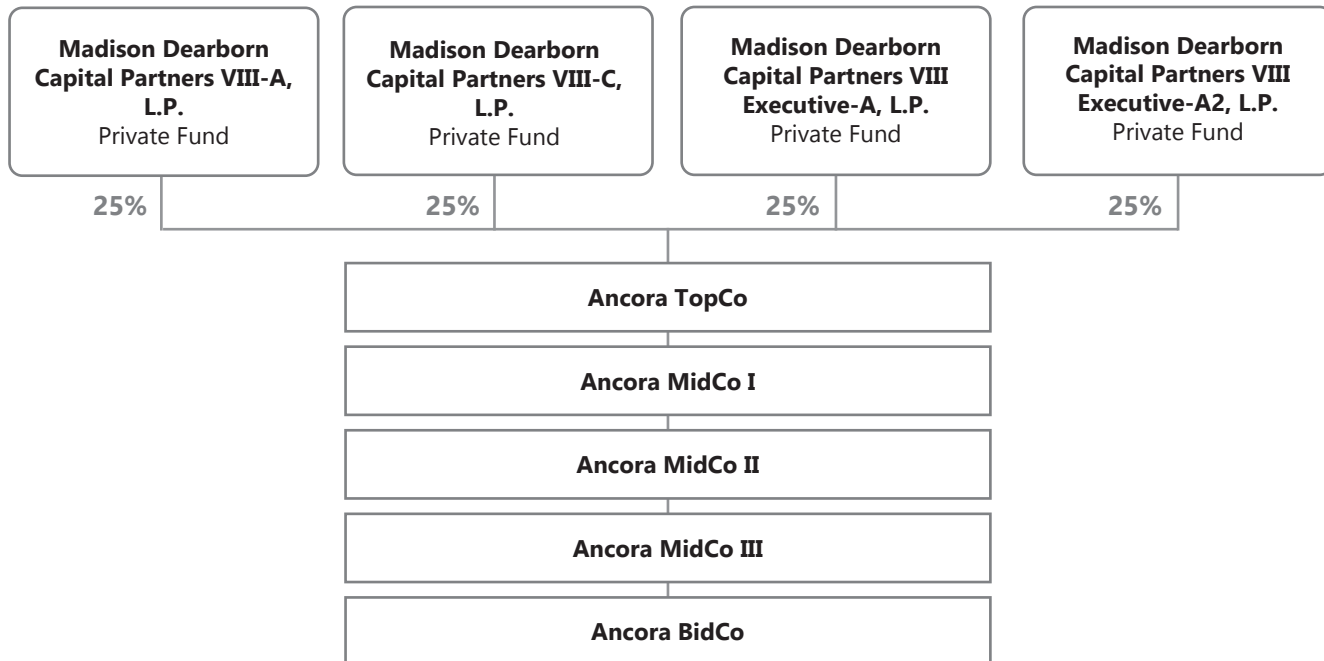
The Bidder Group does not intend, after implementation of the Scheme, that they or APM will have corporate governance policies and practices that are necessarily equivalent to those adopted by APM in the past or by ASX listed companies generally. Instead, the Bidder Group expects that they and APM will adopt an approach to corporate governance appropriate for a closely held unlisted public company limited by shares.

If the Scheme becomes Effective, APM will apply to ASX to suspend trading on the ASX in APM Shares with effect from the close of trading on the Effective Date and, following the Effective Date, APM will apply for termination of the Official Quotation of APM Shares on ASX and to have itself removed from the official list of ASX with effect on and from the close of trading on the Trading Day immediately following or shortly after the Implementation Date. Ancora BidCo expects that, after the Implementation Date, shareholders of Ancora TopCo will have access to less information and fewer reports about the APM Group than APM Shareholders currently receive.

### 10.3 Ownership structure

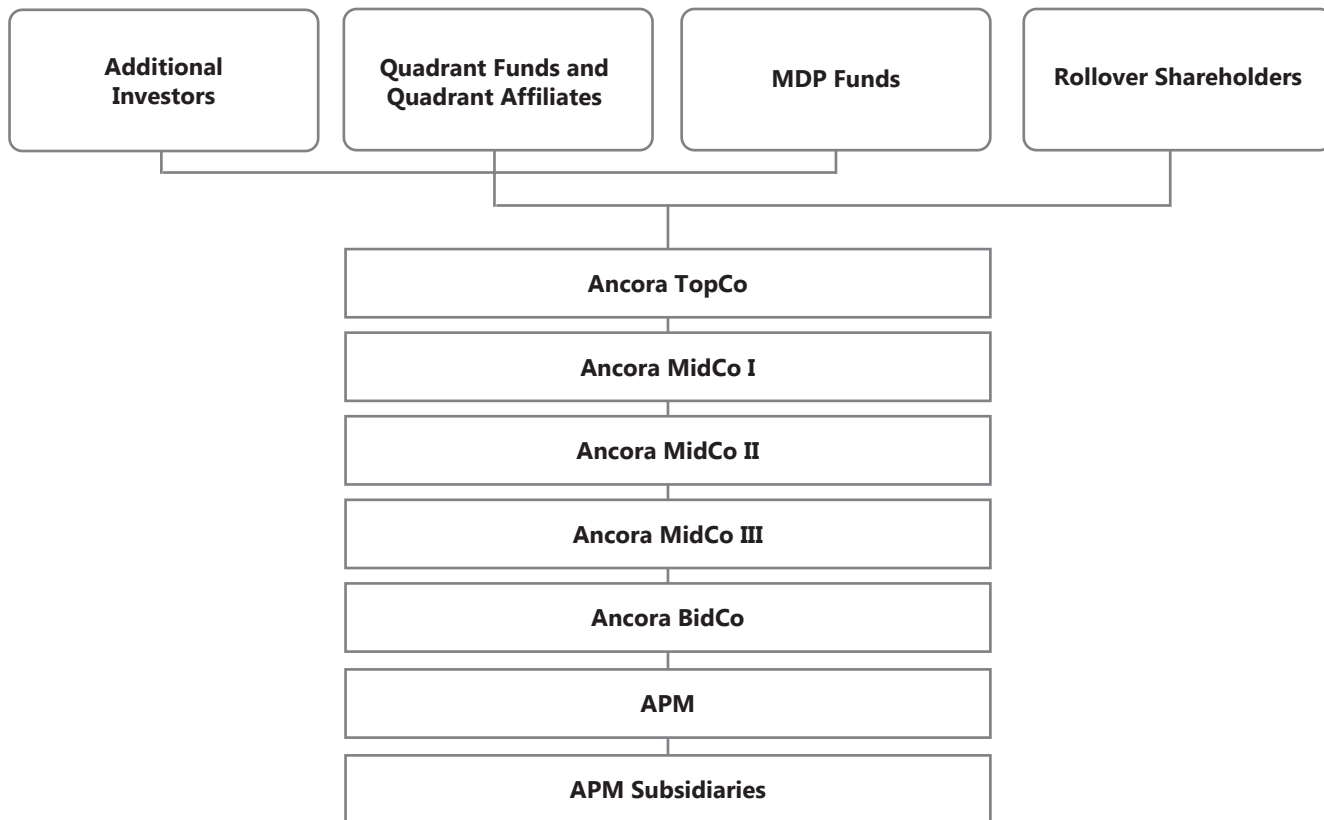
**(a) Before Implementation**

Set out below is a current structure of the Ancora BidCo Group:



**(b) After Implementation**

Set out below is an illustrative structure chart of the Ancora BidCo Group after the Implementation Date:



The exact ownership percentages of Ancora TopCo is not currently known and will be based on the outcome of Elections to be made by APM Shareholders on or before the Election Date.

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### **(c) Third party financing provided by the Quadrant Funds and Quadrant Affiliate(s) in the Transaction**

From the outset of the Transaction, it has been MDP's intention to syndicate some of its additional equity investment in APM through the participation of one or more third party equity financiers in the Transaction. Accordingly, under the Ancora TopCo Shareholders' Deed, MDP Shareholders have the right to do so up until the date that is six months from the date of the Ancora TopCo Shareholders' Deed.

Following the Original MDP Proposal, as part of MDP's broader financing efforts in relation to the Transaction, MDP entered into discussions with funds managed by the Quadrant Manager to provide third party equity funding to the Transaction. Following entry into the Scheme Implementation Deed, as a result of these discussions, the Quadrant Funds have provided a Co-Investment Commitment to the MDP Funds (through the QSEF Manager) to partially fund the Equity Funding, as further described in Section 10.5(c) of this Scheme Booklet. The Co-Investment Commitment does not impact Ancora BidCo's obligation to provide the Aggregate Cash Consideration pursuant to the Deed Poll and the Equity Commitment Letters, for which Ancora BidCo remains wholly responsible.

Quadrant was previously a major shareholder of APM up until its exit to MDP in 2020. It will leverage its history and experience with the business to assist core growth initiatives going forward. Quadrant continues to believe in the long-term fundamentals of the APM business and is supportive of the business and its leading role in the health and human services market.

Considering the level of the Quadrant Funds' and Quadrant Affiliate(s)' anticipated combined holding of Ancora TopCo Shares pursuant to the Co-Investment Commitment, it is anticipated that the Quadrant Funds and Quadrant Affiliate(s) will be entitled to the rights attaching to a 10% Shareholder (as defined in the Ancora TopCo Shareholders' Deed) in Ancora TopCo following implementation of the Scheme. Some of these rights are set out in the summary of rights attaching to Ancora TopCo Shares under the Ancora TopCo Shareholders' Deed in Section 10.4(c), and include, amongst others, the right to appoint a director to the board of Ancora TopCo and the right to vote on the Intermediate Shareholder Matters (as defined in the Ancora TopCo Shareholders' Deed) contained in Part B of Schedule 3 of the Ancora TopCo Shareholders' Deed.

## **10.4 Overview of Ancora TopCo Shares**

### **(a) Overview of Series A Shares and Series B Shares to be received as Scrip Consideration**

As detailed in Section 10.4(d), APM Shareholders (other than Ineligible Foreign Shareholders) are entitled to make an Election to receive all or part of their Scheme Consideration as Ancora TopCo Shares.

The Scrip Consideration is also subject to the Scaleback Mechanism, being a pro-rata scaleback which applies where the aggregate number of Ancora TopCo Shares that are the subject of valid Elections for Scrip Consideration exceeds an aggregate of 65% of the Scheme Shares. As a result of the Rollover Condition (as described below in Section 10.5) and the application of the Scaleback Mechanism, APM Shareholders who validly elect to receive the Scrip Consideration will hold between 40% and 48% of the issued capital in Ancora TopCo.

If an Eligible APM Shareholder makes a valid Election to receive Scrip Consideration, Ancora TopCo has an obligation (subject to the Scaleback Mechanism) to issue Series A Shares and Series B Shares to that APM Shareholder on a 95:5 ratio, such that APM Shareholder will, on the Implementation Date, be entered into the Ancora TopCo Share Register as a shareholder of Ancora TopCo (either directly or through a custodian as contemplated by the Scheme and the Ancora TopCo Shareholders' Deed) and thereby have a direct or indirect interest in Ancora TopCo. The APM Shareholder will be bound by the Ancora TopCo Shareholders' Deed and Ancora TopCo Constitution.

Series A Shares and Series B Shares will be issued on a 95:5 ratio, such that an Eligible APM Shareholder will receive 95 Series A Shares and 5 Series B Shares for each Scheme Share that they are receiving Scrip Consideration for.

APM Shareholders considering the Scrip Consideration should consult their financial adviser, accountant or stockbroker if they are uncertain about whether an investment in Ancora TopCo suits their particular investment objectives and tax characteristics and they should also carefully consider the information in Section 10.4 about the Series A Shares and Series B Shares that comprise the Scrip Consideration.

As further detailed in Section 10.5 below, the MDP Shareholders (being, as at Implementation, the MDP Funds), the Quadrant Funds and the Quadrant Affiliate(s) will subscribe for Series A Shares and Series B Shares on a 95:5 ratio as part of the Equity Funding. The Equity Funding will be used to partially fund the Cash Consideration payable to Scheme Shareholders.

### **(b) Foreign Scheme Shareholders**

Ineligible Foreign Shareholders may not participate in the Election of the Scrip Consideration (whether for 100% or 90% of their APM shareholding) and will receive All Cash Consideration.

**(c) Rights attaching to Series A Shares, Series B Shares and Series C Shares**

A summary of the key rights and liabilities attaching to Series A Shares and Series B Shares and the general obligations under the Ancora TopCo Shareholders' Deed is set out below.

The summary below is not exhaustive. APM Shareholders considering whether to make a valid Election in respect of the Scrip Consideration should read and understand the Ancora TopCo Shareholders' Deed and the Ancora TopCo Constitution in full and seek their own independent advice before making a decision.

The Ancora TopCo Constitution provides that the terms of the Ancora TopCo Shareholders' Deed will prevail in the event of any inconsistency between the provisions of the Ancora TopCo Constitution and the Ancora TopCo Shareholders' Deed. Capitalised terms used in this Section which are not defined in this Scheme Booklet have the meanings given to them in the Ancora TopCo Shareholders' Deed.

Following Implementation, managers of Ancora TopCo and its subsidiaries may be invited to subscribe for Series C Shares, which will be non-voting shares issued by Ancora TopCo. No Series C Shares are proposed to be on issue at Implementation.

In the following table, "Ancora TopCo" has the same meaning as "Company" in the Ancora TopCo Shareholders' Deed.

<b>Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed</b>	
<b>Topic</b>	<b>Rights</b>
<b>Issue and ranking</b>	<p><b>Series A Shares</b></p> <p>Series A Shares are non-voting, and Series A Shareholders are not entitled to receive notices for or attend any general meetings of Ancora TopCo by virtue of their Series A Shares.</p> <p>Each Series A Share is entitled to a priority payment of dividends as set out below (see "Dividends and distributions" below). On the 15<sup>th</sup> anniversary of their issue date, each Series A Share will automatically convert into a calculated number of Series B Shares, based on the unpaid preferential yield and unreturned capital.</p> <p><b>Series B Shares</b></p> <p>Series B Shares will be ordinary shares issued as fully paid and will rank equally (including from an economic perspective) with each other Series B Share. Ordinary share voting rights are attached to Series B Shares.</p> <p><b>Series C Shares</b></p> <p>Series C Shares are separated into two classes being Vested Series C Shares and Unvested Series C Shares. Series C Shares are non-voting, and Series C Shareholders are not entitled to receive notices for or to attend any general meetings of Ancora TopCo by virtue of their Series C Shares.</p> <p>Each Unvested Series C Share will convert into a Vested Series C Share on terms of issue of that Unvested Series C Share determined by the board of Ancora TopCo in accordance with the Ancora TopCo Shareholders' Deed.</p> <p>Each Vested Series C Share ranks equally with each Series B Share in respect of any dividend or return of capital, subject to the terms of the Ancora TopCo Shareholders' Deed.</p> <p><i>For further information refer to Schedules 5 and 6 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>MDP Shareholders</b>	<p>Under the Ancora TopCo Shareholders' Deed, MDP Shareholders are offered certain rights among which are outlined in this table. The MDP Shareholders consist of, collectively the MDP Funds and any other investment fund or vehicle advised or managed, directly or indirectly, by Madison Dearborn Partners, LLC or its Affiliates.</p> <p>Where an MDP Shareholder transfers securities held by it to one or more of its Affiliates, such Affiliate will also constitute an MDP Shareholder (unless the MDP Shareholder determines otherwise). The holdings of each MDP Shareholder will be aggregated for the purposes of determining whether any consent, voting or similar threshold is met.</p> <p>Upon Implementation, the MDP Shareholders will consist of the MDP Funds and one or more of its Affiliates to be identified.</p>

### Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed

Topic	Rights
<b>Initial Non-Investor Shareholder</b>	<p>Under the Ancora TopCo Shareholders Deed, certain rights are conferred onto the Initial Non-Investor Shareholder.</p> <p>The Initial Non-Investor Shareholder means the largest Shareholder other than the MDP Shareholder (or its Affiliates) which holds 30% or more of the Series B Shares (or the collection of such Shareholders who are Associates and have issued a notice of collective shareholding), as at immediately following Implementation.</p> <p>As at the date of the Scheme Booklet, it is expected that Ms. Megan Wynne (together with her Affiliates) will be the Initial Non-Investor Shareholder due to the size of their aggregate present shareholding in APM and the confirmation Ms. Wynne has provided regarding the intention to elect the All Scrip Election Option in respect of all Scheme Shares held by Ms. Wynne and her Affiliates. Whether or not Ms. Wynne and her Affiliates will be the "Initial Non-Investor Shareholder" will not be confirmed until after the application of the Scaleback Mechanism.</p>
<b>Dividends and distributions</b>	<p>The decision to pay and the amount of any dividend is at the sole discretion of the Board with Major Shareholder Approval (see "Ancora TopCo Shareholder meetings and voting" below).</p> <p>Each Series A Share will be entitled to a preferential payment of distributions.</p> <p>The preferential payment is comprised of a preferential yield calculated on a daily basis at the rate of 8% per annum compounded semi-annually on the aggregate amount of capital contributions made in respect of that Series A Share that have not been repaid via distributions and any accrued yield from prior semi-annual periods that remain unpaid.</p> <p>Upon payment of any outstanding preferential yield on all Series A Shares on issue, each Series A Share will then be entitled to receive a preferential payment of distributions for any unreturned capital contributions made in respect of that Series A Share.</p> <p>When the outstanding preferential yield and unreturned capital contributions on all Series A Shares on issue have been repaid via distributions, all distributions will then be shared pro rata among Series B Shareholders and Series C Shareholders.</p> <p><i>For further information refer to clause 8 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Public Unlisted Company</b>	<p>Ancora TopCo is an unlisted public company. As such Ancora TopCo will not be subject to the various provisions that were applicable to APM previously as a company listed on the ASX. For example, the continuous disclosure obligations under the Listing Rules and Australia's takeover regime will no longer apply (for the latter, so long as Ancora TopCo does not have more than 50 shareholders).</p> <p>It is not expected that Ancora TopCo will, in the foreseeable future, have more than 50 shareholders, noting that as detailed further below under the heading "Ancora TopCo Nominee Deed", unless otherwise determined by the Board of Ancora TopCo, each Rollover Shareholder holding less than 10% of securities will hold its Series A Shares, Series B Shares, and Series C Shares through a nominee.</p>
<b>Adjusted Series B Shares</b>	<p>The Ancora TopCo Shareholders' Deed refers to the Adjusted Series B Shares of a Shareholder in determining certain rights (including as described in this table).</p> <p>The Adjusted Series B Shares of Shareholders who held Series B Shares on the Implementation Date is calculated by reference to their holding of Series B Shares without taking into account any dilution that occurs from an issue of Series B Shares in accordance with a permitted issue of securities under clause 9.3 of the Ancora TopCo Shareholders' Deed (see "Issue of further Ancora TopCo securities" below).</p> <p>The Adjusted Series B Shares of Shareholders who did not hold Series B Shares on the Implementation Date does not exclude any such dilution.</p>

### Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed

Topic	Rights
<b>Ancora TopCo Board</b>	<p>The maximum number of directors on the Ancora TopCo Board is eight, unless the CEO is appointed as a director, in which case the number of directors must not exceed nine.</p> <p>The MDP Shareholders are entitled to appoint, remove and replace one Director to the Board for each 10% of Adjusted Series B Shares held (such Director being an MDP Director).</p> <p>Each other Shareholder, either alone or together with any Associates in respect of which they have given a collective holding notice to Ancora TopCo, is entitled to appoint, remove and replace one Director to the Board for each 10% of Adjusted Series B Shares held (such Director being a Non-MDP Director).</p> <p>Each Director is entitled to one vote, provided that where a Shareholder does not appoint all Directors it is entitled to appoint or where a Director does not attend a meeting, the Directors appointed and attending will have the number of votes the appointing Shareholder is entitled to.</p> <p>Where three MDP Directors are appointed (and for so long as three MDP Directors are appointed), each additional appointment by a MDP Shareholder must be a non-executive director. Where any other Shareholder has appointed one Non-MDP Director (and for so long as one Non-MDP Director is appointed), each additional appointment must of a non-executive director.</p> <p>Each Director, who is not a non-executive director, must either be the Shareholder that appoints that Director or an individual/person who controls that Shareholder or an employee/officer of that Shareholder.</p> <p>The Chairperson of the Board may be appointed, removed and replaced by the Board by Simple Majority Resolution, provided that, if (and only for so long as) the Initial Non-Investor Shareholder has (or have) the right to appoint, and have appointed, a Non-MDP Director, the Chairperson will be that Non-MDP Director.</p> <p>The Chairperson does not have a casting vote.</p> <p><i>For further information refer to clause 3 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Ancora TopCo Board meetings</b>	<p>One MDP Director and one Non-MDP Director is required to form a quorum for a Ancora TopCo Board meeting.</p> <p>Subject to applicable law and the terms of the Ancora TopCo Shareholders' Deed, all actions or resolutions of the Ancora TopCo Board will be made by the affirmative vote of a Simple Majority Resolution of directors (being directors that together hold more than 50% of the total voting rights of all directors who attend the relevant Ancora TopCo Board meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution).</p> <p><i>For further information refer to clause 4 of the Ancora TopCo Shareholders' Deed.</i></p>



## Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed

Topic	Rights
<b>Ancora TopCo Shareholder meetings and voting</b>	<p>A quorum for a meeting of Shareholders is constituted by two or more Shareholders that are entitled to vote.</p> <p>Each Series B Shareholder is entitled to the number of votes which is equivalent to the number of fully paid shares held by it subject to the terms of the Ancora TopCo Shareholders' Deed.</p> <p>Any question submitted to a general meeting is decided by simple majority unless a poll is demanded.</p> <p>Subject to the other terms of the Ancora TopCo Constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:</p> <ul style="list-style-type: none"> <li>• on a show of hands, every Shareholder present has one vote; and</li> <li>• on a poll, every Shareholder present has: <ul style="list-style-type: none"> <li>• one vote for each fully paid share held by the Shareholder and in respect of which the Shareholder is entitled to vote; and</li> <li>• a fraction of a vote for each partly paid share held by the Shareholder and in respect of which the Shareholder is entitled to vote, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.</li> </ul> </li> </ul> <p><i>For further information refer to clauses 29 to 44 of the Ancora TopCo Constitution.</i></p> <p><b>Simple majority decisions</b></p> <p>Subject to the Corporations Act, all Shareholder decisions (other than in relation to the matters specifically provided for in the Ancora TopCo Shareholders' Deed) will be made by the affirmative vote of a simple majority (50%) of Shareholders present (in person or by proxy) and entitled to vote. Subject to the Corporations Act, the Ancora TopCo Shareholders' Deed vests the decision-making power with the board of Ancora TopCo.</p> <p><b>Intermediate Shareholder Approval</b></p> <p>Intermediate Shareholder Approval requires approval in writing by each Shareholder (if any) that has more than 10% of the Adjusted Series B Shares and, where the Adjusted Series B Shareholding of a group of Shareholders that are associates has been aggregated in accordance with the terms of the Ancora TopCo Shareholders' Deed, that group has more than 10% of the Adjusted Series B Shares.</p> <p>The following decisions require Intermediate Shareholder Approval:</p> <ul style="list-style-type: none"> <li>• <i>Termination of the Ancora TopCo Shareholders' Deed:</i> One method of termination of the Ancora TopCo Shareholders' Deed is where the Shareholders agree to terminate by both Simple Majority Resolution of the Board and Intermediate Shareholder Approval.</li> <li>• <i>Issuance of Securities:</i> Any issuance by a Group Company of securities or instruments that can be converted into securities, barring certain issuances provided for in the Ancora TopCo Shareholders' Deed (see "Issue of further Ancora TopCo securities" below).</li> <li>• <i>IPO and Exit:</i> Any initial public offering or exit (including business sale or share sale), excluding an exit by an MDP Shareholder (see "MDP Shareholder Exit" below).</li> <li>• <i>Distributions/Redemptions:</i> Any non-pro rata distributions or redemptions by Ancora TopCo, including capital related activities, outside of specific situations.</li> <li>• <i>Winding up/Liquidation:</i> The appointment of a receiver, liquidator, or administrator to any group member, or proposals to wind up any group member or arrange with creditors.</li> <li>• <i>Change of Business:</i> Any decision to stop or replace the main business activities of the group, or engage in new business that isn't consistent with the group's activities.</li> <li>• <i>Related Party Transactions:</i> A group company entering into any transaction with a related party.</li> </ul>

## Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed

Topic	Rights
<b>Ancora TopCo Shareholder meetings and voting</b> <b>Continued</b>	<p><b>Major Shareholder Approval</b></p> <p>Major Shareholder Approval requires approval in writing by any Shareholder (if any) that has more than 20% of the Adjusted Series B Shares and, where the Adjusted Series B Shareholding of a group of Shareholders that are associates has been aggregated in accordance with the terms of the Ancora TopCo Shareholders' Deed, that group has more than 20% of the Adjusted Series B Shares.</p> <p>The following decisions require Major Shareholder Approval:</p> <ul style="list-style-type: none"> <li>• <i>Dividends</i>: A decision by the Board to pay and the amount of any dividend.</li> <li>• <i>Business Plan</i>: Approval or amendment of a new business plan or budget.</li> <li>• <i>Capital Expenditure or Disposal</i>: Committing to or incurring any capital expenditure over \$5,000,000 not provided for in the business plan or budget.</li> <li>• <i>Acquisition</i>: Any acquisition of any asset or business of the group exceeding \$200,000,000 in total value.</li> <li>• <i>Divestment/Disposal</i>: Any disposal/divestment of any asset or business of the group exceeding \$50,000,000 in total value barring certain exceptions.</li> <li>• <i>Joint Ventures</i>: Entry by a group company into any joint venture agreement where the value exceeds \$150,000,000.</li> <li>• <i>Accounting Policies</i>: Any change in accounting policies or accounting reference date of the group barring certain exceptions.</li> <li>• <i>Financial Accommodation</i>: New borrowings or other financial accommodation by the group excluding specific situations.</li> <li>• <i>Merger/Reorganisation</i>: Any acquisitions leading to dilution of Major Shareholder's shareholding or involving purchase price greater than \$200,000,000 barring certain exceptions.</li> <li>• <i>Compulsory Acquisition of Small Holdings</i>: Any compulsory acquisition of Small Holding Securities (see "Compulsory Acquisition" below).</li> <li>• <i>Incentive Share Pool</i>: The total size of the authorised Incentive Share Pool.</li> </ul> <p><i>For further information refer to clauses 2, 8.1 and 24 and Schedules 2 and 3 of the Ancora TopCo Shareholders' Deed.</i></p>

## Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed

Topic	Rights
<b>Issue of further Ancora TopCo securities</b>	<p>Ancora TopCo must first offer any new shares in Ancora TopCo on a pro-rata basis to eligible holders of existing securities, except as approved by Intermediate Shareholder Approval or in the circumstances set out in clause 9.3 of the Ancora TopCo Shareholders' Deed summarised as follows:</p> <ul style="list-style-type: none"> <li>• <i>Emergency funding:</i> Ancora TopCo can issue securities to one or more Shareholders, or their respective Affiliates, if the Board determines that an injection of funds is necessary for various reasons related to financial stability. Following this, either the funding Shareholder offers other Shareholders the opportunity to acquire a pro rata proportion of the investment comprising the emergency issue, or Ancora TopCo offers other Shareholders the opportunity to subscribe for securities on similar terms to maintain their Relevant Proportion.</li> <li>• <i>Scheme Related Issuances:</i> securities can be issued to MDP Shareholders to provide funding for transaction costs related to the Scheme and finance cash consideration under the Scheme. Series A Shares and Series B Shares can also be issued pursuant to the Scheme in exchange for transferring Target shares.</li> <li>• <i>Incentive Shares:</i> Series C Shares can be issued to eligible participants pursuant to clause 7 of the Ancora TopCo Shareholders' Deed.</li> <li>• <i>Acquisitions/Mergers:</i> securities can be issued in respect of an acquisition or merger with another company, business or assets, provided Major Shareholder Approval is obtained if required.</li> <li>• <i>Reorganisation:</i> securities can be issued in relation to share splits, consolidation, internal reorganisation, recapitalisation, reclassification or other similar event, or an issuance of bonus equity securities, where there's no change in proportionate rights among Shareholders.</li> <li>• <i>IPO:</i> Ancora TopCo may issue securities during an initial public offering that is initiated according to the terms of the Ancora TopCo Shareholders' Deed or approved by Board with Intermediate Shareholder Approval.</li> <li>• <i>Debt Financing:</i> Securities can be issued as part of a bona fide third-party debt financing arrangement approved by the Board.</li> <li>• <i>Conversion:</i> Securities may be issued upon conversion of another instrument into a security where permitted by terms of issue.</li> </ul>
<b>Restrictions on Disposal</b>	<p>A Shareholder must not dispose of any of its securities unless:</p> <ul style="list-style-type: none"> <li>• by way of transfer to a permitted transferee which include affiliates, trustees, custodians, responsible entities or general partners (and any replacements to those roles);</li> <li>• in accordance with the exit and compulsory acquisitions mechanisms outlined below (see "MDP Shareholder Exit", "Right of first offer", "Drag rights", "Tag rights", "IPO" and "Compulsory Acquisition" below); or</li> <li>• with unanimous Board approval.</li> </ul> <p><i>For further information refer to clause 10 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>MDP Shareholder Exit</b>	<p>The MDP Shareholders have the right to initiate, approve and/or pursue an exit event that is an initial public offering at any time. They may also initiate, approve and/or pursue an exit event that is a sale of more than 50% of any class of securities or a sale of the whole or substantially all of the assets of Ancora TopCo after the second anniversary of the Implementation Date.</p> <p>The MDP Shareholders will determine all matters related to the exit. However, they are not required to complete any exit unless they are satisfied with its terms.</p> <p>If an exit is approved by the MDP Shareholders, they must notify other Shareholders and the Board about it. MDP Shareholders are required to consult with Initial Non-Investor Shareholders regarding key aspects such as appointment of advisers and valuation of Ancora TopCo among others. Each Shareholder and Ancora TopCo must cooperate in good faith with MDP Shareholders in executing this exit.</p> <p>Upon reaching the second anniversary of the Implementation Date (and on each subsequent anniversary), the MDP Shareholders will consider options available for a liquidity event.</p> <p><i>For further information refer to clause 11 of the Ancora TopCo Shareholders' Deed.</i></p>

<b>Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed</b>	
<b>Topic</b>	<b>Rights</b>
<b>Right of First Offer</b>	<p>The Initial Non-Investor Shareholder has a right of first offer where the MDP Shareholder intends to dispose of securities.</p> <p>They may (either individually or jointly with any other Shareholder or any external investor) provide an offer notice to the MDP Shareholder if they wish to acquire the relevant securities, which sets out the proposed terms of acquisition. The MDP Shareholder then has an option to sell at the offered price and terms within a specified period. If this option is not exercised, if the offered value is less than that in the offer made pursuant to the right of first offer, the MDP shareholder may not undertake the sale or disposal unless it consults in good faith with the Non-MDP Shareholder.</p> <p><i>For further information refer to clause 12 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Drag rights</b>	<p>Where the Initial Non-Investor Shareholder's right of first offer is not exercised or accepted by the MDP Shareholder, or where requested by the Initial Non-Investor Shareholder, the MDP Shareholder has a drag right.</p> <p>If the MDP Shareholder proposes to undertake an exit that is either a sale of the whole or substantially all of the assets of Ancora TopCo or a sale of more than 50% of any class of securities or dual-track initial public offering/share sale and the right of first offer is not exercised or accepted (or otherwise as requested by the Initial Non-Investor Shareholder in connection with an offer pursuant to their right of first offer), the MDP Shareholder can require each other Shareholder to:</p> <ul style="list-style-type: none"> <li>• in the case of a sale of more than 50% of any class of securities or dual-track initial public offering, sell the same proportion of shares as the MDP Shareholder and on the same terms as the MDP Shareholder; or</li> <li>• in the case of a sale of the whole or substantially all of the assets of Ancora TopCo, take all action required to effect such sale, including voting to approve it.</li> </ul> <p>Where the MDP Shareholder has not accepted an offer made pursuant to a right of first offer, the drag price must not be less than the price under such offer. Additionally, where the drag right is being exercised prior to the third anniversary of Implementation, the drag price in respect of Series A Shares and Series B Shares must at least provide a 15% per annum return (compounded annually) on the issue price of those shares (unless otherwise approved by Intermediate Shareholder Approval).</p> <p>If the MDP Shareholders no longer have a 20% or greater Adjusted Series B Shareholding, then any other Shareholder or group holding 50% or more voting rights are entitled to a similar drag right over the MDP Shareholders in respect of a sale to a third party.</p> <p><i>For further information refer to clauses 12 and 13 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Tag rights</b>	<p>Where MDP Shareholders propose to sell securities, the MDP Shareholders must invite other Shareholders holding the same class of securities being sold to join them in the sale (in the same proportion and on the same terms), except in the following circumstances:</p> <ul style="list-style-type: none"> <li>• a permitted issuance of securities;</li> <li>• an initial public offering;</li> <li>• a transfer to a permitted transferee; or</li> <li>• where the MDP Shareholders have given and not withdrawn a notice to exercise their drag right.</li> </ul> <p>A tag right can be exercised by written notice within the stated period in the invitation.</p> <p>Upon exercising a tag right, each Shareholder must dispose its Tagged Securities on stated terms and do everything necessary for successful disposal while complying with provided provisions.</p> <p><i>For further information refer to clause 15 of the Ancora TopCo Shareholders' Deed.</i></p>

Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed	
Topic	Rights
<b>IPO</b>	<p>Where the MDP Shareholders pursue or approve an initial public offering, each shareholder must act in good faith to sell down or retain interests in Ancora TopCo as recommended by underwriters or financial advisers, provide reasonable undertakings and escrow arrangements for their securities (not extending beyond a year unless required by law) and otherwise provide assistance in respect of the initial public offering.</p> <p>Shareholders (other than the holders of Series C Shares, in relation to their Series C Shares) may sell an equal portion of their securities in an IPO as MDP Shareholders but may be subject to different restrictions of their securities in connection with the IPO.</p> <p><i>For further information refer to clauses 11 and 16 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Compulsory Acquisition</b>	<p>Subject to Major Shareholder Approval, at any time after the end of the first anniversary of the Implementation Date, the Board may give written notice to any Shareholders holding a Small Holding (being a Shareholder in Ancora TopCo of \$25,000 or less (based on the value of a security issued on the Implementation Date)) requiring those Shareholders to dispose of all of its Small Holding (<b>Small Holding Disposal Notice</b>).</p> <p>The Small Holding Disposal Notice will set out the terms applying to the disposal (including how the board requires that Shareholder to dispose of its Small Holding, the date of the disposal, and the price per security which will be Fair Value).</p> <p><i>For further information refer to clause 17 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Restraint</b>	<p>Each Shareholder who is, or is controlled by or an affiliate of, any person who is as at or prior to Implementation, been engaged in management of the Group (other than the MDP Shareholder or Shareholders that are approved by the Board as a financial sponsor or private capital fund) and each of their associates (and the respective affiliates of such Shareholders) are subject to a restraint from taking certain actions.</p> <p>These Shareholders are not permitted to engage in any business or activity similar to the Business of the Group globally (to the extent enforceable), and must not approach, solicit, or recruit anyone who was at any point during the 24 months prior a customer, client, supplier, agent, employee, or independent contractor for the purposes persuading that person to cease doing business with the group or to recruit them (as applicable).</p> <p>The restraint applies for up to 12 months of the Shareholder ceasing to hold securities in Ancora TopCo (to the extent enforceable).</p> <p>The following exceptions apply so that the restrained Shareholders are permitted to:</p> <ul style="list-style-type: none"> <li>• own up to 5% of the shares in any entity listed on any securities exchange, as long as these holdings are purely passive investments;</li> <li>• continue to own any interest held at the Implementation Date, again only if such interests are held purely passively;</li> <li>• engage in any activity with the prior written consent of both Ancora TopCo and the MDP Shareholders;</li> <li>• be involved with the group; and</li> <li>• participate in any business or other interests that they were involved in on the Implementation Date, provided these activities were disclosed to the Board before or on that date.</li> </ul> <p><i>For further information refer to clause 18 of the Ancora TopCo Shareholders' Deed.</i></p>

<b>Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed</b>	
<b>Topic</b>	<b>Rights</b>
<b>Power of Attorney</b>	<p>Each appointment of an attorney by a Shareholder or relevant appointer under certain clauses of the Ancora TopCo Shareholders' Deed (including the provisions relating to the drag along rights, initial public offering, compulsory acquisition of Small Holdings in connection with a default of a Shareholder holding less than 10% of the Series B Shares (in respect of certain provisions around nominee arrangements)) is made on the following terms:</p> <ul style="list-style-type: none"> <li>• the appointor irrevocably appoints each MDP Shareholder and Ancora TopCo as its attorney to complete and execute such instruments and resolutions for and on its behalf as the attorney thinks necessary to give effect to any of the transactions contemplated by the relevant clause;</li> <li>• the appointor agrees to ratify and confirm whatever the attorney lawfully does, or causes to be done, under the appointment;</li> <li>• the appointor agrees to indemnify the attorney against all claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and</li> <li>• the appointor agrees to deliver to the company on demand any power of attorney, instrument of transfer or other instruments as the company may require for the purposes of any of the transactions contemplated by the relevant clause.</li> </ul> <p><i>For further information refer to clause 29.1 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Accession Deed</b>	<p>No person may be registered as a holder of shares in Ancora TopCo unless they execute and deliver an accession deed agreeing to be bound by the terms of the Ancora TopCo Shareholders' Deed (except for an issue in connection with an IPO).</p> <p><i>For further information refer to clause 26 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Ancora TopCo Nominee Deed</b>	<p>Unless otherwise determined by the Board of Ancora TopCo, each Shareholder who holds less than 10% of the Series B Shares will hold its securities through a Nominee, being an independent third party trustee company appointed by Ancora TopCo to hold securities on bare trust pursuant to the terms of the Ancora TopCo Nominee Deed and the Ancora TopCo Shareholders' Deed.</p> <p>Each Shareholder who holds less than 10% of the Series B Shares agrees to appoint Ancora TopCo as its attorney upon default by it of performing its obligations under the nominee provisions.</p> <p>The key terms of the nominee arrangements under the Ancora TopCo Nominee Deed and the Ancora TopCo Shareholders' Deed are as follows:</p> <ul style="list-style-type: none"> <li>• holders through the Nominee will be beneficial holders in relation to shares held by the Nominee as bare trustee on their behalf;</li> <li>• each Shareholder will be able to instruct the Nominee to exercise voting rights and in relation to other dealings or take other steps as the registered holder of shares on its behalf;</li> <li>• each Shareholder who is a beneficial holder and the Nominee direct Ancora TopCo to pay dividends in respect of securities which are that Shareholder's beneficial Shares directly to the Shareholder as beneficial holder (however the direction may be changed);</li> <li>• a Shareholder who is a beneficial holder under the Ancora TopCo Nominee Deed must not (without the consent of the Ancora TopCo Board) direct or otherwise procure the Nominee to transfer legal title to the shares held on trust for that holder back to the underlying beneficial owner; and</li> <li>• the restrictions on transfer set out above continue to apply to Shareholders that are beneficial holders through the Nominee. However, a beneficial holder may transfer shares to a Permitted Transferee on the basis that the Nominee is directed to hold legal title to the relevant shares as bare trustee on behalf of the transferee, unless the Ancora TopCo Board agrees otherwise in writing.</li> </ul> <p><i>For further information refer to clause 19 of the Ancora TopCo Shareholders' Deed.</i></p>

### Rights of Ancora TopCo Shares under Ancora TopCo Shareholders' Deed

Topic	Rights
<b>Amendment to the Ancora TopCo Shareholders' Deed</b>	<p>Subject to the below, the Ancora TopCo Shareholders' Deed may be amended by the Board with the MDP Shareholder's and the Initial Non-Investor Shareholder's consent.</p> <p>Where an amendment would adversely affect the rights and preferences of a holder of any class of securities in a manner disproportionate to securities held by, issued to or acquired by any MDP Shareholders (or issued directly or indirectly with respect to those securities), the variation must be in writing and will require the written consent of the Shareholders (not including the MDP Shareholders) holding at least a majority of the class of securities so disproportionately and adversely altered held by such Shareholders.</p> <p>Notwithstanding the above, amendments or modifications may be made to the Ancora TopCo Shareholders' Deed without the consent of any Shareholder (other than the MDP Shareholders):            (i) to correct typographical or ministerial errors; or (ii) to add or delete any provision of the Ancora TopCo Shareholders' Deed required to be added or deleted in order to comply with, or avoid a violation of, applicable law.</p> <p><i>For further information refer to clause 28.1 of the Ancora TopCo Shareholders' Deed.</i></p>
<b>Information rights</b>	<p>Each MDP Shareholder and any Intermediate Shareholder that is not a competitor or an Affiliate of a competitor to Ancora TopCo must be provided:</p> <ul style="list-style-type: none"> <li>• within 5 Business Days of finalisation, with a copy of the audited statement of financial position, statement of financial performance and a statement of cash flows for Ancora TopCo and each other relevant Group Company;</li> <li>• within 20 calendar days after the end of the relevant half-year period, with half-yearly accounts for Ancora TopCo and each other relevant Group Company that prepares them;</li> <li>• within 10 calendar days after the end of the relevant month, with monthly management accounts for Ancora TopCo and each other relevant Group Company that prepares them;</li> <li>• within 10 calendar days after the end of the relevant month, monthly operational reports for Ancora TopCo and each other relevant Group Company that prepares them; and</li> <li>• within 60 Business Days after any Shareholder has become entitled to a distribution, with a copy of a distribution statement which sets out the distribution paid or owing to the Shareholder.</li> </ul> <p><i>For further information refer to clause 5.1 of the Ancora TopCo Shareholders' Deed.</i></p>

#### (d) Different regulatory regime for Ancora TopCo Shares

A different regulatory regime will apply to Ancora TopCo Shares as compared to APM Shares at present. As Ancora TopCo is, and will be, an unlisted public company with less than 50 shareholders following implementation of the Scheme, neither the Listing Rules nor Australia's takeover regime under the Corporations Act will apply.

This means that shareholder protections currently available to APM Shareholders in respect of their APM Shares under the Listing Rules and Chapter 6 of the Corporations Act will not apply to Rollover Shareholders in respect of any Ancora TopCo shares which are being issued as part of the Scrip Consideration.

The table below provides a non-exhaustive summary of the key shareholder protections that are currently available to APM Shareholders in respect of their APM Shares but will not apply to shareholders of Ancora TopCo:

<b>Different regulatory regime applying to Ancora TopCo Shares</b>		
<b>Protection</b>	<b>Present regime applying to APM Shares</b>	<b>Regime applying to Ancora TopCo Shares post-implementation of the Scheme</b>
<b>Continuous disclosure (Listing Rules – Chapter 3)</b>	This Chapter contains obligations on listed entities to immediately disclose material price sensitive information to the market.	Ancora TopCo will not have any obligation to disclose material price sensitive information to the market post-implementation of the Scheme.
<b>Securities (Listing Rules – Chapter 6)</b>	This Chapter provides that each class of equity must be appropriate and equitable in the ASX's view. It also provides protections in relation to voting rights of holders of ordinary shares.	The terms of Ancora TopCo Shares are not subject to the ASX's approval.
<b>Changes in capital and share issues (Listing Rules – Chapter 7)</b>	This Chapter requires issuers who issue more than 15% of a listed entity's capital in a 12 month period to seek security holder approval, subject to certain exceptions. It also imposes limits on the ability of listed entities to issue shares under a rights issue, dividend or distribution plan or during a takeover unless prescribed conditions are met.	Holders of Ancora TopCo Shares may be diluted (subject to the provisions of the Ancora TopCo Shareholders' Deed) without the approval of Ancora TopCo Shareholders at a general meeting.
<b>Transactions with persons of influence (Listing Rules – Chapter 10)</b>	This Chapter imposes restrictions on persons in position of influence, such as related parties, a subsidiary or a substantial holder, from entering into certain transactions with the listed entity unless certain conditions are met. In certain cases, transactions of this nature will require shareholder approval.	Transactions between Ancora BidCo/APM and/or their related parties may not require shareholder approval.  However, restrictions on related party transactions under Chapter 2E of the Corporations Act will continue to apply to Ancora TopCo Shares.
<b>Significant transactions (Listing Rules – Chapter 11)</b>	This Chapter requires a listed entity to obtain the approval of shareholders in certain circumstances (and where required by the ASX), if it proposes to make a significant change to the nature or scale of its activities.	A significant change to the operations of Ancora TopCo and/or APM will not require approval of any shareholders holding less than 10% of Adjusted Series B Shares.
<b>Takeovers (Corporations Act – Chapter 6)</b>	<p>This Chapter sets out Australia's takeover regime. This regime is supplemented by ASIC regulatory guides and guidance notes issues by the Takeovers Panel.</p> <p>Chapter 6 prohibits a person from acquiring relevant interests in a listed company's shares where it would have the effect of causing a person/s or someone else's voting power in the company to increase from 20% or below to above 20% or from a starting point of above 20% and below 90% unless an exception, such as a takeover bid or scheme of arrangement, applies.</p> <p>The takeover regime in Chapter 6 contains a range of rules designed to provide investors with sufficient time and detailed disclosure requirements relating to a takeover bid so that they may assess the offer put to them by the bidder.</p> <p>In addition, the takeover regime in Chapter 6 includes rules designed to provide for shareholders in a company which is the subject of a takeover to have an equal opportunity to participate in the offer and any takeover premium offered by the bidder.</p>	<p>A person may acquire control of Ancora TopCo or APM in a manner that would not have been permitted had Chapter 6 of the Corporations Act applied, for example without making a takeover bid or proposing a scheme of arrangement, or in circumstances where the MDP Shareholders exercise their drag or exit rights under the Ancora TopCo Shareholders' Deed as further explained in Section 10.4(c).</p> <p>A person may acquire control of Ancora TopCo or APM in circumstances where less information was disclosed to Ancora TopCo Shareholders or where less time was given to them to assess the offer put to them about the control transaction, than would have been permitted had Chapter 6 of the Corporations Act applied.</p> <p>A person may acquire control of Ancora TopCo and APM in a manner that does not give shareholders equal opportunity to participate in the offer and any takeover premium offered by the bidder.</p>



**(e) Illustrative ownership structure of Ancora TopCo under various scenarios**

The following scenarios are illustrative only of the possible share capital structures of Ancora TopCo after the Implementation Date. Each of these scenarios is based on a number of assumptions and is unlikely to reflect the ultimate Ancora TopCo capital structure immediately after the Implementation Date. The actual capital structure of Ancora TopCo post-Implementation Date remains subject to the outcome of Elections to be made by APM Shareholders on or before the Election Date.

The tables are also based on a number of assumptions, including:

- (i) the total amount of the transaction costs;
- (ii) the level of APM's net debt; and
- (iii) the number of APM Shareholders who make valid Elections to receive either the All Scrip Election Option or the Mixed Consideration Election Option.

The actual outcome at the Implementation Date may differ from the assumptions made in this Section 10.4(e), resulting in changes to the sources and uses of funds at the Implementation Date and, consequently, may result in changes to the illustrative ownership of Ancora TopCo at the Implementation Date.

As described in Section 13.6 (APM Equity Incentives), APM and Ancora BidCo have agreed that APM will be cash settling all FY23 Performance Rights and FY24 Performance Rights. Holders of the FY23 Performance Rights and FY24 Performance Rights will reinvest any after-tax proceeds received from the exercise of their respective Performance Rights by subscribing for Ancora TopCo Shares. There are 12,364,179 Performance Rights on issue at the date of this Scheme Booklet. For the purpose of the examples below, it has been assumed that all of these rights will be cash settled with any after-tax proceeds received from such settlement used to subscribe for Ancora TopCo Shares.

**SCENARIO 1 — Only Key Rolling Shareholders elect to receive Scrip Consideration**

In this scenario, the sources and uses of funds at Implementation and the anticipated ownership structure of Ancora TopCo are expected to be as shown in the following tables:

*Sources and uses of funds of the consolidated APM and Bidder Group in the scenario where only shareholders subject to the Rollover Condition elect Scrip Consideration*

Sources and uses of funds	Amount (\$m)
<b>Sources</b>	
Cash provided by Bidder Group new debt facilities	\$1,075
Cash provided by the Funds	\$210
Rolled aggregate Scrip Consideration	\$897
Cash Provided by Co-Investor	\$150
Balance sheet cash	\$7
<b>Total sources of funds</b>	<b>\$2,340</b>
<b>Uses</b>	
Payment of the Cash Consideration to relevant Scheme Shareholders (\$1.45 for 298,277,665 APM Shares)	\$433
Rolled aggregate Scrip Consideration	\$897
Repayment of APM's 30 June debt balance outstanding	\$916
Repayment of APM's funding of Everyday Independence deferred consideration	\$18
Payment for the costs of Ancora TopCo's transaction, capital raising costs and related costs	\$47
Payment for the Scheme costs incurred by APM	\$21
Performance Rights Tax Distribution	\$8
<b>Total uses of funds</b>	<b>\$2,340</b>

**Anticipated ownership structure in Ancora TopCo**

Shareholder group	Expected aggregate % interest in Ancora TopCo
MDP Funds	47%
Quadrant Funds and the Quadrant Affiliate(s)	12%
Rollover Shareholders	40%
Vested Performance Rights	1% <sup>18</sup>

**SCENARIO 2 — Maximum valid Elections for Scrip Consideration**

In this scenario, the sources and uses of funds at Implementation and the anticipated ownership structure of Ancora TopCo are expected to be as shown in the following tables:

*Sources and uses of funds of the consolidated APM and Bidder Group in the maximum valid Elections for Scrip Consideration scenario*

Sources and uses of funds	Amount (\$m)
<b>Sources</b>	
Cash provided by Bidder Group new debt facilities	\$1,055
Cash provided by the MDP Funds	\$137
Rolled aggregate Scrip Consideration	\$1,000
Cash Provided by Co-Investor	\$150
<b>Total sources of funds</b>	<b>\$2,342</b>
<b>Uses</b>	
Payment of the Cash Consideration to relevant Scheme Shareholders (\$1.45 for 227,661,786 APM Shares)	\$330
Rolled aggregate Scrip Consideration	\$1,000
Repayment of APM's 30 June debt balance outstanding	\$916
Repayment of APM's funding of Everyday Independence deferred consideration	\$18
Payment for the costs of Ancora TopCo's transaction, capital raising costs and related costs	\$47
Payment for the Scheme costs incurred by APM	\$21
Performance Rights Tax Distribution	\$8
Cash to balance sheet	\$3
<b>Total uses of funds</b>	<b>\$2,342</b>

**Anticipated ownership structure in Ancora TopCo**

Shareholder group	Expected aggregate % interest in Ancora TopCo
MDP Funds	40%
Quadrant Funds and the Quadrant Affiliate(s)	12%
Rollover Shareholders	47%
Vested Performance Rights	1% <sup>19</sup>

<sup>18</sup> This represents the anticipated treatment of the APM Equity Incentives. See Section 13.6 for further detail.

<sup>19</sup> This represents the anticipated LTIP treatments and assumes rollover of such persons.

## 10.5 Funding the Scheme Consideration

### (a) Maximum Scheme Consideration and Scaleback Mechanism

If the Scheme becomes Effective, the Scheme Consideration payable to Scheme Shareholders under the Scheme will be satisfied by a combination of the payment of the Cash Consideration and the issue of Ancora TopCo Shares that are the subject of Valid Elections (subject to the application of the Scaleback Mechanism).

As set out in the Scheme Implementation Deed, the proposed Cash Consideration under the Scheme is \$1.45 per APM share, which values APM's ordinary equity at approximately \$1,329,913,822. APM' Shareholders will be given the option to elect to receive their Scheme consideration in the form of either All Cash Consideration, All Scrip Consideration, or Mixed Consideration (where, in the case of any Scrip Consideration, they would receive Series A Shares and Series B Shares (at a 95:5 ratio) in Ancora TopCo).

Under the Scheme Implementation Deed, Scrip Consideration can only be provided up to an aggregate maximum of 65% of the Scheme Shares, which will leave the MDP Funds (together with the Quadrant Funds and the Quadrant Affiliate(s), each as defined below) with at least a controlling interest (>50%) in Ancora TopCo following implementation of the Proposed Transaction.

One of the conditions to the Scheme is that the Key Rolling Shareholders elect to receive 100% of their consideration under the Scheme as shares in Ancora TopCo (the **Rollover Condition**). As such, Ancora TopCo will not be required to provide Cash Consideration for the Key Rolling Shareholders due to the Rollover Condition.

Cash Consideration will therefore not be provided for certain current shareholders of APM (and Scrip Consideration will instead be provided), which comprise of:

- (i) \$459 million in respect of Megan Wynne and Bellinge Holdings;
- (ii) \$32 million in respect of Michael Anghie; and
- (iii) \$20 million in respect of additional Management shareholders,

in addition to any other Scheme Shareholders to the extent they make a valid Election to receive Scrip Consideration.

Based on the number of APM Shares to which the Scheme relates (being all shares on issue excluding the shares held by the MDP Funds):

- (i) the maximum Cash Consideration that will be payable by Ancora BidCo (on the assumption that only the shareholders subject to the Rollover Condition elect Scrip Consideration) is approximately \$433 million;
- (ii) the maximum number of Series A Shares that would be issued by Ancora TopCo (on the assumption every Scheme Shareholder made a valid Election for all Scrip Consideration) is:
  - (A) 40,788,580,018 Series A Shares to Scheme Shareholders given the operation of the Scaleback Mechanism;
  - (B) 44,170,370,823 Series A Shares to the MDP Funds and any co-investors; and
  - (C) 84,958,950,840 Series A Shares in total; and
- (iii) the maximum number of Series B Shares that would be issued by Ancora TopCo (on the assumption every Scheme Shareholder made a valid Election for all Scrip Consideration) is:
  - (A) 2,146,767,369 Series B Shares to Scheme Shareholders given the operation of the Scaleback Mechanism;
  - (B) 2,324,756,359 Series B Shares to the MDP Funds and any co-investors; and
  - (C) 4,471,523,728 Series B Shares in total.

### (b) Cash funding arrangements

Ancora BidCo will fund the Cash Consideration through a combination of external debt facilities (subject to meeting conditions precedent to drawdown), funds provided by the MDP Funds, funds provided by the Quadrant Fund and the Quadrant Affiliate(s). Each of these funding sources is described below.

**(c) Equity commitments****Funding from the MDP Funds**

Ancora BidCo has legally binding equity commitment letters from each of the MDP Funds dated 31 May 2024 (**Equity Commitment Letters**) under which each of the entities constituting the MDP Funds irrevocably commits to pay to Ancora BidCo such amounts as are necessary to meet Ancora BidCo's obligations under the Scheme in a maximum amount equal to each entities' relevant proportion as set out in the Equity Commitment Letters and reproduced below, which amount to a total aggregate commitment of \$360,000,000 (**Equity Funding**), which amount may be reduced as described below.

The Equity Funding of each MDP Fund is conditional only on the Scheme becoming Effective (and is otherwise unconditional).

The Equity Commitment Letters separately include a funding commitment from the MDP Funds totalling \$13,470,000 in circumstances where the MDP Break Fee becomes payable by Ancora BidCo (**MDP Break Fee Funding**). The provision of the MDP Break Fee Funding is conditional only on Ancora BidCo being required to pay the MDP Break Fee in accordance with clause 13 (*MDP Break Fee*) of the Scheme Implementation Deed and is without duplication to the Equity Funding commitment.

The entities constituting the Funds are severally responsible for providing the Equity Funding to Ancora BidCo under the Equity Commitment Letters in a maximum amount equal to the proportions set out in the table below:

MDP Fund	Respective Proportion
1 Madison Dearborn Capital Partners VIII-A, L.P.	approx. 59.52%
2 Madison Dearborn Capital Partners VIII-C, L.P.	approx. 30.90%
3 Madison Dearborn Capital Partners VIII Executive-A, L.P.	approx. 4.75%
4 Madison Dearborn Capital Partners VIII Executive-A2, L.P.	approx. 4.83%

Each entity in the Fund has agreed to subscribe for shares in Ancora TopCo in part to fund the Cash Consideration and other costs associated with the acquisition of APM under the Scheme.

**Funding from Quadrant Funds and Quadrant Affiliate(s)**

An unconditional cash equity commitment of \$150,000,000 (**Co-Investment Commitment**) has been provided by QSEF Management Pty Limited (ACN 666 698 157) (**QSEF Manager**) on behalf of the Quadrant Funds (and related entities) (**Co-Investor**) to the MDP Funds pursuant to an equity contribution commitment letter between the Co-Investor and the MDP Funds dated 7 June 2024 (**Quadrant ECL**) to partially finance the Equity Funding. Under the Quadrant ECL, the Co-Investor undertakes to the MDP Fund that it will cause BidCo to receive the Co-Investment Commitment on the date Ancora BidCo is obliged to pay the Cash Consideration in accordance with the terms of the Scheme Implementation Deed, the Scheme and the Deed Poll. Under the Quadrant ECL, the Co-Investor may nominate one or more funds managed by QSEF Manager or its affiliates or a trustee or a general partner of any such fund to provide all or part of the Co-Investment Commitment, and has nominated the Quadrant Affiliate(s) to be such nominee(s).

This Co-Investment Commitment finances a portion of the Equity Funding being provided by the MDP Funds (i.e., it is not in addition to the Equity Funding), and reduces the Equity Funding provided by the MDP Funds on a dollar-for-dollar basis, such that the aggregate equity funded for new Ancora TopCo shares remains \$360,000,000. However, the Co-Investment Commitment does not impact Ancora BidCo's obligation to provide the Aggregate Cash Consideration pursuant to the Scheme Deed Poll and Equity Commitment Letters, for which Ancora BidCo remains wholly responsible.

As at the date of this Scheme Booklet, the Co-Investment Commitment will be provided by the Quadrant Funds and the Quadrant Affiliate(s), who will each subscribe for, and Ancora TopCo will issue, such number of Series A Shares and Series B Shares (on a 95:5 ratio) as equal to each of their Respective Proportion of the Co-Investment Commitment (as set out in the table below).

Quadrant Party	Respective Proportion
1 QSEF A Pty Limited (ACN 667 628 275) as trustee for QSEF Trust A	12.62%
2 QSEF B Pty Limited (ACN 667 628 659) as trustee for QSEF Trust B	4.22%
3 QSEF C Pty Limited (ACN 667 628 739) as trustee for QSEF Trust C	10.25%
4 QSEF D Pty Limited (ACN 667 628 962) as trustee for QSEF Trust D	8.35%
5 QSEF E Pty Limited (ACN 667 817 692) as trustee for QSEF Trust E	26.06%
6 Quadrant Affiliate 1	38.50%

**(d) Debt funding**

Ancora BidCo has entered into the Debt Commitment Letter under which Goldman Sachs Australia Pty Ltd has been appointed as lead arranger and bookrunner (**Lead Arranger**). Each of Goldman Sachs Lending Partners LLC, Goldman Sachs Asset Management, L.P. and Austreo Commercial Ventures Pty Ltd have been appointed as initial commitment parties (**Initial Commitment Parties**) and in accordance with the terms of such Debt Commitment Letter have agreed to provide certain secured debt facilities (**Debt Acquisition Facilities**) in an aggregate amount of no less than \$1,415 million, directly or indirectly, to Ancora BidCo to be syndicated to a group of lenders to be selected by Ancora BidCo following a public offer and syndication process (**Lenders**).

Ancora BidCo is permitted to use the proceeds of borrowings under the Debt Acquisition Facilities to fund part of the aggregate Scheme Consideration payable by Ancora BidCo, to refinance certain existing indebtedness of the APM Group and to pay fees, costs and expenses (including indirect taxes and stamp duty) related to the Debt Acquisition Facilities, the Scheme and related transactions. The average margin of Ancora BidCo's Debt Acquisition Facilities is substantially similar to the average margin of the New Facilities described in Section 9.13 (*Financing*).

The availability of the Debt Acquisition Facilities provided by the Lenders on a customary 'certain funds' basis is subject to the satisfaction of certain customary conditions precedent including (but not limited to):

- certification that consummation of the acquisition of APM by Ancora BidCo under the Scheme will occur in accordance with the terms of the Scheme Implementation Deed (and related documentation);
- confirmation that there has been no termination of and there has been no waiver or amendment of any provision of the Scheme Implementation Deed (and related documentation) which would be materially adverse to the interests of the Lenders unless they have provided their prior written consent (not to be unreasonably withheld, conditioned or delayed);
- execution of definitive long form credit facility documentation (and related definitive financing documentation) as described below; and
- the accuracy of certain representations identified in the Debt Commitment Letter made with respect to Ancora BidCo and Ancora MidCo III prior to funding of the Debt Acquisition Facilities.

It is expected that, as at the Second Court Date, the Debt Commitment Letter will be superseded by a definitive long form credit facility agreement and related definitive financing documentation required to be entered into as a condition precedent to initial borrowings under the Debt Acquisition Facilities among the parties thereto, the material terms and conditions of which are specified in the Debt Commitment Letter.

It is expected that the conditions to the Debt Acquisition Facilities will be satisfied on or before the Second Court Date (other than certain procedural conditions which are intended to be satisfied concurrently with, or prior to, the initial borrowings under the Debt Acquisition Facilities, including the payment of fees, costs and expenses). As at the date of this Scheme Booklet, Ancora BidCo is not aware of any reason why, and has no reason to believe that, the conditions to funding the Debt Acquisition Facilities will not be satisfied so as to enable the relevant Debt Acquisition Facilities to be drawn for the purpose of funding part of the Scheme Consideration.

**(e) Scrip Consideration**

Ancora BidCo and Ancora TopCo have entered into the Deed Poll to covenant in favour of the Scheme Shareholders to perform their respective obligations in respect of the Scheme. This includes the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme, including to issue all Ancora TopCo Shares the subject of valid Elections by the Scheme Shareholders under the terms of the Scheme.

**(f) Reasonable basis**

On the basis of the arrangements outlined above, Ancora BidCo believes it has a reasonable basis for holding the view, and it does hold the view, that Ancora BidCo will be able to satisfy its obligations to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme.

**10.6 Intentions if the Scheme is implemented****(a) Introduction**

If the Scheme is implemented, Ancora BidCo will become the holder of all of the APM Shares on issue and accordingly, APM will become a wholly owned indirect subsidiary of Ancora BidCo.

This Section sets out the present intentions of Ancora BidCo in relation to the continuation of the APM business, any major changes to the business, and the future employment of the present employees of APM and any redeployment of the fixed assets of APM, in each case if the Scheme is implemented. The intentions of Ancora BidCo are the same as the intentions of each MDP Group Member, APM and the APM Shareholders.

The statements made in this Section are statements of present intention only and are based on the information concerning APM (including certain non-public information made available by APM to Ancora BidCo prior to entry into the Scheme Implementation Deed), and the general business environment which is known to Ancora BidCo as at the Last Practicable Date.

**(b) Removal from ASX**

If the Scheme is implemented, Ancora BidCo will direct that APM apply to ASX for APM to be removed from its Official List after the Implementation Date and subsequently converted to a proprietary company limited by shares.

**(c) Head office**

Ancora BidCo intends for APM to maintain its current head office in Perth and operations at the current sites following Implementation.

**(d) Employees**

APM is a people driven business. Ancora BidCo considers that a well-trained and motivated workforce is critical to maintaining the high standards of the business, and that the retention and incentivisation of staff is an essential component of the future success of the company.

Ancora BidCo is not planning to make changes to existing roles and intends to work with the management team to ensure the organisation is appropriately set up to pursue the growth opportunities in the market.

**(e) Directors**

Pursuant to clause 5.14 of the Scheme Implementation Deed, the APM Board will be reconstituted as soon as practicable on the Implementation Date. As at the date of this Scheme Booklet, the directors of APM following the Implementation Date have not been determined.

**(f) Changes to APM's constitution**

Ancora BidCo intends to replace APM's constitution with a constitution appropriate for a proprietary company limited by shares (consistent with the intention expressed in Section 10.6(b)) to convert APM into a proprietary company limited by shares following Implementation.

**(g) Business, operations and assets**

It is the current intention of Ancora BidCo to continue APM's focus on the global human services market and largely operate APM in its current form while providing support to pursue organic and acquisition-based growth opportunities as appropriate. Ancora BidCo does not intend to redeploy any of APM's fixed assets.

Ancora BidCo intends to continue to operate APM under its current name. As described previously, Ancora BidCo will undertake a full review of APM and its operations following Implementation to determine how best to operate and further develop and grow the company. Decisions regarding future business operations will be made following the completion of that review. However, as at the date of this Scheme Booklet, Ancora BidCo does not intend to dispose of any of APM's material assets. Ancora BidCo intends to continue to operate APM's business in a materially similar way, including by continuing to support APM in its efficiency programs announced to the market.

**(h) Post-implementation restructure**

To align the corporate structure of APM with its business activities in the key foreign jurisdictions in which APM is operating and so that earnings from those foreign jurisdictions may more directly support the service of debt obligations, MDP intends to undertake a post-implementation restructure of the APM Group Members. To facilitate the post-Implementation restructure, Ancora MidCo III has incorporated two additional proprietary companies with nominal equity located respectively in the US, MDP US BidCo, and the UK, MDP UK BidCo. Following implementation of the Proposed Transaction, it is intended that:

- (i) Ancora BidCo enters into a sale and purchase agreement with Advanced Personnel Management Group Pty Ltd, a wholly-owned subsidiary of APM, pursuant to which Ancora BidCo will acquire all of the shares in Ross Innovative Employment Solutions Corporations at fair market value for cash consideration, and Ancora BidCo then transfers those shares to MDP US BidCo; and
- (ii) MDP UK BidCo enters into sale and purchase agreements with Advanced Personnel Management Group Pty Ltd and Advanced Personnel Management International Pty Ltd pursuant to which MDP UK BidCo will acquire all of the shares in Advanced Personnel Management Holdings (UK) Limited and APM UK Holdings Limited (respectively) at fair market value for cash consideration.

## 10.7 Additional Information about MDP and the MDP Group

### (a) Voting power and relevant and economic interests

As at the Last Practicable Date:

- (i) the voting power of Ancora BidCo and its associates in APM is approximately 29.08%; and
- (ii) Ancora BidCo and its associates hold approximately 29.08% of the APM Shares on issue.

### (b) Dealings in APM Shares in the previous four months

Neither Ancora BidCo nor any of its Associates has provided, or agreed to provide, consideration for APM Shares under any transaction or agreement during the period of four months before the date of this Scheme Booklet except for the Scheme Consideration, which Ancora BidCo and Ancora TopCo have agreed to provide under the Scheme.

### (c) Inducing benefits given during the previous four months

Neither Ancora BidCo nor any of its Associates have, during the four months before the date of this Scheme Booklet, given, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person or an Associate to:

- (i) vote in favour of the Scheme; or
- (ii) dispose of APM Shares,

where the benefit was not offered to all APM Shareholders under the Scheme.

### (d) Benefits to APM officers

Neither Ancora BidCo nor any of its Associates will be making any payment or giving any other benefit to any current APM director or officer as compensation or consideration for, or otherwise in connection with, their resignation from their office if the Scheme becomes Effective, other than as required under the relevant person's employment contract with APM.

### (e) No MDP Group Member director have interests in APM Shares

As at the Last Practicable Date, none of the directors of any MDP Group Member have a relevant interest in any APM Shares.

### (f) No other agreements or arrangements

Neither the MDP Shareholders, any MDP Group Member nor their Associates have entered into or agreed any agreement or arrangement with APM Shareholder in connection with or conditional upon the outcome of the Scheme.

### (g) Disclosure of interests and fees of certain people

Other than as set out in this Scheme Booklet or pursuant to existing employment agreements, consulting arrangements or directorships, no:

- (i) director or proposed director of Ancora TopCo; or
- (ii) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet,

holds, or held at any time during the last two years, any interests in:

- (i) the formation or promotion of Ancora TopCo;
- (ii) property acquired or proposed to be acquired by Ancora TopCo in connection with the formation or promotion or the offer of Ancora TopCo Shares under the Scheme; or
- (iii) the offer of Ancora TopCo Shares under the Scheme.

### (h) Fees and benefits

Other than as set out in this Scheme Booklet or pursuant to existing employment agreements, consulting arrangements or directorships, no one has paid or agreed to pay an amount, or given or agreed to give any benefit to a director, or proposed director, of Ancora TopCo:

- (i) to induce them to become, or qualify as a director of Ancora TopCo; or
- (ii) for services provided in connection with the formation or promotion of Ancora TopCo or the offer of Ancora TopCo Shares under the Scheme.

## 10.8 Additional disclosures (including for the purposes of item 7 of section 611)

The following information is required to be provided to APM Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act, and other mandatory disclosures under section 636 of the Corporations Act. APM Shareholders are also referred to the Independent Expert's Report attached to this Scheme Booklet.

### (a) Voting prohibition

No votes can be cast in favour of the Item 7 Resolution by:

- (i) the person proposing to make the acquisition and their Associates; or
- (ii) the persons (if any) from whom the acquisition is to be made and their Associates. Accordingly, the MDP Funds and their Associates will be excluded from voting on the Item 7 Resolution.

### (b) Conditional Transfer Agreement and Item 7 Transaction

As it is proposed that Ancora BidCo will acquire 100% of the issued share capital in APM and the Scheme only relates to APM shares not held by the MDP Funds, the MDP Funds will sell their existing shareholding in APM to Ancora BidCo on the Implementation Date but immediately preceding Implementation under the Item 7 Transaction as follows:

- (i) Ancora TopCo acquires the MDP Funds' approximate 29.08% shareholding in APM pursuant to a conditional transfer agreement dated 31 May 2024 as amended on 27 June 2024 between the MDP Funds, Ancora BidCo and Ancora TopCo (the **Ancora TopCo CTA Acquisition**) for \$1.45 per APM share, such purchase consideration to be satisfied by the issuance of Ancora TopCo Shares to the MDP Funds; and
- (ii) immediately thereafter and on the same day, and also pursuant to the CTA, Ancora BidCo acquires the approximate 29.08% shareholding in APM from Ancora TopCo (the **Ancora BidCo CTA Acquisition**) for \$1.45 per APM share, such consideration to be satisfied by the issuance of a promissory note by Ancora BidCo to Ancora TopCo.

The Ancora TopCo CTA Acquisition and the Ancora BidCo CTA Acquisition result in a greater than 20% shareholding being acquired by Ancora TopCo and Ancora BidCo respectively (which may constitute an acquisition of a relevant interest pursuant to the Corporations Act). Section 609(7) of the Corporations Act provides that a relevant interest would not be acquired merely because of an agreement (which, in this case, is the Conditional Transfer Agreement) if the agreement:

- (iii) is conditional on the Item 7 Resolution being passed. As described below, the Conditional Transfer Agreement is conditional on the Item 7 Resolution being passed;
- (iv) does not confer any control over, or power to substantially influence, the exercise of a voting right attached to the securities. The Conditional Transfer Agreement does not provide any Bidder Group Member with any such control over, or power to substantially influence, the exercise of a voting right attached to the APM Shares prior to completion of the Ancora TopCo CTA Acquisition; and
- (v) does not restrict disposal of the securities for more than 3 months from the date when the agreement is entered into. The Conditional Transfer Agreement expressly does not restrict such disposal and includes an express provision to this effect.

Each of the Ancora TopCo CTA Acquisition and Ancora BidCo CTA Acquisition is conditional on:

- (i) as noted above, for the purposes of section 609(7) of the Corporations Act, APM Shareholders approve the Item 7 Resolution in respect of the transactions contemplated within the Conditional Transfer Agreement; and
- (ii) the Scheme becomes Effective.

The table below sets out the number of APM shares which each MDP Fund sells to Ancora TopCo in connection with the Ancora TopCo CTA Acquisition and the number of Ancora TopCo Shares that will be issued to each MDP Fund as consideration for the Ancora TopCo CTA Acquisition.

MDP Fund	Number of APM Shares being sold to Ancora TopCo	Ancora TopCo CTA Acquisition consideration shares
<b>Madison Dearborn Capital Partners VIII-A, L.P.</b>	158,747,406	15,081,003,570 Series A Shares 793,737,030 Series B Shares
<b>Madison Dearborn Capital, Partners VIII-C, L.P.</b>	82,410,574	7,829,004,530 Series A Shares 412,052,870 Series B Shares
<b>Madison Dearborn Capital Partners VIII Executive-A, L.P</b>	12,679,659	1,204,567,605 Series A Shares 63,398,295 Series B Shares
<b>Madison Dearborn Capital Partners VIII Executive-A2, L.P.</b>	12,882,062	1,223,795,890 Series A Shares 64,410,310 Series B Shares

If and when the Item 7 Resolution is passed:

- (i) following the Ancora TopCo CTA Acquisition, Ancora TopCo's voting power in APM will increase to 29.08%; and
- (ii) following the Ancora BidCo CTA Acquisition, the voting power of the Bidder Group in APM will increase to 29.08%.



# 11. Key risks

## 11.1 Overview

The Scheme presents potential risks that APM Shareholders should consider when deciding how to vote on the Scheme and the Item 7 Transaction and whether to make an Election to receive Scrip Consideration.

This Section outlines:

- (a) general investment risks (see Section 11.2 (*General investment risks*));
- (b) specific risks associated with your current investment in APM in terms of the business and operations of APM (see Section 11.3 (*Risks associated with the business and operations of APM*));
- (c) specific risks relating to Ancora TopCo Shares (see Section 11.4 (*Risks associated with Ancora TopCo Shares*)); and
- (d) specific risks relating to the Scheme (see Section 11.5 (*Risks associated with the Scheme*)).

This Section 11 is a summary only and does not purport to list every risk that may be associated with an investment in either APM or Ancora TopCo now or in the future or that may be associated with the Scheme being implemented. There also may be additional risks and uncertainties not currently known to APM which may have a material adverse effect on APM's operating and financial performance and the value of APM Shares.

If the Scheme becomes Effective, APM Shareholders that receive the All Cash Consideration will receive the Scheme Consideration, cease to be an APM Shareholder, and will no longer be exposed to the risks set out below (and other risks to which APM may be exposed).

If:

- (a) you retain your APM Shares in circumstances where the Scheme does not proceed; or
- (b) you receive Ancora TopCo shares by making a valid Election to receive either the All Scrip Consideration or the Mixed Consideration in circumstances where the Scheme is implemented, which gives you an ongoing exposure to the business of APM through Ancora TopCo (in which case, you will also be exposed to the risks in Section 11.4 (*Risks associated with Ancora TopCo Shares*) relating to Ancora TopCo Shares),

you will continue to be subject to the risks set out in Sections 11.2 (*General investment risks*) and 11.3 (*Risks associated with the business and operations of APM*).

In deciding whether to vote in favour of the Scheme and whether to make an Election to receive Scrip Consideration, APM Shareholders should read this Scheme Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of APM Shareholders. You should seek independent financial, legal, accounting, taxation and/or other professional advice before making any decision in relation to your APM Shares.

The occurrence or consequences of some of the risks described in Section 11 may be partially or completely outside the control of the APM Group or the MDP Group or their respective directors and senior management teams. Whilst the APM Recommending Directors unanimously recommend that APM Shareholders vote in favour of the Scheme and the Item 7 Transaction in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is and in the best interests of APM Shareholders, APM Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

## 11.2 General investment risks

Like many listed companies, APM is exposed to general risks that could materially adversely affect its assets and liabilities, the future operating and financial position, profits, prospects of APM, the potential to make distributions to APM Shareholders, and the price and/or value of APM Shares. General risks that may impact on APM, the market for APM Shares and future distributions made to APM Shareholders include:

- (a) changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices, employment levels, wage rates, population growth, and consumer demand and preferences;
- (b) regulatory risks and changes to government policy (including fiscal, monetary, taxation, employment and environmental policies), legislation or regulation (including accounting and reporting standards);
- (c) the nature of competition in the markets in which APM operates;
- (d) variations in APM's operating results;
- (e) changes to accounting standards that affect the financial performance and position reported by APM;
- (f) weather conditions, natural disasters or catastrophes, pandemics generally and other general operational and business risks;
- (g) there may be few or many potential buyers or sellers of APM Shares on the ASX at any time and this may affect the volatility of the market price of APM Shares. It may also affect the prevailing market price at which shareholders are able to sell their APM Shares;
- (h) a change to the current taxation regime may affect APM and APM Shareholders (personal tax liabilities are the responsibility of each individual investor in APM and APM is not responsible for taxation or penalties incurred by investors in APM); and
- (i) the overall performance of the Australian and international stock markets, changes in investor sentiment, recommendations by securities analysts, the operating and trading price performance of other comparable listed entities or inclusion or removal from major market indices.

While there is a possibility of future benefits to APM Shareholders that arise from some of these risks, equally, some of these factors could affect APM's share price regardless of APM's underlying operating performance.

## 11.3 Risks associated with the business and operations of APM

### (a) Macroeconomic conditions

#### (i) General

The APM Group's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates, inflation, or geopolitical events, which could impact the level of activity in the industries in which APM operates and the investment and expenditure decisions of its customers. Any macroeconomic events impacting the industries the APM Group operates in could negatively impact its operating and financial performance.

#### (ii) Persistent low levels of unemployment

The APM Group's financial performance may be impacted by persistent low levels of unemployment. Low levels of unemployment present a dual challenge for employment services providers. As unemployment rates decrease or remain low, those remaining in need of these services often require more intensive support to enter or re-enter the workforce, such as specialised job training, ongoing assistance, or accommodations. Such clients typically require more resources and personalised attention from providers, which can reduce the margin per client served. This increased demand for intensive support services can strain the operational capacity and financial sustainability of APM's Employment Services business, especially if their funding or reimbursement structures do not adequately reflect the increased costs associated with serving these clients. Consequently, as the number of clients requiring intensive support grows as a proportion of the client base of APM's Employment Services business, APM may continue to face tighter profit margins and increased operational challenges in meeting the needs of its clientele.

### (b) Government contracting

#### (i) Government policy, regulation and spending may change

The majority of APM's business is funded through various government funding programs and is dependent on the continuation and/or structure of those programs (including the decision to use third party service providers). Any changes in state or federal government initiatives may have a significant impact on APM's operations and future financial performance. Changes may take the form of reductions to overall funding in the sectors APM operates and to existing contract scopes, fees or participant eligibility, which may have a negative impact upon APM's profitability, cash flows and financial condition.

The market for APM's services depends largely on the legislative programs and the budgetary capability to support programs, including the continuance of existing programs, in the countries in which APM operates. Many of APM's contracts are not fully-funded at inception and rely upon future appropriations of funds by governments. Accordingly, a failure to receive anticipated funding may result in a reduction or an early termination of a contract. In addition, many of APM's contracts include clauses that allow customers and in particular clients that are governmental entities, to modify or terminate contracts (with or without any cost recovery reimbursement).

Changes in the level of government spending due to budgetary considerations may have a significant impact on APM's future financial performance, cash flows and financial condition.

(ii) **Reduction in use of third party service providers**

Governments in the jurisdictions in which APM operates may decide to deliver services themselves rather than using external providers to deliver programs or to limit APM's ability to undertake such programs. Any such limitations or changes to program delivery from providers to government could eliminate or reduce the value of APM's existing contracts or deny APM the ability to renew expiring contracts or to apply for new contracts, which, in turn, could adversely impact APM's financial performance, cash flows and financial condition. For example, there have been references made recently by the Australian government in relation to potentially in-sourcing NDIS plan management services which are currently provided by external service providers, including APM.

(iii) **Failure to comply with laws or to obtain or maintain relevant licences and or accreditations**

APM operates in highly regulated industries and is subject to laws, government policies and regulations in Australia and other jurisdictions in which it operates. Changes to these laws, federal and state government policies, and regulations, including the introduction of new laws, government policies and regulations, may have a material adverse impact on the financial and operational performance of APM including by increasing costs, reducing fees or demand for its services. The nature, timing, and impact of future changes to laws, government policies and regulations are not predictable and are generally dependent on factors beyond APM's control. Failure by APM to comply with applicable laws or regulations may lead to the loss of government contracts, damages, fines, or penalties which may disrupt and adversely affect APM's operations and financial results.

APM may be subject to fines, penalties, and other sanctions if it fails to comply with laws governing its business. APM's operations are subject to complex regulatory frameworks and schemes, including in, but not limited to, Australia, the United States and United Kingdom. If a government audit or regulatory investigation finds that APM has engaged in improper or illegal activities or APM otherwise determines that these activities have occurred, APM may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or disqualification from doing business with the government. Any adverse determination could adversely impact APM's ability to conduct its operations in the relevant jurisdiction in which APM operates.

In many of the markets in which APM operates, APM is required by local laws to obtain and maintain licences and/or accreditations. The applicable licensing and accreditation requirements govern the services APM provides, the credentials of staff, record keeping, treatment planning, client monitoring and supervision of staff. A failure to maintain these licences and/or accreditations or the loss of a licence or accreditation could have a material adverse impact on APM's business and could prevent it from providing services to participants in a given jurisdiction or could make provision of such services more expensive.

In certain jurisdictions, such as the United States, laws which incentivise whistleblowers to report any elements of overcharging or civil fraud in return for a percentage of the money clawed back from contractors can lead to litigation and potential disbarment from future procurement exercises.

(iv) **Restriction on bidding and performing certain work**

APM may be precluded from bidding and performing certain work due to other work APM currently performs or market share limits. With a view to ensuring a competitive marketplace for providers and avoiding sole supplier failure risk, government funders can restrict the number of contract areas won by a single bidder, or can restrict the overall volume of referrals or share of overall budget. Various laws and regulations can also prohibit companies from performing work for government agencies that might be viewed as an actual or apparent conflict of interest. These laws and regulations may limit APM's ability to pursue and perform certain types of work, and if breached may disqualify tenderers from participating in procurement processes.

**(c) Material contracts****(i) Reliance on key programs**

APM relies on key government programs for a significant portion of its revenue, with a large number of the individual contracts operating under (and dependent upon) more than 100 government programs that APM operates.

In FY23, revenue from APM's top three programs, DES, Workforce Australia and the Restart Scheme, represented approximately 31% of total revenue, and in FY24 revenue from APM's top three programs, which include DES, Workforce Australia and the Restart Scheme, are forecast to contribute approximately 21% of total revenue. A loss of, or substantial reduction in, those programs would have a material adverse effect on APM's operating results. Any significant disruption to, or a loss of or reduction in these programs or in the value of the contracts relating to those programs or the nature of the services APM performs under such contracts would significantly reduce APM's revenue and cash flows and could substantially harm APM's business and financial condition.

**(ii) Tenure, renewal, and a potential reduction in services**

There is no assurance that APM's current contracts with key customers (which include government entities) under various programs will continue until the end of their stated terms, or that upon their expiration will be renewed or extended on satisfactory terms, if at all.

This includes the current contracts which are due for renewal in the 12 month period from 1 July 2024 which are forecast to contribute 26% of APM's FY25F revenue. Additionally, services provided under current contracts may be reduced at the discretion of the counterparty to align with changes in government policy, initiatives, budgets, industry regulation or otherwise. There is a risk that the financial impact of contracts that have been early-terminated, non-renewed or reduced in scope could have a material adverse effect on APM's business, as well as its financial performance, cash flows and financial condition. In particular, the DES program is due to expire in June 2025 and is expected to be replaced from July 2025. There is no assurance that APM will be awarded new DES contracts on the same or equivalent terms to its existing contracts under DES, or at all.

Government entities have in the past terminated, and may in the future terminate, their contracts with APM earlier than expected, which may result in revenue shortfalls and unrecovered costs. Many of APM's government contracts contain base periods of one or more years, as well as option periods covering more than half of the contract's potential duration. Government agencies do not have to exercise these option periods, and they may elect not to exercise them for budgetary, performance or any other reason. Contracts that are terminated for performance reasons may impose financial penalties related to such failures, or may require APM to put in place performance improvement programs that can be costly and time consuming to implement. Consequently, APM may incur significant costs or liabilities including actual or liquidated damages relating to termination, or payment may be withheld until performance improvement is achieved. The failure to satisfy contractual obligations or meet performance standards by APM may also impact its ability to obtain the award of future contracts with its customers.

Some of APM's contracts also contain provisions permitting a government customer to terminate the contract on short notice, with or without cause. Termination without cause provisions generally allow the government counterparty to terminate a contract at any time and may only enable APM to recover costs incurred or committed, and settlement expenses and profit, if any, on the work completed prior to termination. APM may or may not be able to recover all the costs incurred during the start-up phase of a terminated contract, particularly if terminated early in the life of the contract. The unexpected termination of significant contracts could result in significant revenue shortfalls. If revenue shortfalls occur and are not offset by corresponding reductions in expenses, APM's business could be adversely affected.

**(iii) Revenue models of contracts**

The revenue models of APM's contracts vary depending on the type of service it is providing. APM's aggregate revenue is weighted towards outcome fee contracts whereby APM receives a fee upon meeting certain milestones. To earn profit from these contracts, APM must accurately estimate the volume of work available in the market, associated costs and resource requirements against the prospect of a participant sustaining employment for the relevant period, or meeting an equivalent milestone in APM's other business lines. Such estimates of workload, or of anticipated success factors for outcomes, are often provided by customers based on previous programs, or on market studies available to or commissioned by APM. Such sources of information may not be accurate given the effluxion of time, changes in market conditions, changes to the recipients of services or the mode or time permitted for service delivery. Failure to appropriately anticipate the level of referrals or expected outcomes can lead to increased staffing and office costs which may be contractually committed but are not sustainable given the lower number of referrals, and consequent reduction in outcomes. Where contractual commitments are in place, relief can be sought from the funder, but this may not always be forthcoming. If APM's estimates are inaccurate or affected by changes in applicable employment or other societal conditions, it may not achieve the level of profit expected or may incur a net loss on a contract.

**(iv) Contract tendering**

APM obtains a significant portion of its business from federal and state government entities, which generally entails responding to government “requests for proposal” (**RFPs**). APM must accurately estimate its cost structures for servicing a proposed contract, the time required to establish operations and submit the most attractive proposal with respect to both technical and price specifications. APM must also assemble and submit a large volume of information within rigid and often short timetables. APM’s ability to respond timely and successfully to an RFP is critical to the procurement of or retaining business. Therefore, there is a risk that APM may not continue to win contracts in response to RFPs. Further, if APM were to misinterpret bid requirements as to performance criteria or not accurately estimate performance costs in a binding bid for an RFP, there is a risk that APM will not be able to modify the proposed contract and may be required to perform under a contract that is not profitable.

Even where APM is the incumbent, its ability to secure continued business or contracts at similar margins may be affected by competitive rebids, contract changes or cancellations. There is a risk that APM will not be able to renew contracts with the same pricing terms and margins, or to replace lost contracts, which could have a material adverse effect on APM’s business, as well as its financial performance, cash flows and financial condition.

**(v) Audit and modification by customers**

The performance of APM’s businesses depends on APM’s ability to successfully perform under various government funded contracts. APM’s contracts are generally subject to reviews or audit by the payors or customer in respect of APM’s compliance or performance, as well as its records and general business practices. Those customers can generally take some of the following actions at their discretion:

- (A) suspend or prevent APM from receiving new contracts or extending existing contracts because of violations or suspected violations of procurement laws or regulations;
- (B) terminate or modify APM’s existing contracts;
- (C) reduce the amount APM is paid under its existing contracts, or withhold payment until performance is rectified; or
- (D) in some cases, audit and object to APM’s contract related fees.

Any increase in the number or scope of audits could increase APM’s expenses, and the audit process may disrupt the day-to-day operations of APM’s business and distract management. Under certain APM contracts, customers can also extrapolate any billing errors across whole periods based on an incorrect sample, which could be costly if appropriate checks were not carried out on payment claims prior to submission. If customers detect significant audit violations or other issues, or if they terminate or modify or make material modifications to APM’s contracts (including changes that reduce the amount APM is paid or that increase APM’s obligations), APM’s business and reputation, as well as its financial performance, cash flows, and financial condition, could be adversely impacted.

**(vi) Variability in cash flows**

A number of factors may cause APM’s cash flows and results of operations to vary from financial period to financial period, including:

- (A) the terms and progress of contracts;
- (B) caseloads and other factors where revenue is derived on transactional volume on contracts;
- (C) the levels of revenue earned on, and profitability of fixed-price and performance-based contracts;
- (D) expenses related to certain contracts which may be incurred in periods prior to revenue being recognised;
- (E) the commencement, completion or termination of contracts during any particular reporting period;
- (F) the schedules of government agencies for awarding contracts;
- (G) government budgetary delays or shortfalls;
- (H) changes in government policy and funding programs;
- (I) the timing of change orders being signed;
- (J) the terms of awarded contracts;
- (K) a deterioration of the macroeconomic conditions in the regions APM operates;
- (L) shutdown of service capabilities due to restrictions relating to pandemics and corresponding health orders; and
- (M) potential acquisitions.

Changes in the volume of activity and the number of contracts commenced, completed, or terminated during any reporting period may cause variations in APM’s cash flows and results of operations because a large amount of APM’s expenses are fixed.

**(vii) Reliance on third party providers**

From time to time, APM engages subcontractors, teaming partners or other third parties to provide customers with services either as consortium partners, specialist service providers (such as IT contractors) or to deliver end-to-end services on behalf of APM to clients. In certain cases, APM may have limited control over how these third parties render their services and APM cannot guarantee that those parties will comply with the terms set forth in their agreements or remain financially sound. APM may have disputes with those subcontractors, teaming partners or other third parties arising from the quality and timeliness of their work, customer concerns about them, or other matters, which may result in disruptions to APM's business and the performance of the relevant contracts. Subcontractor or teaming partner performance deficiencies could result in a customer terminating its contract with APM for default, which may expose APM to liability.

**(d) Acquisitions**

APM has in part historically grown its business by acquisition, and the growth through acquisition strategy may remain a part of APM's strategy in the future. This growth has placed, and may continue to place, significant demands on management, information and reporting resources and financial and internal controls and systems. Effective management of APM's growth will require continued development and appropriate resourcing of these controls and systems, failing which APM may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive threats.

There are a range of additional risks associated with acquisitions, including one or more past or future acquisitions giving rise to significant actual or contingent liabilities or loss which it cannot recover under the relevant acquisition agreement, APM may fail to achieve expected synergies and cost savings in relation to an acquisition, customers and key employees of acquired businesses may not be retained after completion of the acquisition and the services contracts of acquired businesses may contain unusual or onerous terms, including in relation to termination rights. Any of the above factors, either individually or in combination, may have a material adverse effect on APM's financial position and future prospects.

**(e) Information technology****(i) Systems failures**

APM's information technology systems are critically important to its operations, and it must implement and maintain appropriate and sufficient infrastructure and systems to support growth, business processes and service to its clients. These systems are used to process, transmit and store electronic information, to manage and support APM's business operations and to maintain internal control over its financial reporting. APM could encounter difficulties in developing new systems, maintaining and upgrading current systems and preventing security breaches. Among other things, APM's systems are susceptible to outages, disruptions, or shutdowns due to a variety of factors including cyber-attacks and similar events.

Failures in APM's systems or services or unauthorised access to or tampering with its systems and databases could have a material adverse effect on APM's business, reputation, results of operations, cash flows and financial condition. Any significant failures in its computer systems or telecommunications services could affect APM's ability to deliver its services or otherwise conduct business.

**(ii) Information security, data protection and privacy laws**

APM provides its services to individuals, government agencies and corporations. These services require APM to collect, process and maintain sensitive and personal client data. This data generally relates to health information, identification numbers and other personal data. As a result, APM is subject to the various privacy laws and regulations, including the use and handling of personal data of the jurisdictions in which it operates. Many of these laws and regulations are subject to interpretation and enforcement standards that could result in changes to APM's business practices, data processing and security systems, penalties and increased operating costs.

Additionally, APM's services and systems are subject to attacks by hackers, error or malicious action by employees or breach due to error, malfeasance, or other disruptions, including theft, cyber-attacks, viruses and malicious or faulty third-party software. Any security breach or incident that APM experiences could result in unauthorised access to, misuse of, or unauthorised acquisition of its or third party data as well as proprietary or confidential information.

The loss, theft or improper disclosure of this information could subject APM to sanctions or fines under the relevant laws of the jurisdictions in which it operates, breach of contract claims, contract termination, class action or individual lawsuits from affected parties, requirements to store and process data in certain ways which may be more costly, reputational damage, and a loss of confidence from government or other customers, all of which could adversely affect APM's existing business, future opportunities, and financial performance.

**(f) Dependence on key personnel**

APM has a high quality management team with significant experience and knowledge of the health and human services industries. The majority of the team have been with APM for an extensive time, and accordingly the loss of key executives and key employees is a risk to APM's business. If key executives or key employees were to leave, APM could face difficulty replacing them. The loss of key personnel may lead to a loss of operational knowledge and capabilities, key business relationships and industry expertise, as well as delays in the development and launch of new offerings. The departure of key personnel and APM's inability to replace such key personnel could have a negative impact on the business and could impact APM's ability to retain or renew its contracts or win new business. It could also impact APM's ability to meet its earnings and profitability targets and result in a material increase in the costs of obtaining experienced key management personnel.

**(g) Requirement to attract and retain qualified employees**

APM's success depends, to a significant degree, on its ability to identify, attract, develop, motivate and retain highly qualified and experienced professionals who possess the skills and experience necessary to deliver high-quality services to clients. A portion of APM's staff is made up of professionals with requisite educational backgrounds and professional certifications. These employees are in great demand and are likely to remain a limited resource for the foreseeable future.

APM's ability to attract and retain employees with the requisite experience and skills depends on several factors including, but not limited to, APM's ability to offer competitive wages, benefits, and professional growth opportunities. Some of the companies with which APM competes for experienced personnel may have greater financial, technical, political, and marketing resources, name recognition and a larger number of clients than APM, which may prove more attractive to employment candidates. The inability to attract and retain experienced personnel could have an adverse effect on APM's business.

**(h) APM may be subject to increased competition**

APM competes for customers, contracts and in some markets, participants with a variety of organisations that offer similar services. Many organisations of varying sizes compete with APM, including local not-for-profit organisations and community-based organisations, larger companies, organisations that currently provide or may begin to provide similar human services. Some of these companies may have greater financial, technical, political, marketing, name recognition and other resources and a larger number of clients than APM does. In addition, some of these companies offer more services than APM does. To remain competitive, APM must provide superior services and performance on a cost-effective basis to its customers and/or participants.

Increased competition may arise from new entrants in the market in which APM operates, existing competitors attempting to increase their market share or from disruptive technologies that may change the way services are delivered. Some of these competitors may have greater financial, technical, political or brand recognition and other resources than APM. Further, these competitors may better utilise technology to change the way services in the market are designed and delivered, resulting in APM's competitors providing alternative or greater capabilities than APM.

Increased competition may result in the loss of or failure to gain market share or failure to win contracts or attract clients, any of which could have a material adverse effect on APM's financial performance. APM's business may also be adversely affected by the consolidation and rationalisation of its competitors, which may impact APM's market share or result in a diminution of negotiating leverage with customers.

**(i) Execution of growth strategy and ability to successfully manage growth**

There is no guarantee that APM's growth strategies or initiatives will be successfully implemented, perform in line with expected growth and margins, deliver expected returns and market share gains or ultimately be profitable or not impact negatively on the existing business or operations. There is also a risk that such growth strategies may be subject to unexpected delays and additional implementation costs and that APM may not be able to successfully manage growth stemming from the implementation of such growth strategies. These risks may have a material adverse effect on APM's financial performance, and therefore there is no assurance that any future growth strategies will enhance investment returns of investors.

APM operates in an evolving market, and APM's business and results of operations may suffer if APM does not successfully manage its growth. Although APM has achieved profitability for a period of time, APM expects that ongoing expansion will increase its operating expenses in line with top line revenue growth. In addition, new business initiatives may expose APM to new challenges and uncertainties. APM's historical results of operations should not be taken as indicative of the rate of growth, if any, or the level of profitability, if any, that can be expected in the future. If APM does not successfully manage its growth, APM's business and results of operations may be materially and adversely affected.

**(j) Availability of funding and service of debt financing**

APM currently has a number of debt facilities in place (being the Existing Facilities). If the Scheme is implemented, the Existing Facilities will be refinanced by Ancora BidCo's Debt Acquisition Facilities. If the Scheme is not implemented, APM may elect either to maintain the Existing Facilities or implement the New Facilities for the purposes of refinancing the Existing Facilities. The Existing Facilities are, and both the Debt Acquisition Facilities and the New Facilities will be, subject to certain representations, warranties, undertakings and events of default that, if breached, may result in (among other things) the

relevant facilities being cancelled, amounts owing under the facilities becoming immediately due and payable and/or the guarantees and/or security granted in connection with the facilities being enforced. This may have a material adverse effect on APM's operations and/or financial position and performance. Furthermore, as APM's debt facilities reach maturity, APM is subject to the risk of not being able to refinance its debts as and when they fall due. If this occurs, the terms available to APM (including in relation to pricing) on refinancing with new debt facilities may not be on favourable terms and, if there is a deterioration in the level of credit market liquidity, may prevent APM from being able to refinance some or all of its debt.

#### **(k) No guarantee of future dividends**

The future payment of dividends (if any) by APM is determined at the discretion of the APM Board (or the board of Ancora TopCo, as applicable) and in accordance with the Corporations Act from time to time. This is dependent on several factors such as (i) profitability, cash flow, capital structure and strategic initiatives of APM; and (ii) payment of the dividends being permitted under the terms of APM's debt facilities. Each of the Existing Facilities, the New Facilities and the Debt Acquisition Facilities restrict payment of dividends by APM unless expressly permitted. Generally, distributions are permitted in an amount up to an annual cap where (i) no event of default is continuing and (ii) (A) the leverage ratio is within a pre-agreed multiple; or (B) earnings exceed a pre-agreed figure. If the Scheme is implemented, there is no guarantee that Ancora TopCo will pay any dividends or other distributions to its shares (refer to Section 11.4(b)(ii) for more information). If the Scheme is not implemented, there is similarly no guarantee that APM will pay any dividends or distributions to its shareholders.

#### **(l) Management of an international group**

APM operates businesses across a large number of geographic jurisdictions and intends to continue to expand in size and increase the number of services it provides. APM's success in managing its international operations will largely depend on the ability of the members of APM's senior management to operate effectively, both independently and as a cohesive multinational group. APM may encounter risks and difficulties in this regard including APM's potential failure to:

- (A) implement a unified business model and strategy that can be adapted and modified to specific geographical regions;
- (B) manage and communicate effectively with teams outside Australia;
- (C) increase awareness of APM's brand names, protect its reputation and develop customer loyalty in those geographical regions;
- (D) anticipate with any degree of certainty the behavioural and operational changes of APM's customers that
- (E) have a significant impact on APM's business from time to time as they respond to evolving social, economic, regulatory and political changes;
- (F) maintain adequate control and oversight of the Group's domestic and international expenses;
- (G) adequately and efficiently operate, maintain, upgrade and develop its websites, mobile applications and the other platforms and equipment APM utilises in providing its services;
- (H) improve and develop financial and management information systems, controls, and procedures suitable to an international business of APM's size; and
- (I) anticipate and adapt to changing conditions in the human services, online and other markets in which APM operates as well as the impact of any changes in government regulation, mergers and acquisitions involving APM's competitors, technological developments, and other significant competitive and market dynamics.

#### **(m) Litigation risk**

Adverse judgments or settlements in legal disputes could harm APM's operating results, cash flows and financial condition. From time to time, APM is subject to a variety of lawsuits and other claims. These may include lawsuits and claims related to contracts, subcontracts, employment claims and compliance with laws and regulations. Adverse judgments or settlements in some or all of these legal disputes may result in significant monetary damages or injunctive relief against APM. In addition, litigation and other legal claims are subject to inherent uncertainties and Management's view of these matters may change in the future. Those uncertainties include, but are not limited to, costs of litigation, unpredictable court or jury decisions, and the differing laws and attitudes regarding damage awards among the states and countries in which APM operate.

#### **(n) Liability arising from employment relationships**

As an employer of staff in multiple jurisdictions, APM is subject to regularly changing legislative and industrial relations employment obligations (including awards and enterprise or collective bargaining arrangements), requiring that staff and contractors are paid in accordance with agreed rates, receive certain entitlements and that accurate and adequate records of hours worked and other employment information are maintained. If staff have been improperly classified, entitlements not calculated correctly, wages underpaid, overtime or hours worked not properly recorded, staff considered contractors are in fact deemed to be employees, or discrimination in favour of a certain class of employees is found, APM could be subject to investigations, litigation, fines, penalties, compensation or remediation (including the obligation to make back payments), taxation and potential ensuing damage to its reputation.



**(o) International operations**

For FY23, approximately 59% of APM's revenue was driven from jurisdictions outside of Australia. As a result, APM is subject to foreign financial, tax and business risks which could arise in the event of:

- (A) foreign currency exchange fluctuations (including in particular the USD/AUD and GBP/AUD rates);
- (B) unexpected increases in tax rates or changes in foreign tax laws;
- (C) non-compliance with international laws and regulations, such as data privacy, employment regulations and trade barriers;
- (D) new regulatory requirements or changes in local laws that materially affect the demand for APM's services or directly affect our foreign operations;
- (E) local economic and political conditions and inflation risk;
- (F) the length of payment cycles and potential difficulties in collecting accounts receivable; and
- (G) civil disturbance, terrorism or other catastrophic events that reduce business activity in other parts of the world.

These factors may lead to decreased revenues and profits, which could adversely affect APM's business, financial condition, and results of operations.

**(p) Brand and reputation**

APM's ability to maintain its reputation is critical to its ongoing financial performance. APM's reputation could be jeopardised if it fails to maintain high standards for service quality or if it does not comply with regulations or accepted practices. In addition, a failure by APM to provide services or an unsuccessful outcome for a participant can also result in damage to APM's reputation through association with subsequent conduct of or outcomes for participants or former participants. APM's reputation could also be damaged by the conduct of third parties, including its joint venture partners or subcontractors.

Any consequential negative publicity may reduce demand for APM's services. Failure to comply with laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also damage APM's reputation and expose it to prosecution, which could further impact APM's reputation.

Damage to APM's reputation or the reputation of its clients could have an adverse effect on APM's operations and financial performance.

**(q) Exposure to market risks****(i) APM Share Price volatility**

If the Scheme does not become Effective, APM Shares will remain Officially Quoted on the ASX and continue to be subject to market volatility, including as a result of general stock market movements and the impact of general economic conditions. If the Scheme does not become Effective, the price at which APM Shares trade may fall.

**(ii) Foreign currency risk**

The APM Group has substantive operations outside Australia as set out in paragraph (l) (*Management of an international group*) above. As APM's foreign subsidiaries operate businesses with exposure to both revenue and expense currency movements, the APM Group may have a natural hedge against major currency fluctuations. The APM Group is exposed to foreign currency risk from the translation of financial assets and liabilities of foreign subsidiaries into AUD as the presentation currency.

**(iii) Interest rate risk**

The APM Group's main interest rate risk arises from its long-term borrowings with variable rate components, which exposes the APM Group to cash flow interest rate risk.

The Existing Facilities charge, and the New Facilities will charge (to the extent the APM Group draws on the New Facilities), an interest rate of BBSY plus an applicable margin above BBSY. A 1% increase or decrease in either the BBSY or the average margin above BBSY on the total available commitments under either the Existing Facilities or the New Facilities will increase/decrease the annual interest payable by approximately \$9.3 million.

**(r) Fraud and other misconduct**

In the event that an employee, subcontractor or agent commits fraud, breaches APM's security systems procedures or clearances or should any other misconduct occur, such an occurrence could have an adverse impact on APM's business, government clearances and reputation. Misconduct by employees, subcontractors or agents could involve authorised or unauthorised collaboration with third parties, security breaches or intentional failures to comply with applicable laws, including laws and regulations relating to environmental, health or safety matters and regulatory or internal policy requirements for the handling of sensitive or otherwise protected information. Misconduct could involve the improper release or use of APM's clients' sensitive information, which could result in regulatory sanctions against APM and serious harm to APM's reputation (particularly where such misconduct or fraud is systemic). These actions could also lead to civil, criminal and/or administrative penalties (including fines or imprisonment), cancellation of contracts, suspension or restrictions from government work, and harm to APM's reputation, which could have an adverse impact on APM's financial performance and financial position.

**(s) Inability to secure adequate insurance**

Whilst APM seeks to maintain insurance coverage that is consistent with industry practice, there is a risk that coverage may not be available when required, at commercially acceptable premiums, or at all. Insurance coverage may increase in cost or may not cover the full scope and extent of claims against APM or losses it may incur. In addition, APM may elect not to insure against certain risks where it considers the applicable premiums to be excessive in relation to the perceived risks and benefits. As a result, APM may incur losses that are not insured or that are beyond its insurance coverage limits, which could materially and adversely impact its financial performance and financial condition. In addition, there can be no assurance that adequate insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any claims made. If there is a hardening of the insurance market, APM's insurance premiums may rise to a level where it becomes uneconomical to insure certain risks, which may adversely impact APM's financial performance and financial condition.

In addition, any claim under its insurance policies may be subject to certain exceptions or may not be honoured (in full or in part). The deductibles under the insurance policies may change on renewal, increasing the liability risk retention to APM. If liabilities are incurred without adequate insurance or are subject to heightened deductibles and a claim arises, this may have an adverse impact on APM's financial performance and financial position.

**(t) Unknown risks**

Additional risks and uncertainties not currently known to APM may also have a material adverse effect on APM's financial and operational performance. The information set out in this Section 11 (Key risks) does not purport to be, nor should it be construed as, an exhaustive overview of the risks which may affect APM.

**11.4 Risks associated with Ancora TopCo Shares**

This Section 11.4 sets out the key risks relating to Ancora TopCo Shares which are known to Ancora BidCo at the Last Practicable Date. These risks will only apply to Scheme Shareholders who receive Scrip Consideration.

**(a) Risks associated with an investment in Ancora TopCo post implementation of the Scheme**

Scheme Shareholders who make a valid Election for Scrip Consideration should consider a number of risks that can be broadly classified as risks specific to an investment in Ancora TopCo Shares post implementation of the Scheme and general risks relating to investing in unquoted securities. These risks may, individually or in combination, have a material adverse effect on any one or more of Ancora TopCo's future financial performance, financial position, cash flows or distributions and your ability to dispose of Ancora TopCo Shares if you wish to do so and consequently, on the outcome of an investment in Ancora TopCo and the value of your Ancora TopCo Shares.

You should read the Scheme Booklet in its entirety and specifically consider the factors contained within this Section before making an Election to receive Scrip Consideration. You should also carefully consider these factors in the light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding whether to make an Election to receive Scrip Consideration. There is no guarantee that Ancora BidCo will achieve its stated objectives or any of its statements of current future intent as described in Section 10.6 (*Intentions if the Scheme is implemented*), or that any dividends or distributions will be paid to Ancora TopCo shareholders post implementation of the Scheme.

You should note that this Section is not an exhaustive list of the risks associated with an investment in Ancora TopCo post implementation of the Scheme. Further, many of these risks are outside the control of Ancora TopCo, or Ancora BidCo and either cannot be mitigated or can only be partially mitigated. The risk factors that apply to an investment in Ancora TopCo post implementation of the Scheme are materially different from, and in addition to, those that apply to your existing investment in APM. For further information about the rights and obligations associated with Ancora TopCo Shares see Section 10.4 (*Overview of Ancora TopCo Shares*).

## **(b) Risks specific to Ancora TopCo and Ancora TopCo Shares post implementation of the Scheme**

### **(i) No market for Ancora TopCo Shares**

Ancora TopCo is an unlisted company and will continue to be an unlisted company following implementation of the scheme.

As such, there is no public market for the sale and purchase of Ancora TopCo Shares following implementation of the Scheme, nor is there expected to be any such market in the future. There are also substantial restrictions on the ability for Ancora TopCo shareholders to transfer their Ancora TopCo Shares under the Ancora TopCo Shareholders' Deed. See the "Restrictions on dealing" section of the table in Section 10.4 for more information.

This will result in Ancora TopCo Shares being substantially illiquid. The lack of liquidity associated with Ancora TopCo Shares may affect the price that another person is willing to pay for those Ancora TopCo Shares (even though the performance of Ancora TopCo and the APM business might suggest the value of those Ancora TopCo Shares is higher).

### **(ii) Likely lack of dividends**

The declaration and payment of any dividend will be at the sole discretion of the Ancora TopCo Board (subject to the Corporations Act). It should be noted that certain members of the MDP Group will be entering into documents with financial institutions that contain covenants restricting certain members of the MDP Group, and following implementation of the Scheme, certain members of the APM Group, from declaring or paying a dividend except in limited circumstances. The Debt Commitment Letter contains (and any long-form credit facility agreements will likely contain) restrictions on the payment of dividend to Ancora TopCo Shareholders. To the extent Ancora TopCo pays any dividends in the future, the level of franking on any dividends will be affected by the level of Ancora TopCo's available franking credits and distributable profits. Ancora TopCo's level of franking credits may be affected by a wide range of factors, including its business performance, the jurisdictions in which APM makes profits and pays tax and any other franked dividends it may receive (if any). Ancora TopCo's distributable profits may also be affected by a wide range of factors including its levels of earnings. The level of franking on any dividend may vary over time and dividends may be partially, fully or not franked. The value and availability of franking credits to a Ancora TopCo Shareholder will depend on that Ancora TopCo Shareholder's particular circumstances. There is no guarantee that the future tax environment will be the same as the current tax environment.

### **(iii) Limited information rights**

Scheme Shareholders who receive Ancora TopCo Shares will receive significantly less information and reports about their investment than what they currently receive.

Ancora TopCo, being a public company (but not a disclosing entity), must lodge with ASIC an annual financial report and director's report. The financial report includes audited financial statements for the year, and the directors' declaration about the statements. However, there is no requirement for Ancora TopCo to include a corporate governance statement in its annual report.

There is no requirement for Ancora TopCo's financial statements to include:

- (A) a declaration by the CEO and CFO that they give a true and fair view;
- (B) an 'operating and financial review'; and
- (C) financial report and directors' report for each half-year.

For further details on the information rights Ancora TopCo Shareholders will have following implementation of the Scheme, see Section 10.4(c).

### **(iv) Incurrence of indebtedness**

Ancora BidCo and its subsidiaries (including, following implementation of the Scheme, APM) will incur substantial debt and may incur additional debt from time to time. Following implementation of the Scheme, APM will likely operate with a higher level of debt or leverage than it currently does.

### **(v) Ancora TopCo Shareholders' Deed**

APM Shareholders who receive Ancora TopCo Shares under the Scheme will become bound by the Ancora TopCo Shareholders' Deed, which is intended to govern the relationship between investors in Ancora TopCo. The Ancora TopCo Shareholders' Deed provides Ancora TopCo Shareholders with certain rights and obligations in connection with, amongst other things, the governance of Ancora TopCo and the disposal of shares and other securities in Ancora TopCo and include a restraint on competition activities. For further information about the rights and obligations of Ancora TopCo Shareholders under the Ancora TopCo Shareholders' Deed see Section 10.4 (Overview of Ancora TopCo Shares).

(vi) **Exit**

Consistent with usual private equity practice, MDP may seek to 'exit' its investment in the APM business in the future. This is subject to the MDP Shareholders' preferences, prevailing market conditions, the performance of the business and other factors which may be considered relevant at the time. As such, the time period for the exit is currently unknown and is at the discretion of the MDP Shareholders.

There is no guarantee that Ancora TopCo Shareholders will be able to sell their Ancora TopCo Shares if a decision to exit is not made by the MDP Shareholders. In particular, there will be no active market for the sale and purchase of Ancora TopCo Shares following implementation of the Scheme and there are restrictions, in the Ancora TopCo Shareholders' Deed, on the ability of Ancora TopCo Shareholders to sell or transfer their Ancora TopCo Shares other than in very limited circumstances.

Conversely, there is no guarantee that Ancora TopCo Shareholders will want to sell their Ancora Top Shares at the same time as a decision to exit is made by the MDP Shareholders. Despite this, if a decision to exit is made, Ancora TopCo Shareholders will be forced to sell their Ancora TopCo Shares under the Ancora TopCo Shareholders' Deed. Ancora TopCo Shareholders may not agree with the exit strategy adopted by Ancora TopCo or receive the price and return on investment they expect. For further information about the exit rights of Ancora TopCo Shareholders see Section 10.4 (Overview of Ancora TopCo Shares).

(vii) **Compulsory acquisition**

As set out in Section 10.4(c), subject to Major Shareholder Approval, Ancora TopCo may require Ancora TopCo Shareholders holding \$25,000 or less (based on the value of a security issued on the Implementation Date) of Ancora TopCo Shares to dispose of all of their Ancora TopCo Shares at fair value. Ancora TopCo at any time after the end of the first anniversary of the Implementation Date.

(viii) **No continuous disclosure**

As set out in Section 10.4(d) (*Different regulatory regime for Ancora TopCo Shares*), a different regulatory regime will apply to Ancora TopCo Shares post-implementation of the Scheme as compared to the regime currently applying to APM Shares. As Ancora TopCo is, and will remain, a public unlisted company, certain protections applicable to APM Shareholders will no longer apply to Ancora TopCo Shareholders. Ancora TopCo is not subject to the continuous disclosure obligations under the Listing Rules and does not have any obligation to disclose material price sensitive information to the market post-implementation of the Scheme.

## 11.5 Risks associated with the Scheme

**(a) Implications for APM and APM Shareholders if the Scheme is not implemented**

If the Scheme is not implemented, APM Shareholders will not receive the Scheme Consideration and APM will continue, in the absence of a Superior Proposal, to operate as an ASX-listed entity.

Unless APM Shareholders choose to sell their APM Shares on the ASX, APM Shareholders will continue to hold APM Shares and will be exposed to both risks (including those set out in this Section 11) and potential future benefits in retaining exposure to APM's business and assets.

The APM share price will also remain subject to market volatility and may fall in the absence of a Superior Proposal.

**(b) The Scheme Implementation Deed may be terminated by APM or Ancora BidCo in certain circumstances and the Scheme is also subject to various Conditions Precedent**

Each of APM and Ancora BidCo has the right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in Section 13.14(i) of this Scheme Booklet.

The Scheme is also subject to various Conditions Precedent that must be satisfied or waived (if capable of waiver) for the Scheme to be implemented. These Conditions Precedent are outlined in Section 8.1 (*Key steps to implement the Scheme*). The failure of a Condition Precedent to be satisfied or waived (if capable of waiver) may also give rise to a right for either APM or Ancora BidCo to terminate the Scheme Implementation Deed.

As at the date of this Scheme Booklet, APM is not aware of any circumstances which would cause any outstanding Condition Precedent not to be satisfied or waived (if capable of waiver). Despite this, there is a possibility that one or more of the Conditions Precedent will not be satisfied or waived (if capable of waiver) and that the Scheme will not proceed. There are a number of Conditions Precedent which are outside the control of APM, including, but not limited to, approval of the Scheme by the Requisite Majorities, the Court, and FIRB, and approval of the Item 7 Transaction by the Item 7 Majority. In this regard, there is also a risk that some or all of the aspects of the APM Shareholder, Court and FIRB approvals, and approval of the Item 7 Transaction, required for the Scheme to proceed may be delayed.

If, for any reason, all of the Conditions Precedent are not satisfied or waived (if capable of waiver) and the Scheme does not proceed, or otherwise if the Scheme Implementation Deed is terminated, the APM Share price will continue to be subject to market volatility and, if no comparable proposal to the Scheme or Superior Proposal is received by the APM IBC (or otherwise emerges), may fall.

**(c) Tax consequences for Scheme Shareholders**

If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders which may include tax being payable. For further detail regarding general Australian tax consequences of the Scheme, refer to Section 12 (*Taxation implications for Scheme Shareholders*) of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your circumstances.

**(d) Risks if the Scheme is implemented**

If the Scheme is implemented, you will no longer be an APM Shareholder and will forgo any future benefits that may result from being an APM Shareholder. In particular, if the Scheme is implemented, you will not be able to participate in the future financial and share price performance of APM, retain any exposure to APM's business or assets or have the opportunity to share in any value that could be generated by APM in the future (unless you choose to obtain indirect exposure to APM's business through making a valid Election to receive Scrip Consideration). However, there is no guarantee as to APM's future performance, or its future share price and financial performance, as is the case with all investments.

APM Shareholders may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of APM or may incur transaction costs in undertaking any new investment.

# 12. Taxation implications for Scheme Shareholders

## 12.1 Scope and tax comments

This Section 12 contains a general overview of the Australian income tax (including capital gains tax (**CGT**)), GST and stamp duty implications for certain Australian and foreign resident Scheme Shareholders on implementation of the Scheme.

The categories of Scheme Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their Scheme Shares on capital account.

The tax comments in this section do not include consideration of the tax implications of the vesting of APM Performance Rights which occurs prior to the Record Date.

The tax comments outlined in this summary are relevant only to certain Scheme Shareholders and are not applicable to all Scheme Shareholders and do not cover Scheme Shareholders who:

- (a) hold their Scheme Shares as a revenue asset (i.e., trading entities or entities who acquired their Scheme Shares for the purposes of resale at a profit) or as trading stock;
- (b) are partnerships or individuals who are partners of such partnerships;
- (c) hold their Scheme Shares as pre-CGT assets;
- (d) hold their Scheme Shares as an asset in a business that is carried on through a permanent establishment in Australia;
- (e) acquired their Scheme Shares pursuant to an arrangement which qualifies as an employee share plan;
- (f) are under a legal disability;
- (g) are exempt from Australian income tax;
- (h) are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Scheme Shares;
- (i) are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their Scheme Shares; or
- (j) are a significant shareholder as defined in Section 124-783 of the *Income Tax Assessment Act 1997* (Cth).

This summary is prepared solely for Scheme Shareholders as described and limited above. This summary has been prepared for the purpose of enabling certain Scheme Shareholders to broadly understand certain Australian taxation implications of the proposed Scheme as outlined in this Scheme Booklet.

This summary is based on the Australian tax law, and the practice of the tax authorities, at the time of issue of this Scheme Booklet. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal of their Scheme Shares will depend upon each Scheme Shareholder's specific circumstances.

These comments should not be a substitute for advice from an appropriate professional advisor having regard to each Scheme Shareholder's individual circumstances. All Scheme Shareholders are strongly advised to obtain and rely only on their own professional advice on the tax implications based on their own specific circumstances.

## 12.2 ATO Class Ruling

APM has applied for a class ruling from the ATO (**Class Ruling**) on behalf of certain APM Shareholders<sup>20</sup> on certain matters discussed in this Section 12, including the CGT implications for Australian resident Scheme Shareholders on participating in the Scheme, including the availability for rollover relief for those Scheme Shareholders who elect Scrip Consideration.

The final Class Ruling will not be issued by the ATO until after the Implementation Date of the Scheme. The Class Ruling will be available on the ATO website at [www.ato.gov.au](http://www.ato.gov.au).

Scheme Shareholders should review the final Class Ruling when it is issued by the ATO. The income tax comments provided in the following sections are consistent with positions taken in the application for the Class Ruling lodged with the ATO. It is anticipated that the ATO's view to be expressed in the Class Ruling will be generally consistent with the income tax information in this outline. However, it is possible that the ATO may reach different conclusions in the final Class Ruling.

The Scheme is not conditional on the receipt of the finalised Class Ruling.

## 12.3 Australian tax resident shareholders

This section applies to Scheme Shareholders who are residents of Australia for income tax purposes. Under the Scheme, Scheme Shareholders may dispose of their Scheme Shares to Ancora BidCo in exchange for the Scrip Consideration.

### (a) CGT event on the disposal of Scheme Shares to Ancora BidCo

The disposal of the Scheme Shares to Ancora BidCo under the Scheme should give rise to CGT event A1 for Scheme Shareholders. The timing of the CGT event for the Scheme Shareholders should be the date the Scheme Shares are disposed of, which will occur on the Implementation Date (which is currently expected to be Thursday, 10 October 2024).

### (b) Calculation of capital gain or capital loss

In the absence of CGT roll-over relief (discussed below), a Scheme Shareholder should either:

- (i) make a capital gain if the capital proceeds received by the Scheme Shareholder on the exchange of their Scheme Shares is greater than the cost base of those Scheme Shares; or
- (ii) make a capital loss if the capital proceeds received by the Scheme Shareholder on the exchange of their Scheme Shares is less than the reduced cost base of those Scheme Shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Scheme Shareholders should seek their own tax advice in relation to the operation of these rules.

### (c) Capital proceeds received by Scheme Shareholders

The capital proceeds on the disposal of the Scheme Shares should be equal to the Scheme Consideration received by the Scheme Shareholders.

Therefore, the capital proceeds should be equal to the market value of the Ancora TopCo Shares received by the Scheme Shareholders, if any, as increased by the Cash Consideration received by such shareholder, if any.

### (d) Cost base and reduced cost base of a Scheme Share

The calculation of cost base should generally include the amount paid, and the market value of any property given to acquire Scheme Shares, plus certain incidental costs of acquisition and disposal (such as brokerage fees, legal fees and stamp duty) that are not otherwise deductible to the Scheme Shareholder and the cost base may require adjustment in certain circumstances (for example, where there has been a capital return). The reduced cost base of a Scheme Share should be determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Scheme Shareholder's individual circumstances. The calculation of cost base and reduced cost base will be different for each Scheme Shareholder depending on their individual circumstances.

<sup>20</sup> The class of entities proposed to be covered by the Class Ruling include APM Shareholders who:

- (a) participate in the Scheme;
- (b) are residents of Australia as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (and not temporary residents as defined in section 995-1 of the *Income Tax Assessment Act 1997*) on the Implementation Date of the Scheme;
- (c) own ordinary shares in APM as at the Record Date for the Scheme and hold those shares on capital account at the time of the scheme and not as trading stock under section 995-1 of the *Income Tax Assessment Act 1997* or revenue assets under section 977-50 of the *Income Tax Assessment Act 1997*;
- (d) acquired their shares in APM after 19 September 1985;
- (e) are not subject to the Taxation of Financial Arrangements rules under Division 230 of the *Income Tax Assessment Act 1997* in regard to their APM shares;
- (f) did not acquire their shares in APM pursuant to an employee share, option or rights plan; and
- (g) are not subject to special tax rules, such as insurance companies, partnerships, tax exempt entities and entities subject to the Investment Manager Regime under Subdivision 842-1 of the *Income Tax Assessment Act 1997* in respect of their APM shares.

**(e) CGT discount**

The CGT discount may be applicable to Scheme Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Scheme Shares for at least 12 months (not including the date of acquisition or the date of disposal) before the Implementation Date. The CGT discount should reduce the amount of any capital gain (after application of capital losses) from the disposal of their Scheme Shares by:

- (i) one-half if the Scheme Shareholder is an individual or trustee: meaning only 50% of the capital gain should be included in assessable income; and
- (ii) one-third if the Scheme Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain should be included in assessable income.

The CGT discount is not available to Scheme Shareholders that are companies.

If the Scheme Shareholder makes a discounted capital gain, any current year and/or carried forward capital losses should be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Scheme Shareholder's net capital gain for the income year and included in assessable income.

The CGT discount rules relating to trusts are complex. Subject to certain requirements being satisfied, the capital gain may flow through to beneficiaries of that trust, who will assess eligibility for the CGT discount in their own right. Accordingly, we recommend trustees seek their own independent advice on how the CGT discount applies to them and the trust's beneficiaries.

**(f) Availability of CGT Scrip-for-scrip roll-over relief**

APM has applied to the ATO for a class ruling on behalf of certain Scheme Shareholders. Subject to the Commissioner of Taxation's determination in the Class Ruling, if a Scheme Shareholder would otherwise make a capital gain on the disposal of the Scheme Shares under the Scheme, they should be eligible to make a choice to claim CGT scrip-for-scrip roll-over relief to defer the portion of that gain relating to the Scrip Consideration. CGT rollover relief will not be available in relation to the Cash Consideration received by any Scheme Shareholder or if they make a capital loss on the disposal of their Scheme Shares.

Generally, a choice to adopt scrip for scrip rollover relief must be made by a Scheme Shareholder before lodgement of that Scheme Shareholder's income tax return for the income year in which the CGT event occurs. No formal election notice is required to be lodged with the ATO. A Scheme Shareholder will provide evidence of having made a choice to apply scrip for scrip rollover relief by the way they prepare their income tax return.

Notwithstanding the above, Scheme Shareholders should seek independent professional advice to confirm the eligibility for CGT roll-over relief in light of their own specific circumstances.

**(g) Consequences for choosing CGT scrip-for-scrip roll-over relief**

Where a Scheme Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain that would otherwise arise on the disposal of their Scheme Shares under the Scheme should be disregarded to the extent that the capital proceeds received are Ancora TopCo Shares.

The first element of the cost base for their Ancora TopCo Shares is then determined by attributing, on a reasonable basis, the existing cost base of the Scheme Shares exchanged under the Scheme. The first element of the reduced cost base is determined similarly.

For the purposes of determining a Scheme Shareholder's future eligibility for the CGT Discount, the acquisition date of the Ancora TopCo Shares is taken to be the date when the relevant Scheme Shareholder originally acquired their Scheme Shares.

**(h) Consequences if CGT scrip for scrip roll-over relief is not available or is not chosen**

If a Scheme Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Scheme Shareholder elects not to choose CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined at paragraph 12.3(a) should apply.

If a Scheme Shareholder makes a capital loss from the disposal of their Scheme Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

The first element of the cost base (and reduced cost base) of the Ancora TopCo Shares received by a Scheme Shareholder should be equal to the market value of the Scheme Shares it exchanges for the Ancora TopCo Shares on the Implementation Date. In the absence of any contrary indication of the value of the Scheme Shares, their market value could be taken to be equal to the market value of the Ancora TopCo Shares on the date the Ancora TopCo Shares are issued (being the Implementation Date).

The acquisition date of the Ancora TopCo Shares for Scheme Shareholders for CGT Discount purposes should be the Implementation Date. This means a Scheme Shareholder will need to hold their Ancora TopCo Shares for at least 12 months after that date before the CGT discount (as described above) may apply on a subsequent disposal of the Ancora TopCo Shares.



**(i) Future disposal of Ancora TopCo Shares**

On any future disposal of Ancora TopCo shares, Scheme Shareholders may make a capital gain if the capital proceeds of that disposal are more than the cost base or a capital loss if the capital proceeds of that disposal are less than the reduced cost base. The cost base and acquisition date of the Ancora TopCo Shares, and eligibility for the CGT discount, are as described earlier.

**12.4 Foreign tax resident shareholders**

For any Scheme Shareholder who:

- (a) is not a resident of Australia for Australian income tax purposes; and
- (b) does not hold their Scheme Shares in carrying on a business through a permanent establishment in Australia;

the disposal of Scheme Shares should generally only result in Australian CGT implications if those shares are an “indirect Australia real property interest”, which is the case where:

- (c) that shareholder together with its associates held an interest of 10% or more in APM at the time of disposal or for a 12 month period within 2 years preceding the disposal (referred to as a “non-portfolio interest”); and
- (d) more than 50% of the market value of APM’s assets is attributable to direct or indirect interests in “taxable Australian real property” (as defined in the income tax legislation).

Australia has a foreign resident capital gains withholding regime, under which Ancora BidCo may be required to withhold 12.5% of the Scheme Consideration due to a given Scheme Shareholder (the **FRCGW amount**) if:

- Ancora BidCo knows, or reasonably believes that the Scheme Shareholder is a foreign resident, or otherwise:
  - Ancora BidCo’s records indicate the Scheme Shareholder has an address outside Australia; or
  - Ancora BidCo is authorised to provide a financial benefit related to the Scheme to a place outside Australia (whether to the Scheme Shareholder or anyone else); and
- the Scheme Shares disposed by the Scheme Shareholder represent an indirect Australian real property interest (as referred to above).

Scheme Shareholders with an address outside Australia (or who Ancora BidCo reasonably believes is a ‘foreign resident’) and who Ancora BidCo also reasonably believes may have, together with their associates, a 10% or greater interest in APM, will be provided with a “foreign resident capital gains withholding vendor declaration” (**Declaration Form**). The information provided by a completed Declaration Form assists Ancora BidCo in determining whether a FRCGW amount must be withheld and remitted to the Commissioner of Taxation in respect of the relevant Scheme Shareholders.

Scheme Shareholders who are provided the Declaration Form are asked to return their signed and completed Declaration Form by the date specified in the correspondence included with the Declaration Form.

The FRCGW amount is not a final tax and can be credited against the actual Australian income tax liability of the Scheme Shareholder, with any excess refunded.

**12.5 GST**

Scheme Shareholders should not be liable to Australian GST in respect of a disposal of their Scheme Shares, regardless of whether the Scheme Shareholder is registered for GST or not.

Scheme Shareholders may incur GST included in costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. Scheme Shareholders that are registered for GST may be entitled for input tax credits or reduced input tax credits for such costs. This will depend on each Scheme Shareholder’s individual circumstances. Scheme Shareholders should obtain their own tax advice in relation to any GST implications associated with the Scheme.

**12.6 Stamp duty**

No stamp duty should be payable by Scheme Shareholders in any Australian State or Territory on the acquisition by Ancora BidCo of their Scheme Shares under the Scheme. Further, no stamp duty should be payable on the receipt by Scheme Shareholders of the Ancora TopCo Shares as Scheme Consideration provided less than a 50% interest in Ancora TopCo is issued as consideration (in aggregate) and/or provided no person, either alone or together with associated or related persons, obtains an interest of 50% or more in Ancora BidCo. However, we recommend each Scheme Shareholder seek their own stamp duty advice to confirm their stamp duty implications.

# 13. Additional information

## 13.1 Introduction

This Section sets out the statutory information required by section 412(1)(a) of the Corporations Act and Part 3 of Schedule 8 to the *Corporations Regulations 2001* (Cth) to be included in this Scheme Booklet, but only to the extent that this information is not otherwise disclosed in other Sections. This Section also includes additional information that the APM Directors consider material to a decision on how to vote on the Scheme.

## 13.2 Suspension of trading of APM Shares

If the Court approves the Scheme, APM will immediately notify the ASX. It is expected that suspension of trading on the ASX in APM Shares will occur at the close of trading on the ASX on the Effective Date.

## 13.3 Removal of APM from the Official List

If the Court approves the Scheme, APM will be removed from the Official List by closing of trading on Friday, 11 October 2024.

## 13.4 Payment instructions

Direct credit instructions can be given or updated online with the APM Share Registry at [www.investorcentre.com/au](http://www.investorcentre.com/au). If you have already registered with the APM Share Registry, log in using your User ID and password. If you are not a member you will need your HIN/SRN to register. The new user registration process requires an account verification code to be mailed to your registered address as an additional layer of security to protect your securityholding. Please allow sufficient time for delivery of the verification code so that you can update your bank account details before the Scheme Record Date.

Alternatively, you can complete a direct credit form and deliver it by post to:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne, VIC 3001  
Australia

Any queries can be emailed to [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au).

## 13.5 Interests of APM Directors in APM Shares and APM Equity Incentives

As at the Last Practicable Date, the APM Directors have the following interests in securities of APM:

APM Director	Number of APM Shares	Number of APM Performance Rights held by or on behalf of the APM Director
<b>APM IBC Directors</b>		
Simone Blank	468,241	-
Robert Melia	1,665,856	-
Neville Power	1,071,510	-
Benjamin Wyatt	333,617	-
<b>Other APM Recommending Directors</b>		
Michael Anghie	21,955,657	1,851,324
Megan Wynne	318,580,868 <sup>21</sup>	661,187
<b>Other APM Directors</b>		
Elizabeth Betten	-	-
William Ritchie	-	-
Timothy Sullivan	-	-

<sup>21</sup> This is the number of APM Shares held or controlled by Ms. Megan Wynne together with her husband, Mr. Bruce Bellinge.

APM Directors, or entities controlled by them, who hold APM Shares will be entitled to vote at the Scheme Meeting and receive the Scheme Consideration along with the other Scheme Shareholders. Each APM Recommending Director intends to vote, or procure the voting of, all APM Shares they have a Relevant Interest in favour of the Scheme and the Item 7 Transaction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the APM Shareholders.

As disclosed by APM in previous announcements (including its FY23 Annual Report), the following APM Directors owe amounts to APM for the unpaid exercise price attached to the vesting of "Series C" shares formerly on issue in the capital of APM:

- Neville Power - A\$435,795; and
- Benjamin Wyatt - A\$209,401.

It is expected that these amounts will be repaid on or before Implementation.

Please refer to Section 13.6 (APM Equity Incentives) below for details regarding the treatment of APM Equity Incentives if the Scheme becomes Effective.

## 13.6 APM Equity Incentives

### (a) Overview of arrangements

APM operates a performance rights plan under which APM Performance Rights are offered to senior executives and key employees as an incentive to align their interests with those of APM Shareholders (**APM Rights Plan**). Each Performance Right entitles the holder to be allocated one APM Share, subject to the satisfaction of certain conditions. APM has approximately 12,364,179 performance rights on issue on the terms of the Rights Plan and the relevant invitation letter.

Under the Scheme Implementation Deed, APM must ensure that, prior to 8:00am on the Second Court Date, all APM Equity Incentives have been dealt with in a manner agreed with Ancora BidCo, such that no APM Equity Incentives remain on issue on the Scheme Record Date.

### (b) Treatment of APM Equity Incentives

If the Scheme becomes Effective, the Performance Rights issued in FY23 (**FY23 Performance Rights**)<sup>22</sup> and Performance Rights issued in FY24 (**FY24 Performance Rights**)<sup>23</sup> will be dealt with in accordance with their terms on a "**Change of Control**" (as that term is defined in the APM Rights Plan) such that all of the FY23 Performance Rights and FY24 Performance Rights will vest automatically on the Scheme becoming Effective.<sup>24</sup>

It is intended that:

- (i) each holder of the FY23 Performance Rights and FY24 Performance Rights will agree to the exercise of their FY23 Performance Rights and FY24 Performance Rights conditional only on those Performance Rights vesting in accordance with their terms (**Vested Performance Rights**) on a Change of Control (which will be taken to be the "Exercise Notice" for the purposes of the APM Rights Plan);
- (ii) as permitted under the APM Rights Plan, the Board will settle the exercise of all Vested Performance Rights for a gross cash payment of \$1.45 per Performance Right (inclusive of any superannuation or pension contributions APM is required to make) paid as follows (**Performance Rights Cash Amount**):
  - (A) an amount equal to the relevant holder's income tax liability (inclusive of any levy, contribution or duty (including any associated penalty or interest amount), social security liability or other liability imposed by any law) in respect of the taxable amount of the Performance Rights Cash Amount will be paid by APM to the relevant tax authority on behalf of the relevant holder; and
  - (B) the balance of the Performance Rights Cash Amount will be paid to Ancora TopCo at Implementation on behalf of the relevant holder for the purposes of the relevant holder subscribing for such number of shares in the capital of Ancora TopCo as is equivalent to the value of the balance of the Performance Rights Cash Amount, 95% of which will be settled in Series A Shares and 5% of which will be settled in Series B Shares.

Any employees whose employment has ceased prior to the vesting of the FY23 Performance Rights and the FY24 Performance Rights will have their rights dealt with in accordance with the APM Rights Plan.

<sup>22</sup> As at the Last Practicable Date, there are 4,370,249 FY23 Performance Rights on issue.

<sup>23</sup> As at the Last Practicable Date, there are 7,993,930 FY24 Performance Rights on issue.

<sup>24</sup> The 2,995,633 Performance Rights issued in FY22 (**FY22 Performance Rights**), lapsed in accordance with their terms following the issuance of a vesting notice by the Board following the end of the measurement period on 30 June 2024 and are no longer on issue.

## 13.7 Earn Out Shares

On 24 December 2021, APM, via its indirect wholly-owned subsidiaries, APM ESA Holdings and APM MyIntegra Holdings (together, the **APM Nominees**), respectively acquired 100% of the issued shares in the capital of Early Start Australia and MyIntegra, two ancillary and complementary businesses of APM, from entities controlled by Megan Wynne and Bruce Bellinge (together, the **Acquisitions** and the relevant sale agreements being the **Acquisition Agreements**).

The aggregate consideration payable for the Acquisitions was:

- \$92,500,000 in upfront consideration, payable upon completion of the Acquisition on 24 December 2021 through a combination of cash payments and procuring the issuance of APM Shares; and
- an earn-out payment payable by the issuance of up to a maximum of 40,000,000 APM Shares, contingent upon the respective underlying businesses meeting EBITDA hurdles over the subsequent 3-year period concluding on 30 June 2025 (**Earn-out Payment**).

Each APM Nominee agreed to pay the relevant Earn-out Payment (if any) by procuring the issuance of APM Shares subject to the achievement of consolidated EBITDA hurdles.

As outlined under clause 5.9 of the Scheme Implementation Deed, APM intends to enter into agreements with the vendors under each Acquisition Agreement to amend the Acquisition Agreements so that, subject to the Scheme becoming Effective, the Earn-out Payments under each Acquisition Agreement, if payable, will be settled in Ancora TopCo Shares rather than APM Shares.

## 13.8 Retirement benefits

### (a) Retirement benefits of Non-Executive Directors

No payment or other benefit is proposed to be made or given in connection with the Scheme to any Non-Executive Director of APM as compensation for loss, or as consideration for, or in connection with, his or her retirement from office in APM or any Related Bodies Corporate of APM.

### (b) Retirement benefits of Executive Directors

No payment or other benefit is proposed to be made or given in connection with the Scheme to any Executive Director of APM as compensation for loss, or as consideration for, or in connection with, his or her retirement from office in APM or any Related Bodies Corporate of APM.

### (c) Retirement benefits of other directors, secretary or executive officers of APM or any of its Related Bodies Corporate

No payment or other benefit is proposed to be made or given in connection with the Scheme to any other directors, secretary or executive officers of APM or any of its Related Bodies Corporate of APM, other than any payments or benefits arising from any applicable redundancy or other entitlements. Redundancy or other entitlements may arise under the relevant officer's contract of employment, applicable statutory entitlements, APM policies or a combination of those.

## 13.9 Benefits to APM Directors in connection with the Scheme

If approved by the APM Board (and as permitted under the APM Constitution), APM intends to pay the following additional fees to the APM IBC Directors in recognition of the significant additional time, work and effort exerted serving on the APM IBC (including in relation to the Transaction and other potential change of control transactions involving APM).

APM Director	Position	Additional fee
<b>Neville Power</b>	Independent Non-Executive Director and Chairperson of the APM IBC	\$85,000
<b>Simone Blank</b>	Independent Non-Executive Director	\$50,000
<b>Robert Melia</b>	Independent Non-Executive Director	\$50,000
<b>Ben Wyatt</b>	Independent Non-Executive Director	\$50,000

If approved, the relevant fees will be payable regardless of the outcome of the Meetings and whether the Scheme is implemented or not.

Except as set out in this Scheme Booklet, there are no other agreements or arrangements made between any APM Recommending Director and any other person in connection with, or conditional upon, the outcome of the Scheme.

### 13.10 Deeds of indemnity, insurance and access

Members of the APM Group have entered into deeds of indemnity, insurance and access with the directors and various officers of the APM Group, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for each APM Group Member to indemnify each of its directors and executive officers against any liability incurred by such persons in their capacity as director or executive officer of the company to any person other than an APM Group Member. Under the Scheme Implementation Deed, Ancora BidCo must procure that the applicable APM Group Members comply with the D&O Deeds after implementation of the Scheme.

APM also pays premiums in respect of a directors' and officers' insurance policy for the benefit of the directors and officers of the APM Group (including the APM Recommending Directors). Under the Scheme Implementation Deed, APM may enter into arrangements to secure directors' and officers' run-off insurance for the persons referred to above for a period of up to 7 years after the Scheme Implementation Date (**D&O Run-off Policy**). The entry into such arrangements by the APM Group is permitted by clause 10.3 of the Scheme Implementation Deed. In addition, under clause 10.3(a)(ii) of the Scheme Implementation Deed, Ancora BidCo must ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained for a period of seven years from the retirement date of each applicable director and officer.

### 13.11 Agreements and arrangements entered into by APM Directors in connection with or conditional upon the Scheme

Except as disclosed in this Scheme Booklet, none of the APM Directors, nor any of their Associates, have entered into, or otherwise have any interest in, any agreement, arrangement or contract with any other person, including any one or more of Ancora BidCo, Ancora TopCo or any of their respective Related Bodies Corporate, in connection with, or conditional upon, the outcome of the Scheme.

### 13.12 Interests in MDP held by APM Directors

No APM Director acquired or disposed of a Relevant Interest in any shares in a MDP Group Member in the four month period ending on the date immediately before the date of this Scheme Booklet.

### 13.13 Interests held by APM Directors in contracts of a MDP Member

No APM Director has an interest in any contract entered into by a MDP Group Member.

### 13.14 Key terms of the Scheme Implementation Deed

On 31 May 2024, APM and Ancora BidCo entered into the Scheme Implementation Deed, under which APM agreed to propose and implement the Scheme and the Item 7 Transaction and Ancora BidCo agreed to assist APM to propose and implement the Scheme and the Item 7 Transaction.

A summary of the key terms of the Scheme Implementation Deed is set out below. A copy of the Scheme Implementation Deed was released to the ASX by APM on 3 June 2024 and is also available on APM's website <https://www.apminvestors.net.au/>.

#### (a) Exclusivity

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of Ancora BidCo. These arrangements are in line with market practice in this regard and are summarised as follows:

##### (i) No shop

During the Exclusivity Period, APM must not and must ensure that none of its Representatives directly or indirectly 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 could reasonably be expected to encourage or lead to the making of, or with a view to obtaining, a Competing Proposal or communicate to any Third Party an intention to do anything of those things.

(ii) **No talk**

Subject to the Fiduciary Exception, during the Exclusivity Period, APM must not, and must ensure that each of its Representatives, does not, directly or indirectly:

- (A) facilitate, participate in or continue any negotiations or discussions with any Third Party with respect to any enquiry, expression of interest, offer, proposal, discussion, negotiation or other communication by any Third Party in relation to, or that would reasonably be expected to lead to the making of, a Competing Proposal;
- (B) facilitate, negotiate, accept or enter into, any agreement, arrangement or understanding regarding, or which could reasonably be expected to lead to the making of, an actual, proposed or potential a Competing Proposal; or
- (C) communicate to any Third Party any intention to do any of the things referred to any of those things.

(b) **No due diligence**

Subject to the Fiduciary Exception, during the Exclusivity Period, APM must not and must ensure that each of its Representatives does not, directly or indirectly, disclose or otherwise provide or make available any non-public Information to a Third Party in connection with, with a view to obtaining or which could reasonably be expected to encourage or lead to the formulation, development, finalisation, receipt or announcement of any Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the APM Group), whether by that Third Party or another person or communicate to any person an intention to do any of those things.

(c) **Notification**

During the Exclusivity Period, APM must as soon as reasonably practicable (and in any event within 48 hours after APM or an APM Group Member or any of their respective Representative becomes aware) notify Ancora BidCo in writing of any:

- (i) negotiations, discussions or other communications, or any other approach to APM, any APM Group Member or any of their respective Representatives, that relates to an actual or potential Competing Proposal;
- (ii) approach or proposal made to, or received by, APM, any APM Group Member or any of their respective Representatives in connection with, or in respect of any exploration or completion of, a Competing Proposal (or which is otherwise, of itself, a Competing Proposal);
- (iii) any request made by a Third Party for any Non-Public APM Information (other than where the APM IBC reasonably believes that such request is in the ordinary course of business and is not in connection with such Third Party formulating, developing, finalising or making a Competing Proposal); or
- (iv) provision by APM, any other APM Group Member or any of their respective Representatives of any Non-Public APM Information to any Third Party (other than a Government Agency) in connection with an actual or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise.

Such notification must set out all material details of the Notifiable Proposal (including price, form of consideration, proposed timing, any conditions precedent, details of any break fee, cost recovery or cost sharing, and the identity of any Third Party that made, and/or any Third Party involved in, the Competing Proposal), in each case to the extent known by APM, an APM Group Member or their respective Representatives.

APM is only required to notify Ancora BidCo of a Competing Proposal after the IBC has determined in accordance with the Fiduciary Exception whether the 'no talk' and 'no due diligence' provisions in the Scheme Implementation Deed apply with respect to that Competing Proposal.

(d) **Matching right**

During the Exclusivity Period, APM is prohibited from entering into an agreement to give effect to any actual, proposed or potential Competing Proposal and must procure that no APM Recommending Director withdraws or adversely changes, adversely modifies or adversely qualifies their Recommendation, recommends or endorses any actual, proposed or potential Competing Proposal or recommends against the Transaction, unless:

- (i) the APM IBC determines, in good faith and subject to certain advice from external advisers, that the Competing Proposal is, or would be reasonably likely to be, a Superior Proposal;
- (ii) APM has given Ancora BidCo notice of the material terms and conditions of the Competing Proposal and at least five Business Days to provide a matching or superior proposal (**MDP Counterproposal**); and
- (iii) Ancora BidCo does not provide a MDP Counterproposal within the five Business Days that the APM IBC, acting reasonably and in good faith, determines would provide an equivalent or superior outcome to APM Shareholders (as a whole) compared with the Competing Proposal.

However, APM is not required to comply with its obligations under the 'no talk' and 'no due diligence' provisions in the Scheme Implementation Deed to the extent they restrict APM or any of its Representatives from taking or omitting to take any action with respect to a bona fide actual Competing Proposal that is not solicited, invited, encouraged or initiated in contravention of its 'no shop' obligations, if the APM IBC has determined:

- (i) after consultation with its financial and legal advisers, that the Competing Proposal would reasonably be expected to lead to a Superior Proposal or would, if supported by the Excluded Shareholders, reasonably be expected to lead to, a Superior Proposal; and
- (ii) after receiving advice from its external legal advisers, that complying with the 'no talk' or 'no due diligence' provisions would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of any member of the APM IBC,

and, provided that, APM enters into an Acceptable Confidentiality Agreement before taking any action.

These exclusivity provisions are set out in full in clause 11 of the Scheme Implementation Deed.

#### **(e) APM Break Fee**

APM has agreed to pay Ancora BidCo the APM Break Fee (which is approximately 1% of the equity value of APM) if at any time before the Delivery Time:

- (i) APM commits a material breach of the Scheme Implementation Deed; or
- (ii) a breach of an APM Representation and Warranty occurs, provided that Ancora BidCo has given a termination notice to APM and the relevant breach is material in the context of the Transaction taken as a whole,

provided in each case that Ancora BidCo will have no right to terminate in these circumstances where the relevant breach has been remedied on or before the expiry of the relevant Remedy Period or the Transaction completes.

#### **(f) APM Partial Break Fee**

APM has agreed to pay Ancora BidCo the APM Partial Break Fee (which is approximately 0.5% of the equity value of APM) if:

- (i) during the Exclusivity Period, any APM Recommending Director:
  - (A) fails to recommend the Scheme or the Item 7 Resolution;
  - (B) withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation; or
  - (C) makes any public statement:
    - recommending, endorsing, supporting or recommending a Competing Proposal;
    - to the effect that they no longer support the Scheme;
    - that is inconsistent with their recommendation; or
    - otherwise indicating that they: (1) no longer recommend the Transaction or the Item 7 Resolution; or (2) recommend that APM Shareholders accept or vote in favour of a Competing Proposal that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

in each case, provided that Ancora BidCo has terminated the Scheme Implementation Deed for a failure of a Condition Precedent or a material breach of the Scheme Implementation Deed, or APM terminates because a majority of the APM Recommending Directors publicly fail to recommend or withdraw their recommendation of the Scheme or the Item 7 Resolution, other than in circumstances where:

- (D) the Independent Expert concludes in the Independent Expert's Report (or any update or variation to the Independent Expert's Report) that the Scheme is not in the best interests of APM Shareholders (except where the Independent Expert's opinion is solely as a result of the existence, announcement or publication of a Competing Proposal or Superior Proposal);
- (E) the failure to make a Recommendation, or the adverse change, withdrawal, adverse modification or adverse qualification of a Recommendation is required because of a requirement by a court of competent jurisdiction, ASIC or the Takeovers Panel that one or more APM Directors abstain or withdraw from making a recommendation that APM Shareholders vote in favour of the Scheme or the Item 7 Transaction (as the case may be) after the date of the Scheme Implementation Deed; or
- (F) APM is entitled to terminate the Scheme Implementation Deed under clause 14.1 or 14.2(b) and has given the appropriate termination notice to Ancora BidCo; and
- (ii) at any time before the End Date, (or, if earlier, the date the Scheme Implementation Deed is terminated under clause 14) a Competing Proposal is publicly announced and, within twelve months after that occurring, a Competing Bidder or another Third Party (either alone or together with one or more of its Associates) acquires, merges or becomes stapled with APM, or otherwise acquires a Relevant Interest in, or becomes the holder of, or otherwise acquires, directly or indirectly, 50% or more of APM Shares and that acquisition is (or becomes) unconditional.

**(g) MDP Break Fee**

Ancora BidCo had agreed to pay APM the MDP Break Fee (which is approximately 1% of the equity value of APM) if:

- (i) APM terminates the Scheme following a material breach by Ancora BidCo and the Transaction does not complete; or
- (ii) the Scheme becomes Effective, but Ancora BidCo does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed, the Scheme and Deed Poll.

**(h) Representation and warranties**

The Scheme Implementation Deed contains customary representations and warranties given by each of Ancora BidCo and APM to each other as set out in Schedule 5 and Schedule 6 of the Scheme Implementation Deed.

**(i) Termination**

Either APM or Ancora BidCo may terminate the Scheme Implementation Deed before 8.00am on the Second Court Date if:

- (i) the other party has materially breached a provision of the Scheme Implementation Deed (other than in respect of a breach of APM or Ancora BidCo's representation and warranties (as applicable)) and have provided relevant notice for the breach to be remedied in accordance with the Scheme Implementation Deed;
- (ii) failure of a Condition Precedent occurs, provided that the party purporting to terminate the Scheme Implementation Deed has complied with the obligations in clause 3.7 of the Scheme Implementation Deed with regards to the consultation process, provided that the ability to satisfy the Condition Precedent is not due to a breach by the terminating party; or
- (iii) the other party has breached a Representation and Warranty and APM or Ancora BidCo (as the case may be) has given a termination notice to the other party, the relevant breach continues to subsist following expiry of the relevant Remedy Period, and the relevant breach is material in the context of the Transaction taken as a whole.

APM may terminate any time before the Delivery Time by giving a termination notice to Ancora BidCo if in any circumstances, the majority of the APM Recommending Directors:

- (i) publicly fail to recommend the Scheme or the Item 7 Resolution in the manner described in clause 6.1 of the Scheme Implementation Deed;
- (ii) publicly withdraw, adversely change, adversely modify, or adversely qualify their Recommendation; or
- (iii) make any public statement:
  - (A) supporting, endorsing or recommending a Competing Proposal;
  - (B) to the effect that they no longer support the Scheme; or
  - (C) otherwise indicating that they (1) no longer recommend the Transaction or (2) recommend that APM Shareholders accept or vote in favour of a Competing Proposal that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period (but excluding a statement to the effect that no action should be taken by APM Shareholders pending assessment of a Competing Proposal by the APM IBC or the completion of the matching right process in clause 6.1,

in each case provided that the action was expressly permitted under clause 6.1(c) of the Scheme Implementation Deed.

Ancora BidCo may terminate any time before the Delivery Time by giving a termination notice to Ancora BidCo if in any circumstances, if any of the APM Recommending Directors:

- (i) publicly fail to recommend the Scheme or the Item 7 Resolution in the manner described in clause 6.1 of the Scheme Implementation Deed;
- (ii) publicly withdraw, adversely change, adversely modify, or adversely qualify their Recommendation; or
- (iii) make any public statement:
  - (A) supporting, endorsing or recommending a Competing Proposal;
  - (B) to the effect that they no longer support the Scheme; or
  - (C) otherwise indicating that they (1) no longer recommend the Transaction or the Item 7 Resolution or (2) recommend that APM Shareholders accept or vote in favour of a Competing Proposal that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

in each case, other than where an APM Recommending Director abstains from making a recommendation because of a request or requirement of a court of competent jurisdiction, ASIC or the Takeovers Panel that the relevant APM Recommending Director abstains from making a recommendation that, or as to whether, APM Shareholders vote in favour of the Scheme after the date of the Scheme Implementation Deed.

The Scheme Implementation Deed may also be terminated if agreed in writing between APM and Ancora BidCo.



### 13.15 Disclosure of fees and other benefits

Each of the persons named in this Section as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees in accordance with their normal basis of charging.

If the Scheme is implemented, APM expects to pay an aggregate amount of approximately \$19 million (exclusive of GST) in transaction costs in connection with the Scheme. This includes advisory fees, the Independent Expert fees, registry fees, Scheme Booklet design, printing and distribution costs and expenses associated with convening and holding the Scheme Meeting. Of this amount approximately \$6.5 million (exclusive of GST) is expected to be payable by APM irrespective of whether or not the Scheme is implemented (excluding any break fee that may be payable). These amounts do not include the transaction costs that may be incurred by Ancora BidCo in relation to the Scheme.

If the Scheme is implemented, these costs will effectively be absorbed by the Ancora TopCo Group following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and becomes effective, these costs will be borne by APM.

### 13.16 APM Directors' intention regarding the business, assets and employees of APM

Pursuant to clause 5.14 of the Scheme Implementation Deed, if the Scheme is approved and implemented, the existing APM Board will be reconstituted with effect on and from the Implementation Date in accordance with the instructions of Ancora BidCo. Accordingly, it is not possible for the APM Directors to provide a statement of their intentions regarding:

- (a) the continuation of the business of APM or how APM's existing business will be conducted after the Scheme is implemented;
- (b) any major changes to be made to the business of APM, including any redeployment of the fixed assets of APM; or
- (c) the future employment of the present employees of APM, in each case, after the Scheme is implemented.

If the Scheme is approved and implemented, Ancora BidCo will have 100% ownership of APM issued shares and will control APM.

Please refer to Section 10.6 (*Intentions if the Scheme is implemented*) for a statement of Ancora BidCo's intentions for APM if the Scheme becomes Effective.

### 13.17 Suspension of trading of APM Shares

If the Court approves the Scheme, APM will immediately notify ASX. It is expected that suspension of trading on ASX in APM Shares will occur at the close of trading on Wednesday, 25 September 2024.

### 13.18 Consents

- (a) The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:
  - (i) Computershare as the manager of the APM Share Registry;
  - (ii) EY as tax adviser to APM;
  - (iii) Gilbert + Tobin as legal adviser to APM in relation to the Scheme; and
  - (iv) UBS as financial adviser to APM.
- (b) The Independent Expert has given and has not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of the Independent Expert's Report in Attachment A (*Independent Expert's Report*) to this Scheme Booklet and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- (c) Ancora BidCo has given and has not withdrawn its consent to be named in this Scheme Booklet and in relation to the inclusion of the MDP Information in this Scheme Booklet in the form and context in which that information is included.

### 13. Additional information

- (d) No person named in this Section 13.18:
  - (i) has authorised or caused the issue of this Scheme Booklet other than as set out in Section 1.3 (*Responsibility for information in this Scheme Booklet*);
  - (ii) makes, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section.
- (e) To the maximum extent permitted by law, each person named in this Section 13.18 expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section.

### 13.19 ASIC relief

Regulation 5.1.01 of the Corporations Regulations requires that, unless ASIC allows otherwise, this Scheme Booklet must contain all matters set out in Part 3 of Schedule 8 of the Corporations Regulations. As some of these requirements are not applicable or appropriate in respect of the Scheme, ASIC has allowed the following variations in this Scheme Booklet.

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the APM IBC Directors, the financial position of APM has materially changed since the date of the last balance sheet laid before APM Shareholders in accordance with sections 314 or 317 of the Corporations Act (being its financial statements for the financial year ended 30 June 2023) or sent to APM Shareholders in accordance with section 314 or 317 of the Corporations Act, and, if so, full particulars of any change.

ASIC has granted APM relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the APM IBC Directors, the financial position of APM has materially changed since 31 December 2023 (being the balance date of the half-year financial results and accounts lodged with ASX) and the date of this Scheme Booklet, on the basis that:

- (i) the Company has complied with Part 2M.3 of the Corporations Act in respect of the financial half-year ended 31 December 2023;
- (ii) the Scheme Booklet sets out whether, within the knowledge of the directors of the Company as at the date of the explanatory statement, the financial position of the Company has materially changed since 31 December 2023, and if so, full particulars of any change;
- (iii) the Company discloses in announcements to the market operated by ASX Limited (ACN 008 624 691) any material changes to its financial position that occur after the date of lodgement of the Scheme Booklet for registration with ASIC but prior to the Scheme being approved by the Court;
- (iv) the Scheme Booklet states that the Company will give a copy of the financial report for the financial half-year ended 31 December 2023 free of charge to any shareholder of the Company who requests a copy before the Scheme to which the Scheme Booklet relates is approved by order of the Court; and
- (v) the Scheme Booklet sent to members is substantially in the form given to ASIC on 9 August 2024, approved by the Court and registered with ASIC.

A copy of the APM 2024 Half Year Report (being the most recent financial reports for the half year ending 31 December 2023 lodged with the ASX before registration of this Scheme Booklet with ASIC) may be obtained by APM Shareholders free of charge by calling the APM Shareholder Information Line on 1300 396 568 (within Australia) or 03 9415 4126 (outside Australia) Monday to Friday between 8:30am and 5:30pm (AEST) or from APM's website at [www.apminvestors.net.au/](http://www.apminvestors.net.au/) or ASX's website at [www.asx.com.au](http://www.asx.com.au).

As noted at Section 9.12 (Material changes to the financial position of APM since 31 December 2023), other than as disclosed in this Scheme Booklet or announced to the ASX by APM, within the knowledge of the APM IBC as at the date of this Scheme Booklet, the financial position of APM has not materially changed since 31 December 2023, being the date of the APM 2024 Half Year Report. Please refer to Section 9.12 (*Material changes to the financial position of APM since 31 December 2023*) for further information.

### 13.20 Documents available

An electronic version of this Scheme Booklet including the Independent Expert's Report and the Scheme Implementation Deed are available for viewing and downloading online at APM's website at <https://www.apminvestors.net.au/>.

## 13.21 Directors' statements

The issue of this Scheme Booklet has been unanimously authorised by the APM IBC.

The APM IBC has given (and not withdrawn) its consent to lodgement of this Scheme Booklet with ASIC.

## 13.22 Supplementary information

If APM becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Court Approval Date:

- (a) a material statement in this Scheme Booklet is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter in this Scheme Booklet; or
- (d) a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if known about at the date of lodgement with ASIC,

depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, APM may circulate and publish any supplementary document by:

- (a) making an announcement to ASX;
- (b) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- (c) posting the supplementary document to APM Shareholders at their registered address as shown in the Register; or
- (d) posting a statement on APM's website at <https://apm.net.au/>,

as APM in its absolute discretion considers appropriate.

## 13.23 Other

### (a) Lodgement of Scheme Booklet with ASIC

This Scheme Booklet was lodged with ASIC on 24 July 2024 in accordance with section 411(2)(b) of the Corporations Act.

### (b) No unacceptable circumstances

The APM IBC believe that the Scheme does not involve any circumstances in relation to the affairs of APM that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

### (c) Other material information

Otherwise than as contained or referred to in this Scheme Booklet, including the Independent Expert's Report and the information that is contained in the Attachments to this Scheme Booklet, there is no other information that is material to the making of a decision by an APM Shareholder whether or not to vote in favour of the Scheme Resolution to approve the Scheme, being information that is known to any APM IBC Director and which has not previously been disclosed to APM Shareholders.

APM is not aware of any material information about APM that is material to a decision of APM Shareholders on how to vote in relation to the Scheme Resolution and which:

- (a) has not been made available to the Independent Expert for the purpose of preparing the Independent Expert's Report;
- (b) is not set out in this Scheme Booklet; or
- (c) has not otherwise been made publicly available by APM.

# Schedule 1 – Glossary

In this Scheme Booklet unless the context otherwise requires:

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\$ means Australian dollars unless otherwise stated.

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**Acceptable Confidentiality Agreement** means a confidentiality agreement which contains obligations on the recipient of confidential information which are no less onerous in any material respect than the obligations of the Ancora BidCo's Affiliates under the Confidentiality Agreement.

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**Affiliate** has the meaning given to that term in the Scheme Implementation Deed.

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**Aggregate Cash Consideration** means the aggregate of the Cash Consideration payable to all Scheme Shareholders under the Scheme, taking into account all valid Elections made on or before the Election Time and the terms of the Scheme.

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**All Cash Consideration** means the Cash Consideration for each Scheme Share held by a Scheme Shareholder (or, for the purposes of clause 4.9(b)(ii) of the Scheme Implementation Deed, such number of Scheme Shares calculated in accordance with that provision).

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**All Scrip Consideration** means the Scrip Consideration for each Scheme Share held by a Scheme Shareholder.

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**All Scrip Election Option** means an election by a Scheme Shareholder (other than an Excluded Shareholder) to receive the All Scrip Consideration for the Scheme Shares held by that Scheme Shareholder.

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**Ancora BidCo** or **BidCo** means Ancora BidCo Pty Ltd (ACN 677 569 514).

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**Ancora BidCo CTA Acquisition** has the meaning given in Section 10.8(b)(ii).

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**Ancora MidCo I** means Ancora MidCo I Pty Ltd (ACN 677 567 136).

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**Ancora MidCo II** means Ancora MidCo II Pty Ltd (ACN 677 567 967).

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**Ancora MidCo III** means Ancora MidCo III Pty Ltd (ACN 677 568 866).

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**Ancora TopCo** means Ancora TopCo Ltd (ACN 677 564 662).

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**Ancora TopCo Board** means the board of directors of Ancora TopCo.

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**Ancora TopCo Constitution** means the constitution of Ancora TopCo.

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**Ancora TopCo CTA Acquisition** has the meaning given in Section 10.8(b)(i).

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**Ancora TopCo Group** means Ancora TopCo and its Subsidiaries.

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**Ancora TopCo Nominee Deed** means the nominee deed to be entered into between Ancora TopCo and Evolution Trustees (as nominee) set out in Attachment F (*Ancora TopCo Nominee Deed*).

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**Ancora TopCo Shares** means fully paid Series A Shares and Series B Shares in the capital of Ancora TopCo, having the rights and obligations set out in the Ancora TopCo Constitution and the Ancora TopCo Shareholders' Deed.

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**Ancora TopCo Shareholders' Deed** means the shareholders' deed in relation to Ancora TopCo to be entered into by the shareholders of Ancora TopCo (including the Scheme Shareholders that are issued Scrip Consideration under the Scheme) set out in Attachment D (*Ancora TopCo Shareholders' Deed*).

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**APM** means APM Human Services International Limited (ACN 639 621 766).

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**APM 2024 Half Year Report** means the auditor reviewed interim report for the half year ended 31 December 2023 released to the ASX on 28 February 2024.

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**APM Board** or **Board** means the board of directors of APM.

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**APM Break Fee** means an amount equal to \$13,470,000.

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**APM Constitution** means the constitution of APM.

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**APM Director** or **your director** means a director of APM as at the date of this Scheme Booklet.

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**APM ESA Holdings** means APM ESA Holdings Pty Ltd (ACN 654 221 137).

**APM Equity Incentive** means:

- (d) APM Performance Rights; and
- (e) any other rights to APM Shares issued under an APM Group employee incentive.

**APM Group** or **Group** means, collectively, APM and each of its Subsidiaries (and **APM Group Member** means any one of them).

**APM IBC** means the committee of independent APM Directors, comprising Ben Wyatt, Neville Power, Robert Melia and Simone Blank, and an **APM IBC Director** means any member of the APM IBC.

**APM Information** means all the information in this Scheme Booklet other than MDP Information and the Independent Expert's Report.

**APM MyIntegra Holdings** means APM MyIntegra Holdings Pty Ltd (ACN 654 220 630).

**APM Partial Break Fee** means an amount equal to \$6,730,000.

**APM Performance Rights** means the outstanding performance rights granted under the APM Rights Plan as listed in Schedule 1 of the Scheme Implementation Deed.

**APM Prescribed Occurrence** has the meaning given to that term in the Scheme Implementation Deed.

**APM Recommending Director** or **Recommending Director** means each APM Director that has not been appointed by an MDP Group Member, and, for the avoidance of doubt, the APM Recommending Directors as at the date of the Scheme Implementation Deed are each of Megan Wynne, Michael Anghie, Ben Wyatt, Neville Power, Robert Melia and Simone Blank.

**APM Representation and Warranty** means a representation and warranty set out in schedule 6 of the Scheme Implementation Deed.

**APM Rights Plan** means the rights plan governed by the plan rules entitled "APM Human Services International Limited Rights Plan Rule" disclosed to the ASX on 12 November 2021.

**APM Share** means a fully paid ordinary share issued in the capital of APM.

**APM Shareholder** means a person or entity that is registered in the APM Share Register as the holder of an APM Share (other than an Excluded Shareholder).

**APM Share Register** means the register of APM Shareholders maintained in accordance with the Corporations Act.

**APM Share Registry** means Computershare Investor Services Pty Limited (ACN 078 279 277) of Level 17, 221 St Georges Terrace, Perth, WA 6000, in its capacity as provider of registry services in respect of the APM Share Register.

**Aggregate Ancora TopCo Elected Shares** means the aggregate number of Ancora TopCo Shares the subject of all valid Elections made on or before the Election Time and the terms of the Scheme.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in section 12 of the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it known as the "Australian Securities Exchange".

**ASX Listing Rules** or **Listing Rules** means the official listing rules of ASX from time to time, as modified by any express written waiver or exemption given by ASX.

**Bidder Group** has the meaning given in Section 10.2(a).

**Business Day** has the meaning given to that term in the ASX Listing Rules.

**Cash Consideration** means \$1.45 per Scheme Share held by a Scheme Shareholder.

**CGT** means Capital Gains Tax.

**CHESS** means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia.

**Class Ruling** has the meaning given in Section 12.2.

**Co-Investor** means Quadrant Funds (and related entities).

**Co-Investment Commitment** means an unconditional cash equity commitment of an amount equal to \$150,000,000.

**Company Secretary** means the company secretary of APM.

**Competing Proposal** has the meaning given to that term in the Scheme Implementation Deed.

**Condition Precedent** has the meaning given to that term in clause 3.1 of the Scheme Implementation Deed.

**Conditional Transfer Agreement** means the conditional transfer agreement dated 31 May 2024, as amended on 27 June 2024, under which all of the APM Shares held by each Excluded Shareholder will be transferred to Ancora TopCo (and subsequently transferred on to Ancora BidCo) on the Implementation Date, on the terms set out in that agreement, a copy of which is set out in Attachment G (*Conditional Transfer Agreement*).

**Confidentiality Agreement** means the confidentiality agreement between APM and Madison Dearborn Partners, LLC in relation to the Transaction, dated 14 April 2024.

**Computershare** means Computershare Investor Services Pty Limited (ACN 078 279 277).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.

**Court** means the New South Wales Supreme Court or such other court of competent jurisdiction under the Corporations Act as agreed to in writing by APM and Ancora BidCo.

**Court Approval Date** means the date when the Court grants its approval to the Scheme under section 411(4) of the Corporations Act.

**D&O Deed** has the meaning given in Section 13.10.

**Debt Acquisition Facilities** has the meaning given in Section 10.5(d).

**Debt Commitment Letter** means the binding, credit approved, executed commitment letter in relation to the Scheme from the Initial Commitment Parties entered into with Ancora BidCo, dated 30 May 2024, to underwrite the Debt Acquisition Facilities.

**Deed Poll** means the Scheme deed poll in the form of Attachment C to this Scheme Booklet, executed by Ancora BidCo and Ancora TopCo in favour of Scheme Shareholders.

**Delivery Time** means 8:00am on the Second Court Date (or, if the commencement of the Second Court Hearing is adjourned, 2 hours before the commencement of the adjourned Second Court Hearing).

**Early Start Australia** means Early Start Australia Pty Ltd (ACN 616 435 575).

**Earn Out Shares** means any APM Shares that are to be or may be issued in connection with an acquisition agreement whereby APM has agreed to issue APM Shares to a seller as part of the consideration for that acquisition, with such APM Share issuances being made when the acquired entity meets certain performance hurdles.

**Effective** means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**Election** means an election by a Scheme Shareholder to receive the Scheme Consideration to which they are entitled under the Scheme in the form of:

- (a) All Cash Consideration;
- (b) All Scrip Consideration; or
- (c) Mixed Consideration,

made in accordance with clause 4.3 of the Scheme Implementation Deed and otherwise in accordance with the Scheme.

**Election Form** means the form of election under which a Scheme Shareholder (other than an Excluded Shareholder) is offered the opportunity to make an Election.

**Election Time** means 5:00pm (Sydney time) on Tuesday, 10 September 2024.

**Eligible APM Shareholder** means APM Shareholders other than an Ineligible Foreign Shareholder.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**End Date** means 31 January 2025 or such later date as Ancora BidCo and APM agree in writing.

**Equity Commitment Letters** has the meaning given in Section 10.5(c).

**Equity Funding** has the meaning given in Section 10.5(c).

**Evolution Trustees** means Evolution Trustees Limited (ACN 611 839 519).

**Excluded Shareholder** means any person or entity that is registered in the APM Share Register as the holder of an APM Share who is an MDP Group Member (including the MDP Funds) or any person or entity that is registered in the APM Share Register as the holder of an APM Share who holds any APM Shares on behalf of, or for the benefit of, any MDP Group Member (including the MDP Funds) and does not hold APM Shares on behalf of, or for the benefit of, any other person.

**Exclusivity Period** means the period from the date of the Scheme Implementation Deed to the earlier of:

- (a) the valid termination of the Scheme Implementation Deed;
- (b) the End Date; and
- (c) the Implementation Date.

**Exit Event** means “MDP Exit Event”, as that term is defined in clause 11 of the Ancora TopCo Shareholders’ Deed.

**Fiduciary Exception** means clause 11.5 of the Scheme Implementation Deed.

**FIRB** means the Foreign Investment Review Board.

**First Court Date** means the first day of the hearing of an application made to the Court by APM for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting (or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing), with such hearing being the **First Court Hearing**.

**FY22 Performance Rights** has the meaning given in Section 13.6.

**FY23 Annual Report** means the annual report of APM for the financial year ended 30 June 2023 and released on ASX on 28 August 2023.

**FY23 Performance Rights** has the meaning given in Section 13.6.

**FY24 Performance Rights** has the meaning given in Section 13.6.

**General Meeting** means the general meeting of APM Shareholders to consider and vote on the Item 7 Resolution, and includes any meeting convened following any adjournment or postponement of that meeting.

**General Meeting Proxy Form** means the proxy form for the General Meeting, a sample copy of which is set out in Attachment J (*Sample General Meeting Proxy Form*) to this Scheme Booklet.

**Government Agency** means any foreign or Australian government or governmental, semigovernmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC, the Takeovers Panel and APRA).

**GST** means a goods and services tax or similar value added tax levied or imposed under the GST Law.

**GST Law** has the meaning given to it in the A New Tax System (*Goods and Services Tax*) Act 1999 (Cth).

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the relevant Scheme Meeting is passed by a majority in number of APM Shareholders that are members of the relevant class present and voting, either in person or by proxy.

**Implementation Date** means the date on which the Scheme is implemented in accordance with its terms, being the date that is five Business Days after the Scheme Record Date, or such other date as:

- (a) APM and Ancora BidCo may agree in writing;
- (b) ordered by the Court; or
- (c) may be required by ASIC or the ASX,

and **Implementation** has a corresponding meaning.

**Independent Expert** means the independent expert appointed by APM, being Kroll Australia Pty Ltd (ACN 116 738 535).

**Independent Expert’s Report** means the report prepared by the Independent Expert, a copy of which is set out in Attachment A (*Independent Expert’s Report*) to this Scheme Booklet.

**Ineligible Foreign Shareholder** means a Scheme Shareholder whose address shown in the APM Share Register as at 5:00pm (Sydney time) on the Scheme Record Date is a place outside Australia and its external territories, unless Ancora BidCo determines that it is lawful and, after having consulted with APM, not unduly onerous or impractical to provide that Scheme Shareholder with Ancora TopCo Shares when the Scheme becomes Effective.

**Initial Commitment Parties** means Goldman Sachs Lending Partners LLC, Goldman Sachs Asset Management, L.P. and Austreo Commercial Ventures Pty Ltd.

**Item 7 Majority** means, in relation to the Item 7 Resolution to be put to the APM Shareholders at the General Meeting, the resolution being passed by a majority in number (more than 50%) of APM Shareholders who are present and voting at the General Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.

**Item 7 Resolution** means the resolution to approve the Item 7 Transaction, in accordance with item 7 of section 611 of the Corporations Act.

**Item 7 Transaction** means the transfer of the APM Shares held by each Excluded Shareholder to Ancora TopCo (and subsequently transferred on to Ancora BidCo) on implementation of the Scheme, on the terms set out in the Conditional Transfer Agreement.

**Key Rolling Shareholders** means each of Megan Wynne, Bruce Bellinge, Michael Anghie, MKW Nominees Pty Ltd, Bellinge Holdings Pty Ltd, Wattle WA Pty Ltd, May-Lee A/C, Matthew Cooper, Fiona Monahan, Carl Alexander Woodbridge, Karen Rainbow, Rainbow Ambition Pty Ltd, Jack Sawyer, Cait Hayes, Stephen Farrell (in his personal capacity and as trustee of the Fairfield Trust), Ian Taylor and each of their respective Affiliates that are APM Shareholders.

**Last Practicable Date** means the close of trading on Thursday, 8 August 2024.

**Last Undisturbed Trading Date** means Friday, 16 February 2024.

**Lead Arranger** means Goldman Sachs Australia Pty Ltd.

**Lenders** has the meaning given in Section 10.5(d).

**Maximum Cash Consideration** means a cash amount equal to the value of the Cash Consideration multiplied by the total number of Scheme Shares.

**Maximum Scrip Threshold** means such number of Ancora TopCo Shares that would be issued to APM Shareholders where the Scrip Consideration is provided for an aggregate of 65% of the Scheme Shares.

**MDP Break Fee** means an amount equal to \$13,470,000.

**MDP Funds** means, collectively, Madison Dearborn Capital Partners VIII-A, L.P., Madison Dearborn Capital, Partners VIII-C, L.P., Madison Dearborn Capital Partners VIII Executive-A, L.P, Madison Dearborn Capital Partners VIII Executive-A2, L.P., and any other investment fund or vehicle advised or managed, directly or indirectly, by Madison Dearborn Partners, LLC or its Affiliates.

**MDP Counterproposal** has the meaning given to that term in Section 13.14(d)(ii).

**MDP Group** means, collectively, Ancora BidCo and each of its Affiliates, and **MDP Group Member** means any one of them.

**MDP Information** means the information regarding Ancora BidCo and any other MDP Group Member provided by or on behalf of Ancora BidCo to APM in writing for inclusion in this Scheme Booklet (including for use in preparation of the Independent Expert's Report), being:

- (a) statements under the 'Important notices' section to the extent they relate to any MDP Group Member;
- (b) the answers to the frequently asked questions in Section 5 (Frequently asked questions): "Who are MDP, the MDP Group and Ancora TopCo", "What are MDP's intentions regarding APM", "What is the Ancora TopCo Shareholders' Deed", "How is MDP funding the Scheme Consideration", and all questions listed under "Information on the MDP Group";
- (c) Section 6.4(d);
- (d) Section 10 (Information about MDP and the MDP Group);
- (e) Section 11.4 (Risks associated with Ancora TopCo Shares); and
- (f) statements in relation to the ownership structure of Ancora BidCo, Ancora TopCo or any other MDP Group Member.

**MDP Representation and Warranty** means a representation and warranty set out in schedule 5 of the Scheme Implementation Deed.

**MDP Shareholder** means a person or entity that is registered as a holder of an Ancora TopCo Share.



**Meetings** means the General Meeting and the Scheme Meeting.

**Meetings Record Date** means the time and date for determining eligibility to vote at the General Meeting and Scheme Meeting.

**Mixed Consideration** means:

- (a) the Cash Consideration in respect of 10% of the Scheme Shares; *plus*
- (b) the Scrip Consideration in respect of 90% of the Scheme Shares.

**Mixed Consideration Election Option** means an election by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) to receive Mixed Consideration for the Scheme Shares held by that Scheme Shareholder.

**MyIntegra** means Integrated Care Pty Ltd (ACN 149 233 634).

**Non-MDP Shareholder** means a person or entity that is registered as a holder of an Ancora TopCo Share other than an MDP Shareholder.

**Notice of General Meeting** means the written notice of the General Meeting in Attachment H (*Notice of General Meeting*).

**Notice of Scheme Meeting** means the written notice of the Scheme Meeting in Attachment I (*Notice of Scheme Meeting*).

**Official List** means the Official List of the ASX.

**Official Quotation** means the quotation of securities on the Official List and **Officially Quoted** has a corresponding meaning.

**Online General Meeting Platform** means the link set out in Section 4.7 (*Details of General Meeting and Scheme Meeting*).

**Online Meeting Guide** means the document attached to this Scheme Booklet in Attachment L (*Online Meeting Guide*), which contains details about the Online Meeting Platforms, including a step-by-step guide to successfully log in and navigate the Online Meeting Platforms.

**Online Meeting Platforms** means the Online General Meeting Platform and the Online Scheme Meeting Platform.

**Online Scheme Meeting Platform** means the link set out in Section 4.7 (*Details of General Meeting and Scheme Meeting*).

**Other Regulatory Approval** means any applicable waiting period, together with any extensions, under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, relating to the Transaction expiring or being terminated.

**Performance Rights Cash Amount** has the meaning given to it in section 13.6(b)(ii).

**Proxy Forms** means the General Meeting Proxy Form and the Scheme Meeting Proxy Form.

**QSEF Manager** means QSEF Management Pty Limited (ACN 666 698 157).

**Quadrant Affiliate** means the Quadrant Affiliate 1 and any other fund(s) managed by the QSEF Manager or its affiliates or a trustee or a general partner of any such fund nominated by the QSEF Manager.

**Quadrant Affiliate 1** means QSEF LP Pty Limited (ACN 664 554 885) as trustee for the QSEF B1 Co-Investment Trust.

**Quadrant ECL** means the equity contribution commitment letter between the Co-Investor and MDP Funds dated 7 June 2024.

**Quadrant Funds** means, collectively, QSEF Trust A, QSEF Trust B, QSEF Trust C, QSEF Trust D, QSEF Trust E and Quadrant Affiliate 1.

**Recommendation** has the meaning given in Section 6.1.

**Regulatory Approval** has the meaning given to that term in the Scheme Implementation Deed.

**Register** means the register of APM Shareholders kept by APM and **Registry** means the manager from time to time of the Register (currently Computershare).

**Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Relevant Interest** has the meaning given to that term in sections 608 and 609 of the Corporations Act.

**Representation and Warranty** means an MDP Representation and Warranty or an APM Representation and Warranty.

**Representative** means, in respect of a party, an employee, agent, officer, director or Advisor of that party (or of, in the case of APM, an APM Group Member, or, in the case of Ancora BidCo, its Related Bodies Corporate, their respective controlling Affiliates and their respective employees, agents, officers, directors or Advisors), and, in the case of Advisors, includes employees, officers and partners of the Advisor. Notwithstanding the foregoing, a Representative in the case of Ancora BidCo does not in any circumstances include any portfolio company of Ancora BidCo, its Related Bodies Corporate or any of their respective controlling Affiliates.

**Requisite Majorities** means, in relation to the Scheme Resolution to be put to the APM Shareholders at the Scheme Meeting, the resolution being passed by:

- (a) a majority in number (more than 50%) of APM Shareholders who are present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative, except to the extent the Court orders otherwise under section 411(4)(a)(ii)(A) of the Corporations Act and, in that case, in accordance with that Court order; and
- (b) at least 75% of the votes cast on the resolution by APM Shareholders who are present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.

**Resolutions** means the Item 7 Resolution and the Scheme Resolution.

**Rollover Condition** has the meaning given in Section 10.5.

**Scaleback Mechanism** means the scaleback mechanism set out in clause 4.9 of the Scheme Implementation Deed.

**Scheme** means a members' scheme of arrangement under Part 5.1 of the Corporations Act between APM and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Ancora BidCo and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in the form of Attachment A, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by APM and Ancora BidCo in accordance with clause 4.1(b) of the Scheme Implementation Deed.

**Scheme Booklet** means this scheme booklet in relation to the Scheme.

**Scheme Consideration** means:

- (a) the Cash Consideration;
- (b) the All Scrip Consideration; or
- (c) the Mixed Consideration,

in respect of each Scheme Share, the Election or combination of which is determined in accordance with clause 4.3 of the Scheme Implementation Deed and subject to the terms of the Scheme and the Scaleback Mechanism.

**Scheme Implementation Deed** means the scheme implementation deed dated 31 May 2024 between APM and Ancora BidCo available for viewing and downloading online at APM's website at <https://www.apminvestors.net.au/>.

**Scheme Meeting** means the meeting of all APM Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider the Scheme Resolution and includes any meeting convened following an adjournment or postponement of any such meeting.

**Scheme Meeting Proxy Form** means the proxy form for the Scheme Meeting, a sample copy of which is set out in Attachment K (*Sample Scheme Meeting Proxy Form*) to this Scheme Booklet.

**Scheme Record Date** means the time and date for determining entitlements to receive the Scheme Consideration, being 5:00pm (Sydney time) on the second Business Day after the Effective Date, or such other date after the Effective Date as APM and Ancora BidCo may agree in writing.

**Scheme Resolution** means the resolution to approve the Scheme to be considered by APM Shareholders at the Scheme Meeting.

**Scheme Share** means an APM Share held by a Scheme Shareholder as at the Scheme Record Date.

**Scheme Shareholder** means an APM Shareholder as at the Scheme Record Date.

**Scrip Consideration** means 95 Series A Shares and 5 Series B Shares for each Scheme Share (other than APM Shares held by an Ineligible Foreign Shareholder) for which a valid Election is made to receive such Scheme Consideration.

**Scrip Consideration Election Options** or **Scrip Consideration Options** means the All Scrip Election Option and the Mixed Consideration Election Option.

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**Second Court Date** means the first day on which an application made to the Court for an order under section 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 is heard), with such hearing being the **Second Court Hearing**.

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**Security Interest** has the meaning given in section 12 of the *Personal Property Securities Act 2009* (Cth).

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**Series A Shares** means the Series A Shares in Ancora TopCo having the rights and obligations set out in the Ancora TopCo Constitution and the Ancora TopCo Shareholders' Deed.

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**Series B Shares** means the Series B Shares in Ancora TopCo having the rights and obligations set out in the Ancora TopCo Constitution and the Ancora TopCo Shareholders' Deed.

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**Superior Proposal** has the meaning given to that term in the Scheme Implementation Deed.

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**Specified Contract** means each contract to which an APM Group Member is a party and which the parties have agreed on or before the date of the Scheme Implementation Deed shall be a 'Specified Contract' in the Disclosure Letter.

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**Takeovers Panel** means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

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**Transaction** means the acquisition of all of the Scheme Shares by Ancora BidCo by means of the Scheme.

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**Underlying EBITDA** means, in respect of a financial period, the underlying earnings before interest, taxes, depreciation and amortisation for the consolidated APM Group for that period, calculated on a post-IFRS 16 basis using the same methodology as in the APM Group's full-year financial report for the financial year ending 30 June 2023.

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**Vested Performance Rights** has the meaning given in Section 13.6(b)(i).

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# Attachment A – Independent Expert’s Report

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Ph: (02) 8286 7200  
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Independent Board Committee  
APM Human Services International Limited  
58 Ord Street  
West Perth WA 6005

14 August 2024

Dear Directors

## Part One – Independent Expert’s Report

### 1 Introduction

On 3 June 2024, APM Human Services International Limited (**APM**) announced that it had entered into a scheme implementation deed (**Scheme Implementation Deed**) with Ancora BidCo Pty Ltd (**Ancora BidCo**), an indirect subsidiary of Ancora TopCo Ltd (**Ancora TopCo**), which is controlled by Madison Dearborn Partners, LLC (**MDP**) for the acquisition of 100% of the issued share capital of APM (**APM Shares**) (other than APM Shares held by MDP affiliates) by way of a scheme of arrangement (**Scheme**) (the **MDP Proposal**).

Under the Scheme, APM shareholders (**APM Shareholders**) (other than those who make a valid election to receive the scrip consideration alternatives described below) will receive cash payments equal to \$1.45 per APM Share (**All Cash Consideration**) in respect of all of the APM Shares that they hold as at the Scheme Record Date.<sup>1</sup> The All Cash Consideration is the default form of consideration under the Scheme.

As an alternative to the All Cash Consideration, APM Shareholders (other than Ineligible Foreign Shareholders<sup>2</sup>) may elect to receive all or part of their consideration in the form of unlisted shares in Ancora TopCo (**Ancora TopCo Shares**):

- 90% of the consideration as Ancora TopCo Shares and 10% in cash (**Mixed Consideration**); or
- 100% of the consideration as Ancora TopCo Shares (**All Scrip Consideration**).

APM Shareholders will receive 95 Series A Shares and 5 Series B Shares for every APM Share held (**Scrip Consideration**).

Such an election must be made by the Election Time.<sup>3</sup> An APM Shareholder who does not make a valid election or does not make an election before the Election Time will receive the All Cash Consideration.<sup>4</sup> Ineligible Foreign Shareholders will also receive the All Cash Consideration.

<sup>1</sup> 7:00pm on the second Business Day after the date on which the Scheme becomes effective, or such other date after the Scheme becomes effective, as APM and Ancora BidCo may agree in writing.

<sup>2</sup> Means a Scheme Shareholder whose address shown in the APM Share Register as at 7:00 pm on the Scheme Record Date is a place outside Australia and its external territories, unless Ancora BidCo determines that it is lawful and, after having consulted with APM, not unduly onerous or impractical to provide that Scheme Shareholder with Ancora TopCo Shares when the Scheme becomes Effective.

<sup>3</sup> 5:00pm (Sydney time) on the date at which is five Business Days before the date of the Scheme Meeting or such other data as agreed in writing by APM and Ancora BidCo.

<sup>4</sup> Unless otherwise determined by BidCo to be deemed a valid election in accordance with clause 5.2(j) of the Scheme.



The scrip consideration alternatives enable APM Shareholders to maintain an interest in the APM business should they wish to do so.

The scrip consideration alternatives are subject to the Maximum Scrip Threshold, such that no more than 65% of Scheme Shares<sup>5</sup> will receive Ancora TopCo Shares. A scale back mechanism will be in place and will occur on a pro-rata basis, with APM Shareholders receiving the All Cash Consideration in lieu of unlisted shares in Ancora TopCo.

In accordance with the Scheme Implementation Deed, the Scheme is conditional upon APM receiving valid elections to receive the Scrip Consideration from each Key Rolling Shareholder<sup>6</sup> and their affiliates in respect of 100% of their respective holdings,<sup>7</sup> representing not less than 342,097,703 APM Shares in aggregate (**Rollover Condition**). Including APM Performance Rights and assuming all Key Rolling Shareholders elect the Scrip Consideration for 100% of their holdings, this is equivalent to 54% of Scheme Shares (**Minimum Scrip Threshold**).

Further conditions to which the implementation of the Scheme is subject to are set out in Section 5.6.1 of this report.

In addition, Ancora BidCo and each of its affiliates (**MDP Group**) have entered into a Conditional Transfer Agreement under which, on the Implementation Date, Ancora TopCo will acquire all of the APM Shares held by MDP Funds<sup>8</sup> in exchange for Series A Shares and Series B Shares in Ancora TopCo (**Item 7 Transaction**). These shares will ultimately be transferred to Ancora BidCo. The acquisition is conditional on the passing of a resolution in accordance with item 7 of section 611 of the Corporations Act (**Item 7 Resolution**) by APM Shareholders other than MDP Funds (‘non-associated APM Shareholders’) at the extraordinary general meeting (**General Meeting**) and the Scheme becoming effective.

In addition, Quadrant Funds<sup>9</sup> have entered into an unconditional cash commitment to subscribe for \$150 million equity in Ancora TopCo.

As a result of the Rollover Condition and the application of the Scaleback Mechanism, depending on the number of elections to receive the scrip consideration alternatives, APM Shareholders who validly elect to receive the Scrip Consideration will hold between 41.1%<sup>10</sup> and 48.0% of Ancora TopCo Shares, MDP will hold between 40.4% and 47.1% of Ancora TopCo Shares and Quadrant will hold between 11.6% and 11.8% of Ancora TopCo Shares.

APM is an international health and human services provider supporting over 2.2 million people through its diverse service offerings that include assessments; allied health and psychological intervention; medical, psycho-social and vocational rehabilitation, vocational training and employment assistance services; and community-based support services. As at 16 February 2024, the last undisturbed trading day prior to market speculation around the existence of a possible change of control proposal, APM had a market capitalisation on the Australian Securities Exchange (**ASX**) of \$761.3 million.<sup>11</sup>

MDP is a private equity investment firm based in Chicago. Since MDP’s formation in 1992, the firm has raised aggregate capital of over US\$31 billion through its private equity funds and is currently investing out of its eighth fund, which has aggregate capital commitments of US\$5 billion. MDP has completed over 160 platform investments and invests across four dedicated industry verticals, including basic industries; technology and government services; financial and transaction services; and healthcare.

MDP Funds is the collective group of funds managed by MDP under the Madison Dearborn Capital Partners VIII Fund which has total capital commitments in aggregate from investors of US\$5 billion. The limited partner investors in the MDP Funds consist of purely passive investors who will indirectly participate in the

<sup>5</sup> An APM Share held by a Scheme Shareholder as at the Record Date.

<sup>6</sup> As defined in the Scheme Implementation Deed to mean each of Megan Wynne, Bruce Bellinge, Michael Anghie, MKW Nominees Pty Ltd, Bellinge Holdings Pty Ltd, Wattle WA Pty Ltd, May-Lee A/C, Matthew Cooper, Fiona Monahan, Carl Alexander Woodbridge, Karen Rainbow, Rainbow Ambition Pty Ltd, Jack Sawyer, Cait Hayes, Stephen Farrell (in his personal capacity and as trustee of the Fairfield Trust), Ian Taylor and each of their respective Affiliates that are APM Shareholders.

<sup>7</sup> An exception is that Bruce Bellinge is only required to roll 90%.

<sup>8</sup> MDP Funds means, collectively, Madison Dearborn Capital Partners VIII-A, L.P., Madison Dearborn Capital Partners VIII-C, L.P., Madison Dearborn Capital Partners VIII Executive-A, L.P, Madison Dearborn Capital Partners VIII Executive-A2, L.P., and any other investment fund or vehicle advised or managed, directly or indirectly, by Madison Dearborn Partners, LLC or its Affiliates.

<sup>9</sup> Collectively, QSEF Trust A, QSEF Trust B, QSEF Trust C, QSEF Trust D, QSEF Trust E and Quadrant Affiliate 1.

<sup>10</sup> Calculated on the basis that all Key Rolling Shareholders elect to receive Scrip Consideration with respect to 100% of their Scheme Shares.

<sup>11</sup> Calculated as the closing share price on 16 February 2024 of \$0.83 multiplied by 917,181,946 shares outstanding.



Scheme through MDP Funds ownership interest in Ancora TopCo. MDP Funds currently hold an interest of approximately 29.08% in APM. MDP three directors on the APM Board.

The Independent Board Committee is chaired by Neville Power and also includes Simone Blank, Robert Melia and Ben Wyatt.

The Scheme is subject to approval by APM Shareholders of the following resolutions at the Scheme Meeting and General Meeting to be held on Wednesday, 18 September 2024:

- **Scheme Resolution:** must be approved by a special resolution (i.e. at least 75% of all votes cast at the Scheme Meeting by eligible APM Shareholders and by more than 50% of all the eligible APM Shareholders present and voting (in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative)) at the Scheme Meeting; and
- **Item 7 Resolution:** must be approved by an ordinary resolution (i.e. at least 50% of all votes cast by APM Shareholders other than MDP Funds) at the General Meeting.

In order to assist APM Shareholders in assessing the Scheme, the Independent Board Committee has appointed Kroll Australia Pty Ltd (**Kroll**) to prepare an independent expert's report to be included in the Scheme Booklet (**Scheme Booklet**) to be sent to APM Shareholders setting out whether, in Kroll's opinion, the Scheme is in the best interests of APM Shareholders, in the absence of a superior proposal and whether, in our opinion, with respect to the Item 7 Resolution, the advantages outweigh the disadvantages for non-associated APM Shareholders.

Further information regarding Kroll, as it pertains to the preparation of this report, is set out in Appendix 1.

Kroll's Financial Services Guide is contained in Part Two of this report.

## 2 Scope of report

The MDP Proposal is to be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (**Corporations Act**) and requires approval of APM Shareholders.

In the case of the Scheme, a statutory requirement for an independent expert's report applies because three of APM's Directors, Timothy P. Sullivan, Elizabeth Q. Betten and William E. Ritchie, are Directors of MDP. MDP Funds have a relevant interest in 29.08% of APM Shares, which is below the statutory threshold.

With respect to the transfer of APM Shares held by MDP Funds to Ancora TopCo, Item 7 of Section 611 of the Corporations Act contains disclosure requirements to ensure that members are able to make an informed decision about whether or not to approve an acquisition. It is a requirement that the company commissions an independent expert's report (or, if it has the expertise, a director's report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution.

In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides in particular, Regulatory Guide 111 'Content of expert reports' (**RG 111**) which outlines the principles and matters which it expects a person preparing an independent expert report to consider and Regulatory Guide 74 'Acquisitions approved by members' (**RG 74**) in relation to the Item 7 Resolution.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Section 6 of this report.

## 3 Opinion

### 3.1 Background

APM is an international provider of health and human services. The company supports more than 2.2 million people across 11 countries each year through its employment, health and wellbeing, communities and assessments, and disability and aged care services.

Since it was founded in Perth, Western Australia in 1994, APM has grown organically and through acquisition, supported by continued leadership from APM's founder and private equity investors from 2017. APM was listed on the ASX at \$3.55 on 12 November 2021. The founder remains active in leading the company and retain a substantial ownership interest.

At the time APM was listed, there was relatively high unemployment in APM's key markets and unprecedented levels of government support to counter the impact of the COVID-19 pandemic with expectations of continued growth in government social expenditure.



In the year following the initial public offering, APM continued to grow organically and through acquisition. Financial performance in FY22 surpassed APM 2021 Prospectus guidance, and APM’s share price remained broadly aligned with the price at listing.

Since November 2022, APM’s performance has been adversely impacted by a series of factors. Unemployment rates have declined to near all-time lows across APM’s key markets, impacting APM’s employment services client volumes particularly in Australia and the United Kingdom and reducing outcome fees in Australia, the United Kingdom and Canada.

APM’s acquisition of Equus Workforce Solutions (**Equus**) resulted in an increase in leverage from 1.7 to 2.3 times Net Debt to EBITDA.<sup>12</sup> Tightened monetary policy in APM’s key markets aimed at curbing elevated inflation lifted cash rates and APM’s funding costs, resulting in an increase in interest costs for APM.

Although APM’s revenue has continued to grow through a combination of organic growth and acquisitions, APM’s expansion of operations into North America has further diluted earnings margins due to a shift in earnings mix to lower margin, lower risk, revenue streams.

At the Annual General Meeting on 10 November 2023, APM provided a profit warning as persistent low unemployment rates across its key markets were expected to impact financial performance. Following the Annual General Meeting, a number of institutional investors sold down their interests, placing further downward pressure on the share price. On 17 January 2024, APM provided a 1H24 trading update which indicated a decline in earnings relative to 1H23, and APM’s share price declined further to close at a low of \$0.69 on 23 January 2024. Leverage increased to 2.95 times Net Debt to EBITDA as at 31 December 2023.

It was in this context that APM received an unsolicited approach from CVC Asia Pacific Limited (**CVC**) with regards to a potential scheme of arrangement. On 19 February 2024, APM responded to press speculation, announcing the receipt of a conditional, non-binding indicative proposal under which funds or investment vehicles advised by CVC would acquire all of the shares in APM for \$1.60 in cash per share (a 92.8% premium to the latest close of \$0.83) by way of a scheme of arrangement, with an option for all APM Shareholders to receive all or part of the consideration in unlisted scrip in CVC’s acquisition entity. APM unanimously resolved not to pursue the proposal on the basis that the offer did not sufficiently reflect the fundamental value of APM and the potential of its market leading platform globally. On 28 February 2024, CVC’s offer was increased to \$2.00 cash per share including an option for unlisted scrip consideration. On 27 March 2024, however, after a four-week period of exclusivity, CVC advised that it was unable to proceed to finalise a transaction on terms consistent with its non-binding offer.

On 8 April 2024, APM announced that it had received a non-binding indicative proposal from funds controlled by one of its largest shareholders, MDP, to acquire all of the APM Shares which it does not already hold for \$1.40 in cash per share by way of a scheme of arrangement, with a rollover election for APM Shareholders to receive all or part of the consideration in unlisted shares in MDP’s acquisition entity. Also on 8 April 2024, APM provided a year-to-date Q3 update and outlook, which indicated that APM anticipated FY24 Underlying EBITDA<sup>13</sup> and Underlying NPATA<sup>14</sup> to be in the range of \$280 million to \$290 million and \$95 million and \$105 million, respectively.

Following a period of non-exclusive due diligence, on 3 June 2024, APM announced that it had entered into the Scheme Implementation Deed with Ancora BidCo on the basis of an offer of \$1.45 in cash per share, and also provided its fourth trading update that earnings were now expected to be around the bottom end of the ranges provided on 8 April 2024.

<sup>12</sup> “APM Investor Presentation North American Expansion”, APM ASX Announcement, 28 September 2022. The leverage ratio includes net debt grossed up for lease liabilities, including Equus contribution of US\$42 million. EBITDA reflects ‘Facility EBITDA’ as defined by APM’s facility agreements.

<sup>13</sup> Based on early management accounts for Q3 and assuming that historical seasonal trends that have previously driven strong Q4 performance do not occur in FY24. Underlying EBITDA is earnings before interest, tax, depreciation, and amortisation, and contains management adjustments to exclude certain one-off items. Post IFRS 16 basis.

<sup>14</sup> Underlying NPATA is net profit after tax before contract amortisation and includes management adjustment for one off items.



## 3.2 Summary of opinion

### 3.2.1 Scheme opinion

#### All Cash Consideration

**In our opinion, on the basis of the All Cash Consideration only, the Scheme is in the best interests of APM Shareholders, in the absence of a superior proposal.**

In arriving at this opinion, we have assessed whether the Scheme is:

- **fair**, by comparing the All Cash Consideration to our assessed value of an APM Share on a controlling interest basis. This approach is in accordance with the guidance set out in RG 111; and
- **reasonable**, by assessing the implications of the Scheme for APM Shareholders, the alternatives to the Scheme that are available to APM, and the consequences for APM Shareholders of not approving the Scheme Resolution.

**On the basis of the All Cash Consideration only, we have assessed the Scheme to be fair and reasonable. Consequently, consistent with RG 111, we have concluded that on the basis of the All Cash Consideration only, the Scheme is in the best interests of APM Shareholders, in the absence of a superior proposal.**

**We have assessed the value of an APM Share on a controlling interest basis to be in the range of \$1.40 to \$1.74. As the All Cash Consideration of \$1.45 falls within our assessed value range for an APM Share, the Scheme is fair.**

In forming our view as to the value of APM, we have considered a range of factors which may drive profit growth in the medium to long-term including rising unemployment, new contracts, growth in APM's Health and Wellbeing business and opportunities within NDIS. Our valuation also recognises the continuing challenges and uncertainty facing APM in the near-term as it continues to operate in an environment of extended low levels of unemployment and client flows, contract renewal risk, tight labour market for Health professional recruitment, as well as high inflation and interest rates. As required under RG 111, we have considered the synergies available to a pool of potential acquirers. Our analysis of the fairness of the Scheme is detailed further in Section 3.3 of this report.

In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair, it is also reasonable. Regardless of this requirement, there are a number of factors that are relevant to an assessment of the reasonableness of the Scheme, some of which Kroll considers to be compelling in their own right:

- the All Cash Consideration represents a substantial premium to the undisturbed trading prices of APM Shares and is potentially understated, given the two negative trading updates since 16 February 2024;
- the All Cash Consideration provides certainty of the pre-tax amount that APM Shareholders will receive;
- APM Shareholders will not participate in any future increases in value of APM, however, they will no longer be exposed to the risks facing the business, including the risk associated with renewal of the current Disability Employment Services (**DES**) contract, one of APM's top three programs, which is due to expire in June 2025;
- in the event that the Scheme is not approved or any other conditions precedent prevent the Scheme from being implemented, APM will continue to operate in its current form and its share price is likely to fall to levels that are potentially below the undisturbed trading price of APM Shares as a result of the two negative trading updates since 16 February 2024. APM's likely depressed share price may impact its ability to raise equity to fund growth, and its financial leverage is approaching current covenant ratios. Refinancing in the absence of the Scheme is likely to involve more stringent covenants and higher interest rates. Limited free cash flow also means that it is unlikely that APM will declare a dividend in the near term; and
- no superior proposal has emerged since the announcement of the Scheme. We consider it unlikely that an alternative bidder will emerge following the current offer from MDP, given MDP Funds' existing 29.08% shareholding and that practically, any superior proposal would need to be agreed with MDP (as well as Megan Wynne).

Other matters which APM Shareholders should consider in assessing the Scheme include:

- APM will incur transaction costs if the Scheme does not proceed;





- the outstanding conditions precedent which, if not satisfied, will result in the Scheme not being implemented; and
- the tax implications of the Scheme.

Our analysis of the reasonableness of the Scheme is detailed further in Section 3.4 of this report. The decision to approve the Scheme Resolution is a matter for individual APM Shareholders based on their views as to value, expectations about future market conditions and their particular circumstances, including investment strategy and portfolio, risk profile and tax position. If in doubt, APM Shareholders should consult their own professional adviser regarding the action they should take in relation to the Scheme.

#### **Mixed Consideration and All Scrip Consideration**

Our assessment of fairness in relation to the Scheme is based on the All Cash Consideration which is available to APM Shareholders (other than the Key Rolling Shareholders).

Immediately post implementation of the Scheme, the underlying economic value of an Ancora TopCo Share will be lower than the value of an APM Share of \$1.40 to \$1.74 as a result of the estimated \$68.0 million (including GST) in total transaction costs (i.e. including APM’s and MDP’s transaction costs).

**Assuming the Minimum Scrip Threshold is met, Kroll has assessed the following underlying economic values for the scrip alternatives:**

- **Maximum Scrip Consideration (\$1.33 to \$1.69); and**
- **Mixed Consideration (\$1.34 to \$1.67) (refer to Section 3.3.3 of this report).**

The underlying economic value of Ancora TopCo Shares does not represent the value that may be realised if shareholders theoretically sought to (and were able to) dispose of Ancora TopCo Shares in the immediate or short-term post implementation of the Scheme (i.e. ‘theoretical cash equivalent’) as in our view, any such value would be subject to a minority and marketability discount. In this respect, it is not, however, possible to reliably estimate the quantum of a minority and marketability discount that would be applied to a Ancora TopCo Share since there are limited situations when shares can be disposed of outside an exit event (refer to Section 10.5 of this report) and:

- the timing of an exit event is unknown; and
- the form of an exit event is unknown. It could take the form of an initial public offering, share sale or trade sale. An initial public offering would attract a minority discount whereas a control transaction may attract a control premium.

As such, it is not possible to reliably estimate the realisable value of a Ancora TopCo Share.

We note, however, that assuming the Minimum Scrip Threshold is met, **the realisable value of the Maximum Scrip Consideration will not be fair for any minority/marketability discount above 17.1% and the realisable value of the Mixed Consideration will not be fair for any discount above 17.4%. Noting that whilst the actual discount realised cannot be reliably determined, Kroll considers that a substantial minority and marketability discount is warranted and as such, on the basis of the Maximum Scrip Consideration and Mixed Consideration, the Scheme is unlikely to be fair (refer to Section 3.3.4 of this report).**

As a result of the rights and obligations and risks noted above, and their potential impact on the realisable value of Ancora TopCo Shares, **the scrip consideration alternatives are likely to be unattractive to some APM Shareholders.** Alternatively, passive shareholders who have a long investment horizon, are willing to co-invest with MDP in an unlisted vehicle where MDP has majority control and have a relatively high risk appetite may find the Scrip Consideration to be attractive, particularly if they stand to attract a capital gain as a result of the sale of their shares (given that rollover relief may be available for shareholders who elect to receive the scrip consideration alternatives). However, APM Shareholders need to carefully consider the rights and obligations and risks attaching to Ancora TopCo Shares before making a decision to elect to receive the Maximum Scrip Consideration or Mixed Consideration.

These rights and obligations and risks are set out in Section 3.5 of this report and Section 10.8 of the Scheme Booklet.



### 3.2.2 Item 7 Resolution Opinion

In our opinion, **in relation to the Item 7 Resolution, on the basis of the All Cash Consideration, the advantages outweigh the disadvantages for non-associated APM Shareholders.** The key factors Kroll has considered are:

- the purpose of the Item 7 Resolution is to allow MDP Funds to effectively exchange their APM Shares for Ancora TopCo shares as the Scheme only pertains to non-associated APM Shareholders;
- non-associated APM Shareholders who receive the All Cash Consideration will receive \$1.45 cash per APM Share. Kroll has assessed the mid-point of the underlying economic value of Ancora TopCo Shares immediately post implementation of the Scheme to be \$1.51 (Minimum Scrip Threshold) or \$1.50, (Maximum Scrip Threshold), which is slightly above the All Cash Consideration. As discussed in Section 3.3.3 of this report, it is necessary to apply a minority and marketability discount to reflect the realisable value of the Ancora TopCo Shares. Kroll has not estimated the realisable value of the Ancora BidCo Shares, however, we note that a discount greater than only 4.0% and 3.3%, respectively, would result in the mid-point of the realisable value of the Ancora TopCo Shares being below the All Cash Consideration. Even though MDP will have control of Ancora TopCo, a substantial illiquidity discount is still warranted for MDP. Consequently, **APM Shareholders who elect to receive the All Cash Consideration are not disadvantaged;**
- it is also not relevant to consider whether approving the Item 7 Resolution may mean that APM Shareholders may be forgoing an opportunity of receiving a takeover bid or sharing any premium for control given the purpose of the Item 7 Resolution is to facilitate the MDP Proposal whereby APM Shareholders are receiving a premium for control; and
- if the Item 7 Transaction does not occur, the Scheme will not proceed.

The **APM Shareholders who elect to receive a scrip consideration alternative, however, are likely to be disadvantaged by the Item 7 Transaction**, given that a higher minority/marketability discount is appropriate for minority interests in Ancora TopCo than for MDP as the controlling shareholder.

## 3.3 Assessment of fairness

### 3.3.1 Valuation of APM

Kroll has assessed the value of APM’s equity to be in the range of \$1,296.0 million to \$1,611.0 million, which corresponds with a value of \$1.40 to \$1.74 per APM Share on a fully diluted basis.<sup>15</sup> Our range of assessed values reflects 100% ownership of APM and, therefore, incorporates a control premium. As our valuation includes a control premium, our range of assessed values per share exceeds the price at which we expect APM Shares would trade on the ASX in the absence of the Scheme. The value of APM’s equity has been determined by estimating the fair value of APM’s operating business, together with consideration of other liabilities, adjusted net debt and non-controlling interests. The valuation is summarised as follows:

#### APM Summary of Value (\$ millions)

	Section reference	Valuation range	
		Low	High
<b>Value of APM’s operating business (100% control basis)</b>	9.3	<b>2,295.0</b>	<b>2,610.0</b>
Other liabilities	9.5	(36.5)	(36.5)
<b>Enterprise value (100% control basis)</b>		<b>2,258.5</b>	<b>2,573.5</b>
Adjusted net debt	9.6	(956.3)	(956.3)
Non-controlling interests	9.7	(6.3)	(6.3)
<b>Value of APM’s equity (100% control basis)</b>		<b>1,296.0</b>	<b>1,611.0</b>
Number of APM Shares outstanding – diluted (millions) <sup>1</sup>	8.6.2	923.7	923.7
<b>Value per APM Share – diluted (control basis)</b>		<b>\$1.40</b>	<b>\$1.74</b>

Source: Kroll analysis.

Note 1: This includes all of the 917,181,946 ordinary shares on issue, and the issue of 6,553,015 shares to settle vesting APM Performance Rights (refer to Section 8.6.2 of this report).

<sup>15</sup> Based on 917,181,946 APM Shares on issue and the issue of 6,553,015 shares to settle outstanding APM Performance Rights (refer to Section 8.6.2 of this report)].



In assessing the value of APM’s operating business, Kroll has adopted a market approach as the primary methodology (refer to Section 9.3 of this report). The value derived from the market approach has been cross-checked using a discounted cash flow analysis (refer to Section 9.4 of this report).

The range of values per APM Share is relatively wide, mainly as a result of APM’s financial leverage.

Our valuation range of \$1.40 to \$1.74 per APM Share reflects a premium over the closing price of APM Shares on 16 February 2024, the last undisturbed trading day prior to market speculation around the existence of a possible change of control proposal, of between 69.0% and 110.1% and a premium to the one-month VWAP in the range of 82.8% to 127.3%. This level of premium is significantly above the range of premiums typically observed in completed transactions, which are broadly in the range of 25% to 40% depending on the individual circumstances<sup>16</sup> and likely reflects a combination of the following:

- that our valuation of APM includes a control premium, rather than a valuation of a minority interest in the company as traded on the ASX. We note, however, that synergies available to a pool of potential acquirers of APM are expected to be limited as we consider that an acquirer is likely to be a financial buyer (refer to Section 9.2.3 of this report);
- that our value range attributes significant value to APM’s opportunities for growth in the medium to long-term, whilst also reflecting the inherent risk associated with achieving those opportunities given the uncertainty of APM’s near term outlook; and
- factors impacting the APM share price as at 16 February 2024, including APM’s two negative trading updates in November 2023 and January 2024.

In forming our view as to the value of APM Shares, we have considered a range of factors including:

- APM’s position as one of the global operators in the health and human services industry with a diversified service offering and geographical footprint;
- the uncertainty of APM’s near term outlook, given APM’s Employment Services business is operating in an environment of extended low unemployment levels impacting employment service volumes. Kroll has reflected this uncertainty in our selection of a range of maintainable earnings for APM;
- the outlook for health and human services with unemployment rates expected to rise approximately 0.5% across APM’s key markets by mid-2025,<sup>17</sup> growing populations globally, an ageing demographic and increasing social expenditure;
- APM’s opportunities for growth in revenues and EBITDA margins in the medium to long-term from rising unemployment, ramp up of existing and new contracts, growth in the APM’s Health and Wellbeing business, opportunities within NDIS, and efficiency initiatives implemented during Q4 FY24;
- the broker consensus, which forecasts APM’s Underlying EBITDA margin to fall from 19.2% in FY23 to 12.7% in FY24, and remain steady at approximately 13.0% in the short-term to FY26;
- business risk associated with contract renewal and potential changes in program eligibility, state or federal government policy and funding as a result of reviews and upcoming elections in APM’s key markets. The current DES contract in particular, which is one of APM’s top three programs, is due to expire in June 2025. Kroll has reflected this uncertainty in our selection of a range of maintainable earnings for APM;
- APM’s ability to attract and retain allied health professionals as planned to grow the Health & Wellbeing business in Australia, noting that labour market conditions for health professional recruitment remain tight;
- continuing headwinds from inflation;
- APM’s debt refinancing, high leverage and associated funding costs. APM financial leverage is approaching current covenant ratios;
- APM’s other liabilities including deferred consideration, contingent guarantees and related party transactions; and
- synergies available to a pool of potential acquirers.

<sup>16</sup> 2023 Mergerstat Review. Range represents median premium from 2013 to 2022. Premiums are calculated based on the seller’s closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

<sup>17</sup> OECD Unemployment Forecasts.

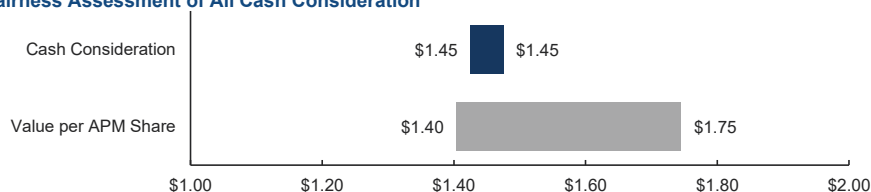
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Our valuation does not consider further acquisitions or entry into new markets. Whilst there may be an opportunity for APM to undertake further acquisitions and expand, we consider that it is unlikely that an acquirer would pay for something that they had to execute themselves and bear all associated risks.

### 3.3.2 Assessment of fairness of the All Cash Consideration

A comparison of our assessed value per APM Share, on a control basis, to the All Cash Consideration is illustrated as follows.

#### Fairness Assessment of All Cash Consideration<sup>1</sup>



Source: Kroll analysis.

According to RG111, the Scheme should be considered fair if the consideration offered to APM Shareholders is equal to or greater than our assessed value of an APM Share.

As the All Cash Consideration falls within the range of values for an APM Share, **the Scheme is fair**. We consider the low end of the valuation range represents the relevant threshold for fairness. As such, any price above the low end of the range is fair and it is irrelevant where in the range an offer falls.

The Cash Consideration is towards the low end of our selected value range for an APM Share. It would not be fair if the low end of Kroll’s valuation range for an APM Share was greater than \$1.45. Kroll’s value range is based on a maintainable EBITDA range of \$270.0 million to \$290.0 million and a multiple of 8.5 to 9.0 times EBITDA. The following sensitivity analysis indicates that a low-end multiple of more than 9.0 (i.e. a range of multiples of 9.0 to 9.5 times) or a maintainable EBITDA range of \$280.0 million to \$300.0 million would result in the Cash Consideration being not fair.

#### Sensitivity Analysis - Low End Value of an APM Share (\$)

		Maintainable EBITDA range (\$ millions)		
		260 - 280	270 - 290	280 - 300
Multiple range (times)	7.0-7.5	\$0.89	\$0.96	\$1.04
	7.5-8.0	\$1.03	\$1.11	\$1.19
	8.0-8.5	\$1.17	\$1.26	\$1.34
	8.5-9.0	\$1.31	\$1.40	\$1.49
	9.0-9.5	\$1.45	\$1.55	\$1.65
	9.5-10.0	\$1.59	\$1.70	\$1.80
	10.0-10.5	\$1.73	\$1.84	\$1.95

Source: Kroll analysis.

### 3.3.3 Valuation of the Mixed Consideration and All Scrip Consideration

Immediately post implementation of the Scheme, the underlying economic value of an Ancora TopCo Share will be lower than the value of an APM Share as a result of the estimated \$68.0 million (including GST) in total transaction costs (i.e. including APM’s and MDP’s transaction costs). **After deducting the total transaction costs, the value of an APM Share on a controlling interest basis of \$1.40 to \$1.74 (refer to Section 3.3.1 of this report), after allowing for the issue of 100 Ancora TopCo Shares for each 1 APM Shares, reduces to \$0.0133 to \$0.0169 (Minimum Scrip Threshold) or \$0.0132 to \$0.0167 (Maximum Scrip Threshold) (refer to Section 10.3 of this report).**



### Underlying Economic Value per Ancora TopCo Share Immediately Post Implementation (\$ millions)

	Section Reference	Minimum Scrip Threshold <sup>1</sup>		Maximum Scrip Threshold <sup>2</sup>	
		Low	High	Low	High
<b>Assessed value of APM operating business</b>	<b>9.1</b>	<b>2,295.0</b>	<b>2,610.0</b>	<b>2,295.0</b>	<b>2,610.0</b>
Non-operating liabilities (net) <sup>3</sup>	9.5	(19.0)	(19.0)	(19.0)	(19.0)
<b>Enterprise value of APM</b>		<b>\$2,276.0</b>	<b>\$2,591.0</b>	<b>\$2,276.0</b>	<b>\$2,591.0</b>
Pro forma net debt (excluding lease liabilities)	10.3.1	(959.1)	(959.1)	(939.1)	(939.1)
Lease liabilities	9.6	(147.9)	(147.9)	(147.9)	(147.9)
Non-controlling interest	9.7	(6.3)	(6.3)	(6.3)	(6.3)
<b>Underlying economic value of Ancora TopCo equity</b>		<b>1,162.7</b>	<b>1,477.7</b>	<b>1,182.7</b>	<b>1,497.7</b>
Number of Ancora TopCo Shares (million)	10.3.2	87,373.3	87,373.3	89,430.5	89,430.5
<b>Underlying economic value per Ancora TopCo Share</b>		<b>\$0.0133</b>	<b>\$0.0169</b>	<b>\$0.0132</b>	<b>\$0.0167</b>

Source: Kroll analysis.

Notes:

1. Assumes that only shareholders subject to the Rollover Condition elect the Scrip Consideration. Calculated on the basis that all Key Rolling Shareholders elect to receive the Scrip Consideration with respect to 100% of their Scheme Shares.
2. Assumes maximum valid elections to receive the Scrip Consideration, i.e. Scheme Shareholders (other than MDP) receive Ancora TopCo Shares with respect to 65% of their APM Shares.
3. Calculated as \$36.5 million (refer to Section 9.5) less \$17.5 million 1 July 2024 earnout which is reflected in pro forma net debt.

The Scrip Consideration comprises 95 Series A Shares and 5 Series B Shares for every APM Share held. Ancora TopCo. Based upon the underlying economic value of an Ancora TopCo Share immediately post implementation of the Scheme of \$0.0133 to \$0.0169 (Minimum Scrip Threshold) and \$0.0132 to \$0.0167 (Maximum Scrip Threshold), we have assessed the total underlying economic value of the Mixed Consideration and All Scrip Consideration, in comparison to the All Cash Consideration, immediately post implementation of the Scheme, as follows:

#### Underlying Economic Value of Consideration Immediately Post Implementation – Minimum Scrip Threshold (\$)

	All Cash Consideration	Maximum Scrip Consideration			Mixed Consideration		
		Low	Mid-point	High	Low	Mid-point	High
Cash	1.45	-	-	-	0.15	0.15	0.15
Series A Shares	-	1.26	1.44	1.61	1.14	1.29	1.45
Series B Shares	-	0.07	0.08	0.08	0.06	0.07	0.08
<b>Underlying economic value of Consideration</b>	<b>\$1.45</b>	<b>\$1.33</b>	<b>\$1.51</b>	<b>\$1.69</b>	<b>\$1.34</b>	<b>\$1.50</b>	<b>\$1.67</b>

Source: Kroll analysis.

Note: Numbers may not add due to rounding.

#### Underlying Economic Value of Consideration Immediately Post Implementation – Maximum Scrip Threshold (\$)

	All Cash Consideration	Maximum Scrip Consideration			Mixed Consideration		
		Low	Mid-point	High	Low	Mid-point	High
Cash	1.45	-	-	-	0.15	0.15	0.15
Series A Shares	-	1.26	1.42	1.59	1.13	1.28	1.43
Series B Shares	-	0.07	0.07	0.08	0.06	0.07	0.08
<b>Underlying economic value of Consideration</b>	<b>\$1.45</b>	<b>\$1.32</b>	<b>\$1.50</b>	<b>\$1.67</b>	<b>\$1.34</b>	<b>\$1.49</b>	<b>\$1.65</b>

Source: Kroll analysis.

Note: Numbers may not add due to rounding.



In relation to these outcomes, Kroll notes that:

- for each scrip alternative, regardless of the number of elections to receive a scrip consideration alternative, the mid-point of the underlying economic values of the scrip consideration alternatives (in the range of \$1.49 to \$1.51) is slightly greater than the All Cash Consideration of \$1.45. This is despite the recipients of the Scrip Consideration bearing the total transaction costs;
- regardless of the number of elections to receive the scrip consideration alternatives, the mid-point of the range of underlying economic values of the Mixed Consideration immediately post implementation of the Scheme is slightly lower than the Maximum Scrip Consideration; and
- the mid-point of the underlying economic value of the Maximum Scrip Consideration and Mixed Consideration is slightly lower under the Maximum Scrip Threshold than under the Minimum Scrip Threshold.

It is important to recognise that the underlying economic value of Ancora TopCo Shares does not represent the value that may be realised if shareholders theoretically sought to (and were able to) dispose of Ancora TopCo Shares in the immediate or short-term post implementation of the Scheme (i.e. 'theoretical cash equivalent') as in our view, any such value would be subject to a minority and marketability discount. In this respect, it is not, however, possible to reliably estimate the quantum of a minority and marketability discount that would be applied to Ancora TopCo Shares is difficult since there are limited situations when shares can be disposed outside an exit event (refer to Section 10.5 of this report) and:

- the timing of an exit event is unknown; and
- the form of an exit event is unknown and could take the form of an initial public offering, share sale or trade sale. An initial public offering would attract a minority discount whereas a control transaction may attract a control premium.

As such, it is not possible to also reliability estimate the realisable value of a Ancora TopCo Share.

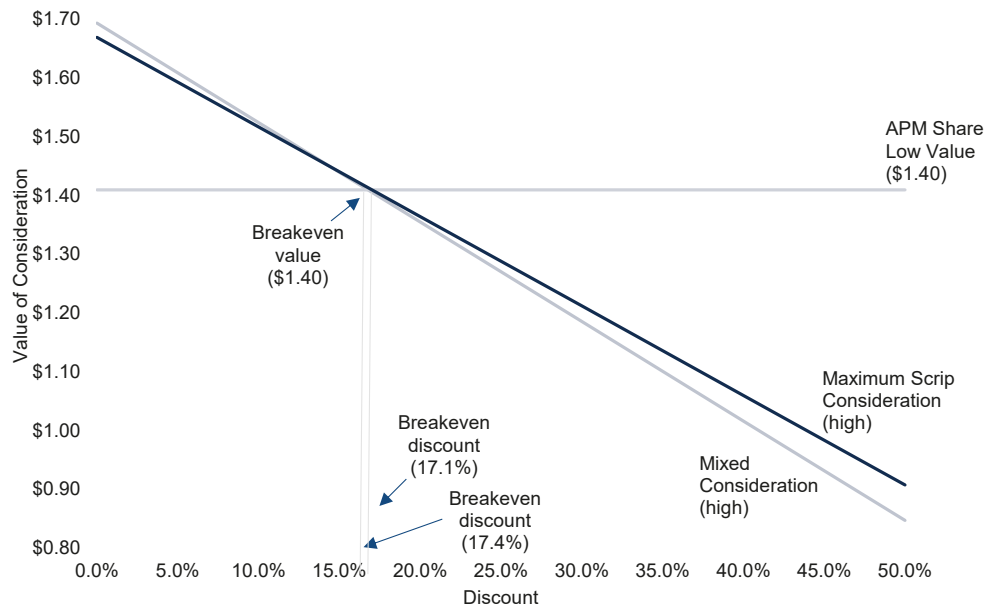
### 3.3.4 Assessment of fairness of the Mixed Consideration and All Scrip Consideration

Although the exact quantum of a discount that would apply to Ancora TopCo Shares relative to the value of APM Shares cannot be reliably determined, Kroll considers that a substantial discount is warranted as a result of the reduced liquidity, more limited voting rights, reduced shareholder rights and increased gearing of Ancora TopCo Shares (refer to Section 10.5 of this report).

The following sensitivity analysis shows the value of the scrip consideration alternatives for a range of discounts, assuming the Minimum Scrip Threshold is met.



### Sensitivity Analysis – Value of Scrip Consideration Alternatives for a Range of Discounts – Minimum Scrip Threshold<sup>1</sup>



Source: Kroll analysis.

Note 1: Discount refers to the marketability/minority discount between the low end of Kroll’s value range for an APM Share of \$1.40 and the high end of the underlying economic value of Ancora TopCo Shares immediately post implementation of the Scheme of \$1.69.

The sensitivity analysis (assuming the Minimum Scrip Threshold is met) indicates that:

- the greater the discount applied to Ancora TopCo Shares, the lower the value of the scrip consideration alternatives; and
- there is a breakeven point above which the scrip consideration alternatives could be considered to be fair. This occurs where the high end of the Maximum Scrip Consideration of \$1.69 and Mixed Consideration of \$1.67 (based on the high end of the underlying economic value of Ancora TopCo Shares immediately post implementation of the Scheme \$0.0169) after deducting a discount on the Scrip Consideration, is equal to the low end of Kroll’s assessed value range for an APM Share of \$1.40. The break-even discount below which the Maximum Scrip Consideration could be considered fair is 17.1%<sup>18</sup> and the break-even discount below which the Mixed Consideration could be considered to be fair is 17.4%.<sup>19</sup> **In other words, the Maximum Scrip Consideration will not be fair for any discount above 17.1% and the Mixed Consideration will not be fair for any discount above 17.4%. Noting that whilst the actual discount realised cannot be reliably determined, for the reasons stated above, Kroll considers that a substantial minority and marketability discount is warranted and as such, on the basis of the Maximum Scrip Consideration and Mixed Consideration, the Scheme is unlikely to be fair.**

The outcomes are almost identical if the Maximum Scrip Threshold is met. The break-even discount below which the Maximum Scrip Consideration could be considered fair is 16.2%<sup>20</sup> and the break-even discount below which the Mixed Consideration could be considered to be fair is 16.5%.<sup>21</sup>

<sup>18</sup> Calculated as  $100\% \times \$1.69$  (high end of underlying economic value of a MDP Topco Share)  $\times$   $(1-17.1\%) = \$1.40$  (low end of controlling value of an APM Share).

<sup>19</sup> Calculated as  $10\% \times \$1.45$  (cash)  $+ 90\% \times \$1.69$  (high end of underlying economic value of a MDP Topco Share)  $\times$   $(1-17.4\%) = \$1.40$  (low end of controlling value of an APM Share).

<sup>20</sup> Calculated as  $100\% \times \$1.67$  (high end of underlying economic value of a MDP Topco Share)  $\times$   $(1-16.2\%) = \$1.40$  (low end of controlling value of an APM Share).

<sup>21</sup> Calculated as  $10\% \times \$1.45$  (cash)  $+ 90\% \times \$1.67$  (high end of underlying economic value of a MDP Topco Share)  $\times$   $(1-16.5\%) = \$1.40$  (low end of controlling value of an APM Share).



The above analysis is illustrative only as Kroll considers for the reasons set out previously that the realisable value of Ancora TopCo Shares, including, potentially, in the event of a subsequent sale of the business or initial public offering (the timing of which is unknown), is not possible to estimate reliably.

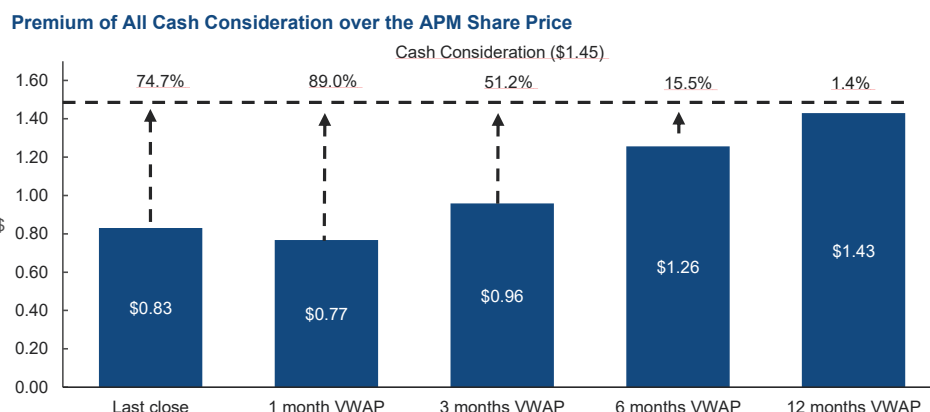
### 3.4 Assessment of reasonableness based on the All Cash Consideration

In accordance with RG 111, an offer is reasonable if it is fair. **As we have assessed the Scheme to be fair on the basis of the All Cash Consideration, it is also reasonable.** However, irrespective of the requirement to conclude the Scheme is reasonable, there are a range of other factors that are relevant to an assessment of the reasonableness of the Scheme, some of which Kroll considers to be compelling in their own right.

#### 3.4.1 The All Cash Consideration represents a substantial premium to recent undisturbed trading prices of APM Shares

The All Cash Consideration of \$1.45 represents a substantial premium to APM’s closing share price and VWAP calculated over one month and three month periods up until 16 February 2024, the last undisturbed trading day prior to market speculation around the existence of a possible change of control proposal. The All Cash Consideration represents a small premium to APM’s VWAP calculated over the six months to 16 February 2024 and a discount to the VWAP calculated over the twelve months to 16 February 2024.

The following chart presents the premium of the All Cash Consideration relative to APM share price trading benchmarks.



Source: Kroll analysis.

Note: The premiums illustrated above have been calculated based on APM’s closing share price and VWAP up until close on 16 February 2024, the last undisturbed trading day prior to market speculation around the existence of a possible change of control proposal.

As discussed in Section 3.3.1 of this report, observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances. However, in transactions where it was estimated the combined entity would be able to achieve significant synergies, the premium was frequently estimated to be in excess of this range.

We note that the All Cash Consideration represents:

- a substantial premium over the closing APM Share price and one and three-month VWAPs that are above the range of premiums typically observed; and
- a small premium to the six month VWAP below the range of premiums typically observed, and a small premium to the 12 month VWAP, which reflects the deterioration in financial performance leading up to 16 February 2024.

Kroll notes that as a result of the two negative trading updates since 16 February 2024, it is likely that in the absence of the Scheme, the APM Share price would trade below the undisturbed trading price (all else equal). As a result, the control premium relative to the undisturbed trading price is potentially understated.





### 3.4.2 Certainty of value

The Scheme offers APM Shareholders an opportunity to exit their investment in APM at a cash price that is certain and which, as noted above, incorporates a substantial premium to APM’s recent undisturbed trading prices. Whilst trading of APM Shares is sufficient to give APM Shareholders confidence that they would be able to exit their investment at a time of their choosing, there is no certainty as to the price at which APM Shareholders would realise their investment at that time, particularly given the risks associated with the business in the short to medium-term as set out in Section 3.3.1 of this report and Section 11 of the Scheme Booklet, including:

- sustained low unemployment levels, impacting employment service volumes;
- contract renewal risk. The current DES contract, in particular, is one of APM’s top three programs and is due to expire in June 2025;
- potential changes in program eligibility, state or federal government policy and funding as a result of reviews and upcoming elections in APM’s key markets;
- APM’s ability to attract and retain allied health professionals as planned in order to grow the Health and Wellbeing business in Australia; and
- high leverage and associated funding costs.

General investment risks that may also impact certainty of value include changes in the overall performance of the global and Australian securities market, and general business and economic conditions including rising inflation and interest rates.

Furthermore, any future on-market sale by APM’s Shareholders would likely incur brokerage costs, which would be avoided if the Scheme is implemented.

### 3.4.3 By exiting their investment, APM Shareholders who receive the All Cash Consideration will not participate in any future growth in the value of APM

By exiting their investment, APM Shareholders who receive the All Cash Consideration will not participate in any future growth in the value of APM, over and above that already reflected in the All Cash Consideration. In this regard, Kroll’s valuation of APM, which overlaps and exceeds the All Cash Consideration, already attributes value to APM’s opportunities for longer term growth as unemployment rates rise and through new contracts, the Health and Wellbeing business and NDIS, and APM’s efficiency initiatives.

### 3.4.4 APM’s share price will likely fall in the absence of the Scheme

The current share price of APM reflects the terms of the Scheme and, therefore, includes a substantial control premium to recent undisturbed trading prices, noting that the APM Share price closed at \$0.83 on 16 February 2024. As such, in the absence of the Scheme, a superior proposal or speculation concerning a superior proposal, the APM Share price is likely to fall to levels consistent with, and likely below, APM’s recent undisturbed trading prices immediately prior to the speculation of a potential transaction as a result of the following:

- subsequent announcements in relation to company specific initiatives or financial performance (including new contract wins or renewals, business acquisitions and/or debt refinancing) which the market may assess as value enhancing or diminishing. We note that since 16 February 2024, APM has reduced guidance for 2H24. Prior to 16 February 2024, APM expected 2H24 EBITDA to be higher than 1H24 with a second-half earnings skew consistent with prior periods. However, APM’s guidance provided on 8 April 2024 indicated lower 2H24 EBITDA, and in the trading update of 3 June 2024, APM flagged that activity levels experienced in 2H24 are likely to continue into FY25 and that FY25 interest expense will be higher than FY24;
- any industry developments (e.g. concerning regulation and funding) including continued uncertainty with regards to employment services reform by the Australian government, following recommendations for Workforce Australia in the 2023 Employment White Paper, and the planned introduction of a new disability employment program from 1 July 2025;
- further changes in key macroeconomic conditions, including unemployment, inflation and interest rates. Whilst uncertainty remains as to the near-term outlook, unemployment rates are expected to



rise approximately 0.5% across APM’s key markets by mid-2025.<sup>22</sup> Inflation and interest rates remain elevated with rate cuts not expected until late 2024; and

- trends in broader equity markets. In this regard, from 16 February 2024 (the last undisturbed trading day) until 8 August 2024, the S&P/ASX 300 Industrials Index increased by 4.2%.

#### 3.4.5 Likelihood of a superior proposal

No superior proposal has emerged since the announcement of the Scheme. Whilst there will continue to be an opportunity for a superior proposal, we consider the likelihood of a superior proposal to be impacted by the following:

- MDP Funds currently have voting interests in APM of approximately 29.08%. This may deter other potential bidders as the interest is large enough to represent a blocking stake in the event of a scheme of arrangement (which requires at least 75% of votes cast) and would prohibit an acquiror moving to compulsory acquisition under an off market takeover offer (which requires a shareholding of at least 90%). As a result, an alternative acquirer would need the support of MDP if it is to acquire 100% of APM;
- it is open for APM Shareholders to vote against the Scheme in the hope that the Independent Board Committee will be able to extract a higher offer from MDP, another offer from CVC or an offer from an alternative bidder. However, the MDP Proposal is a consequence of an extensive process of due diligence and negotiations between the Independent Board Committee and two separate bidders: CVC and MDP. CVC increased their offer price from \$1.60 to \$2.00, then following a period of exclusive due diligence withdrew from the transaction. MDP subsequently engaged with APM regarding a potential transaction and offered \$1.40. Following a period of non-exclusive due diligence, MDP increased its offer to \$1.45. The Independent Board Committee is also supportive of the Scheme in its current form (in the absence of a superior proposal). It is therefore unlikely that APM would be able to obtain a higher offer from MDP. MDP’s blocking stake means that any offer from CVC would need MDP’s approval. In addition, no other bidders have emerged throughout the extended process;
- APM’s near-term outlook remains uncertain given the extended low levels of unemployment, and the expiry of the current DES program in June 2025;
- the All Cash Consideration represents a substantial premium to APM’s recent undisturbed trading prices; and
- the Scheme Implementation Deed contains customary exclusivity provisions in favour of Ancora BidCo that apply during the Exclusivity Period. In certain circumstances, APM may be required to pay a break fee of \$13.5 million. Although these provisions may be influential, we do not consider that they would prevent a superior proposal being made.

#### 3.4.6 Other considerations

In forming our opinion, we have also considered a number of other factors. Whilst we do not necessarily consider these factors to impact our assessment of the reasonableness of the Scheme, we have addressed them as follows.

##### One-off transaction costs

If the Scheme is implemented, APM expects to pay transaction costs of approximately \$21.0 million (including GST) in connection with the Scheme and MDP expects to pay transaction costs of \$47.0 million (including GST). These total transaction costs of \$68.0 million (including GST) will ultimately be borne by Ancora TopCo and will be reflected in the value of Ancora TopCo Shares. If the Scheme is not implemented, APM expects to pay an aggregate of approximately \$6.5 million (excluding GST) in transaction costs, being costs that have already been incurred or will be incurred even if the Scheme is not implemented.

##### The Scheme is subject to the satisfaction of a number of conditions

There are a number of conditions which, if not satisfied, will result in the Scheme not being implemented including Australian Foreign Investment Review Board (**FIRB**) approval as well as the Rollover Condition. If any conditions precedent prevent the Scheme from being implemented, APM Shareholders will continue to hold their existing APM Shares. As at the date of the Scheme Booklet, the APM Board is not aware of any reason why any condition precedent will not be satisfied or waived (if capable of waiver).

<sup>22</sup> OECD Unemployment Forecasts.



### Taxation implications for APM Shareholders

General tax implications for certain APM Shareholders in relation to the Scheme who are individuals, companies (other than life insurance companies), trusts and complying superannuation entities that hold their APM Shares on capital account for Australian income tax purposes are outlined in Section 12 of the Scheme Booklet. The summary does not apply to all APM Shareholders.

Section 12.2 of the Scheme Booklet advises that APM has applied for a class ruling from the ATO (**Class Ruling**), and that APM Shareholders should review the final Class Ruling when it is issued by the ATO. The final Class Ruling will not be issued by the ATO until after the Implementation Date of the Scheme.

Section 12.3 of the Scheme Booklet considers the Australian taxation implications of the Scheme. In particular, this section indicates that the disposal of APM Shares to Ancora BidCo will trigger a capital gains tax event for Australian tax purposes. This means that Australian resident APM Shareholders will need to determine whether a capital gain or capital loss arises in respect of their disposal of APM Shares.

Section 12.3 (c), (d) and (e) consider the capital proceeds, cost base, applicable capital gains tax discount and implications for Australian APM Shareholders. The capital proceeds should be equal to the market value of Ancora TopCo Shares received by the APM Shareholders, if any, as increased by the Cash Consideration received by such shareholder, if any.

With regards to Cash Consideration, CGT rollover relief will not be available in relation to the Cash Consideration received by any APM Shareholder or if they make a capital loss on the disposal of their APM Shares, as discussed in Section 12.3 (f) of the Scheme Booklet.

With regards to Scrip Consideration, if an APM shareholder would otherwise make a capital gain on the disposal of the APM Shares under the Scheme, and subject to the Commissioner of Taxation’s determination in the Class Ruling, they should be eligible to make a choice to claim CGT scrip-for-scrip roll-over relief to defer the portion of that gain relating to the Scrip Consideration. Section 12.3 (f) and (g) considers the availability and consequences for choosing CGT scrip-for-scrip roll-over relief, and (h) considers the consequences if CGT scrip for scrip roll-over relief is not available or is not chosen. Section 12.3 (i) considers the implications of ongoing ownership of Ancora TopCo Shares.

Section 12.4 of the Scheme Booklet considers the tax implications for foreign tax resident APM Shareholders.

In accordance with Section 12.5 and 12.6 of the Scheme Booklet, APM Shareholders should not be liable for Australian GST or stamp duty, however each APM Shareholder should seek their own advice in relation to any GST or stamp duty implications.

We note that APM Shareholders should consider their individual taxation circumstances and review Section 12 of the Scheme Booklet for further information where it applies to their circumstances. APM Shareholders should obtain their own independent professional advice on the tax consequences of disposing of their APM Shares under the Scheme.

#### 3.4.7 Consequences if the Scheme does not proceed

In the event that the Scheme Resolution is not approved or any conditions precedent prevent the Scheme from being implemented:

- APM will continue to operate in its current form and remain listed on the ASX. As announced on 8 April 2024, APM is implementing initiatives to provide productivity and operating cost benefits for the FY25 year;
- APM Shareholders will continue to be exposed to the risks and opportunities associated with an investment in APM, including the risk associated with APM being awarded a contract under the new disability employment program;
- the APM share price is likely to fall to levels below the unaffected trading price on 16 February 2024 as a result of the two negative trading updates since that date (refer to Section 3.4.4 of this report);
- APM’s likely depressed share price reduces its ability to raise equity to fund growth, and its financial leverage is approaching current covenant ratios. Refinancing in the absence of the Scheme is likely to involve more stringent covenants and higher interest rates. Limited free cash flows means that it is unlikely that APM will declare a dividend in the near term;
- a break fee of \$13.5 million may be payable by APM to Ancora BidCo in certain circumstances; and



- APM will incur an estimated \$6.5 million (excluding GST) of one-off transaction costs in relation to the Scheme.

### 3.5 The scrip consideration alternatives are likely to be unattractive to some shareholders

The decision to elect the scrip consideration alternatives and receive Ancora TopCo Shares in respect of all or a portion of their APM Shares is independent of a decision to approve the Resolutions. In making this decision, APM Shareholders need to carefully consider the rights and obligations and risks attaching to Ancora TopCo Series A and B Shares.

Those APM Shareholders who elect the scrip consideration alternatives (and subject to the Minimum Scrip Threshold being met) will retain an economic interest in APM’s business operations and assets. By retaining an economic interest, Ancora TopCo Shareholders may be able to:

- defer the capital gains consequences of the Scheme if capital gains tax rollover relief is available (see Section 11 of the Scheme Booklet);
- participate in certain future exits by a Ancora TopCo Shareholder as a result of the drag along and tag along rights; and
- participate in any growth in the business.

There are, however, a number of disadvantages of holding unlisted Ancora TopCo Shares:

- Ancora TopCo Shareholders will be subject to the provisions of the Ancora TopCo Shareholders’ Deed, which is included in Attachment E of the Scheme Booklet and Ancora TopCo Constitution, and summarised in Section 10.8(c) of the Scheme Booklet. They will have fewer rights as a shareholder in Ancora TopCo compared to their current investment in APM;
- **dividends:** a decision to pay dividends will be at the sole discretion of the Ancora TopCo Board (with Major Shareholder Approval) and made on a unanimous basis. Series A Shares are entitled to a preferential distribution of 8% yield per annum on capital contributions and unpaid accrued yield. Distributions are made in the following order and priority: firstly, Series A unpaid yield until reduced to nil, secondly, Series A unreturned capital until reduced to nil and thirdly, distributions on Series B Shares;
- **liquidity:** Ancora TopCo Shares will be highly illiquid. There will be no public market for trading in Ancora TopCo Shares as Ancora TopCo will be an unlisted public company, nor is it expected that there will be any private market facilitated by Ancora BidCo in the future. In addition, we note that under the Ancora TopCo Shareholders’ Deed, no disposal of Ancora TopCo Shares is permitted except:
  - in relation to acquisitions by Ancora TopCo of small holdings sale (\$25,000 or less) for Fair Value after 12 months following the Implementation Date;
  - with approval of the Board which requires a unanimous resolution;
  - to a permitted transferee;<sup>23</sup>
  - pursuant to a drag along process or tag along process, or pursuant to an exit;
- **voting:** Series A Shares and Series C Shares are non-voting, while Series B Shares are voting shares. Each Ancora TopCo Shareholder is entitled to the number of votes equivalent to the number of Series B Shares held by it. An individual Ancora TopCo Shareholder or group of Ancora TopCo Shareholders, acting together (other than MDP and Megan Wynne), will not be able to affect the governance of Ancora TopCo. APM Shareholders who receive Ancora TopCo Shares under the Scheme will, therefore, in most cases be subject to the decisions made by the majority shareholders;
 

Furthermore, under the Ancora TopCo Shareholders’ Deed, each Ancora TopCo Shareholder irrevocably grants Ancora TopCo and each of its directors power of attorney in respect of matters relating to their Ancora TopCo shareholding, including matters which, in the context of Ancora TopCo, they would be required to vote, sign, consent to or approve. This may mean that certain actions may occur without any input from APM Shareholders who elect to receive a scrip consideration alternative;

<sup>23</sup> An affiliate of the shareholder or replacement trustee custodian, responsible entity or general partner of the same trust or partnership.



- **appointment of Directors:** under the terms of the Ancora TopCo Shareholders’ Deed, any Ancora TopCo Shareholder holding at least 10% of Series B Shares is entitled to appoint, remove and replace one Ancora TopCo Director in respect of each 10% of shares held by that shareholder. MDP may appoint up to a maximum of three MDP Directors and non-MDP Shareholders may appoint a maximum of one non-MDP Director, after which all appointments must be Non-executive Directors. After implementation of the Scheme, MDP, Megan Wynne and Quadrant Funds will likely continue to remain substantial holders of Ancora TopCo. Depending on the level of elections to receive the scrip consideration alternatives, MDP will hold between 40.4% and 47.1% of Series B Shares, Megan Wynne and her affiliates will hold between 24.6% and 36.3% and Quadrant will hold between 11.6% and 11.8%. As a result:
  - MDP will initially be entitled to appoint four Directors. As noted in Section 10.6(b) of the Scheme Booklet, following implementation of the Scheme, MDP’s appointed Non-executive Directors will be Ms Elizabeth Betten and Mr William Ritchie; and
  - Megan Wynne and affiliates will be entitled to appoint two Directors, including one non-MDP Director and one Non-executive Director: and
  - Quadrant Funds will be entitled to appoint one Director.
- Most Board decisions (e.g. dividends, acquisitions, divestments) require unanimous approval of shareholders holding more than 20% of Series B Shares (**Major Shareholder Approval**). Certain key decisions (e.g. issuance of securities, distributions / redemptions, an exit event, winding up / liquidation, related party transactions) require unanimous approval of shareholders holding more than 10% Series B Shares (**Intermediate Shareholder Approval**). MDP and Megan Wynne will, therefore, be in a position to influence the outcome of most decisions relating to Ancora TopCo, including the timing and terms of any exit;
- **shareholder protections:** Ancora TopCo will be an unlisted public company with less than 50 shareholders and neither the ASX Listing Rules nor Australia’s takeover regime under Chapter 6 of the Corporations Act will apply. As such, Ancora TopCo Shareholders will no longer have the protections offered under the ASX Listing Rules and Australian corporate law for listed public companies in relation to takeovers, acquisition of substantial shareholdings, provisions relating to continuous disclosure, approval for changes in capital and share issues, restrictions on transactions with persons of influence and significant transactions and takeover provisions;
- **gearing:** shareholders will have an investment in a company that is more highly geared than APM is currently as increased borrowings will be required to fund the total transaction costs and the shortfall between new MDP equity and cash payments to APM Shareholders. It is estimated that Ancora TopCo’s gearing<sup>24</sup> immediately post implementation will be in the range of 43.1% (Minimum Scrip Threshold) to 42.0% (Maximum Scrip Threshold), compared to APM’s gearing of 37.8%<sup>25</sup> as at 30 June 2024; and
- **restraint:** APM management and their associates are restrained from taking certain competitive actions (e.g. soliciting clients), with certain limited exception.

As a result of the rights and obligations and risks noted above, and their potential impact on the realisable value of Ancora TopCo Shares, the scrip consideration alternatives is likely to be unattractive to some APM Shareholders. Alternatively, passive shareholders who have a long investment horizon, are willing to co-invest with MDP in an unlisted vehicle where MDP has majority control and have relatively high risk appetite may find the Scrip Consideration to be attractive, particularly if they stand to attract a capital gain as a result of the sale of their shares (given that rollover relief may be available for shareholders who elect to receive the scrip consideration alternatives). However, they need to carefully consider the rights and obligations and risks attaching to Ancora TopCo Shares before making a decision to elect to receive the scrip consideration alternatives.

The All Scrip Consideration and Mixed Consideration options are subject to a pro rata Scaleback Mechanism if the Maximum Scrip Threshold is exceeded. That is, if as at the Implementation Date, elections received under the Scheme result in APM Shareholders holding, in aggregate, greater than 65% of the total issued capital of Ancora TopCo, then the pro rata Scaleback Mechanism will apply to ensure that the total number of Ancora TopCo Shares issued under the Scheme does not exceed 65%.

<sup>24</sup> Calculated as net debt divided by the sum of net debt and the book value of equity.

<sup>25</sup> Debt includes the \$17.5 million earnout which was paid on 1 July 2024.



### 3.6 Item 7 Resolution

Kroll considers that in relation to the Item 7 Resolution, **on the basis of the All Cash Consideration, the advantages outweigh the disadvantages for non-associated APM Shareholders**. The specific factors Kroll has considered are as follows:

- **the purpose of the Item 7 Resolution:** the purpose of the Item 7 Resolution is to allow MDP Funds to effectively exchange their APM Shares for Ancora TopCo shares as the Scheme only pertains to non-associated APM Shareholders;
- **whether the vendor is to receive a premium for control:** MDP Funds will receive unlisted MDP Shares, however, it will hold between 40.4% and 47.1% of Ancora TopCo Shares and consequently, it will have effective (although not majority) control. Non-associated APM Shareholders who receive the All Cash Consideration will receive \$1.45 cash per APM Share. Kroll has assessed the mid-point of the underlying economic value of the Ancora TopCo Shares to be \$1.51 (Minimum Scrip Threshold) or \$1.50 (Maximum Scrip Threshold), which is slightly above the All Cash Consideration. As discussed in Section 3.3.3 of this report, it is necessary to apply a minority and marketability discount to reflect the realisable value of the Ancora TopCo Shares. Kroll has not estimated the realisable value of the Ancora BidCo Shares, however, we note that a discount greater than only 4.0% and 3.3%, respectively, would result in the mid-point of the realisable value of the Ancora TopCo Shares being below the All Cash Consideration. Even though MDP will have control of Ancora TopCo, a substantial illiquidity discount is still warranted for MDP. Consequently, **APM Shareholders who elect to receive the All Cash Consideration are not disadvantaged;**
- **whether any proposed acquisition by way of a sale, if approved, might deter the making of a takeover bid for the entity:** the Item 7 Transaction is contingent on the Scheme being implemented and as such, will help facilitate a takeover bid by MDP. APM Shareholders are also already receiving a premium for control under the MDP Proposal;
- **whether further transactions are planned between the entity, the vendor or any of their associates and whether those transactions are on an arm's length basis:** MPD has advised in Section 10.11(f) of the Scheme Booklet that neither the MDP Shareholders, any MDP Group Member nor their Associates have entered into any agreement or arrangement with APM Shareholder in connection with or conditional upon the outcome of the Scheme; and
- **implications if the proposed acquisition does not occur:** it is a condition precedent of the Scheme that the Item 7 Resolution is approved. Consequently, if the Item 7 Resolution is not approved, the Scheme will not proceed and the consequences for non-associated APM Shareholders will be as described in Section 3.4.7 of this report.

The **APM Shareholders who elect to receive a scrip consideration alternative, however, are likely to be disadvantaged by the Item 7 Transaction**, given that a higher minority/marketability discount is appropriate for minority interests in Ancora TopCo than for MDP as the controlling shareholder.

## 4 Other matters

Our report has also been prepared in accordance with the relevant provisions of the Corporations Act and other applicable Australian regulatory requirements and has been prepared solely for the purpose of assisting APM Shareholders in considering whether to vote in favour of the Scheme and Item 7 Resolution. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

This report constitutes general financial product advice and has been prepared without taking into consideration the individual circumstances of APM Shareholders. This advice, therefore, does not consider the financial situation, objectives or needs of individual APM Shareholders.

The decision of APM Shareholders as to whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting and the Item 7 Resolution at the General Meeting is a matter for individual APM Shareholders who should, therefore, consider the appropriateness of our opinion to their specific circumstances. As an individual's decision to vote for or against the resolutions may be influenced by their particular circumstances, we recommend that individual APM Shareholders, including residents of foreign jurisdictions, seek their own independent professional advice.

Our opinion is based solely on information available as at the date of this report. This information, and our limitations and reliance on information section, are set out in Appendix 2. We have not undertaken to update



our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

References to financial years have been abbreviated to 'FY' and references to half years have been abbreviated to 'H'. For APM, the financial year is the 12 months to 30 June and half years are the six months to 31 December. All currencies are Australian dollars unless otherwise specified.

Kroll has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included at the end of this report.

The above opinion should be considered in conjunction with, and not independently of, the information set out in the remainder of this report, including the appendices.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Jedlin'.

Ian Jedlin  
Authorised Representative

A handwritten signature in black ink, appearing to read 'Celeste Oakley'.

Celeste Oakley  
Authorised Representative

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Independent Expert's Report  
and  
Financial Services Guide  
in relation to the proposed acquisition of APM Human Services  
International Limited by Madison Dearborn Partners, LLC







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## 5 The MDP Proposal

### 5.1 Background

APM was founded in 1994 in Perth, Western Australia and listed on the ASX at \$3.55 on 12 November 2021. Late 2021 represented a period of relatively high unemployment in APM’s key markets and unprecedented levels of government support to counter the impact of the COVID-19 pandemic with expectations of continued growth in government social expenditure.

In the year following the initial public offering, APM continued to grow organically and through acquisition. Including the contribution from acquisitions, financial performance in FY22 surpassed APM 2021 Prospectus guidance, and APM’s share price remained broadly aligned with the price at listing.

Since November 2022, APM’s performance has been adversely impacted by a series of factors. Unemployment rates have declined to near all-time lows across APM’s key markets, impacting APM’s employment services client volumes particularly in Australia and the United Kingdom and reducing outcome fees in Australia, the United Kingdom and Canada.

The Equus acquisition resulted in an increase in leverage from 1.7 to 2.3 times Net Debt to EBITDA.<sup>26</sup> Tightened monetary policy in APM’s key markets aimed at curbing elevated inflation lifted cash rates and APM’s funding costs, resulting in an increase in interest costs for APM.

Although APM’s revenue has continued to grow through a combination of organic growth and acquisitions, APM’s expansion of operations into North America has diluted earnings margins due to a shift in earnings mix to lower margin, lower risk, revenue streams.

At the Annual General Meeting on 10 November 2023, APM provided a profit warning as persistent low unemployment rates across its key markets were expected to impact financial performance. Following the Annual General Meeting, a number of institutional investors sold down their interests, placing further downward pressure on the share price.

On 17 January 2024, APM provided a 1H24 trading update which indicated a decline in earnings relative to 1H23, and APM’s share price declined further to close at a low of \$0.69 on 23 January 2024. Leverage increased to 2.95 times Net Debt to EBITDA as at 31 December 2023. The share price then increased to \$0.83 on 16 February 2024, the last trading day before the announcement of the receipt of a non-binding, indicative proposal from CVC Asia Pacific Limited (**CVC**).

### 5.2 CVC Proposal

On 19 February 2024, APM announced the receipt of a conditional, non-binding indicative proposal under which funds or investment vehicles advised by CVC would acquire all of the shares in APM for \$1.60 in cash per share, less any dividends paid to APM Shareholders after the date of the proposal, by way of a scheme of arrangement (**Indicative CVC Proposal**). The Indicative CVC Proposal included an option for all APM Shareholders to receive all or part of the consideration in unlisted scrip in CVC’s acquisition entity. Receipt of the Indicative CVC Proposal followed an unsolicited approach from CVC, a period of engagement between APM and CVC, including the provision of information and due diligence under the terms of a non-disclosure agreement, and was subject to further confirmatory due diligence.

The Board of Directors of APM, including its independent directors, unanimously resolved not to pursue the Indicative CVC Proposal on the basis that the offer did not sufficiently reflect the fundamental value of APM and the potential of its market leading platform globally.<sup>27</sup>

On 28 February 2024, APM announced that it had received a revised conditional, indicative, non-binding offer of \$2.00 cash per share from CVC to acquire all of the shares in APM by way of a scheme of arrangement (**Revised CVC Proposal**). APM formed an Independent Board Committee to consider the Revised CVC Proposal and engage with CVC, and offered CVC a four-week period of exclusivity to 27 March 2024. The Revised CVC Proposal required certain shareholders and key management to elect to receive substantially all of their consideration in scrip.

<sup>26</sup> “APM Investor Presentation North American Expansion”, APM ASX Announcement, 28 September 2022. The leverage ratio includes net debt grossed up for lease liabilities, including Equus contribution of US\$42 million.

<sup>27</sup> “Response to Press Speculation”, APM ASX Announcement, 19 February 2024.



On 27 March 2024, APM received a letter from CVC advising that it was unable to proceed to finalise a transaction on terms consistent with their non-binding offer.

### 5.3 The Scheme

On 8 April 2024, APM announced that it had received a non-binding indicative proposal from funds controlled by MDP to acquire all of the APM Shares which it does not already hold for \$1.40 in cash per share by way of a scheme of arrangement (**Original MDP Proposal**). The Original MDP Proposal included a rollover election for APM Shareholders to receive all or part of the consideration as unlisted shares in the acquisition entity. The Original MDP Proposal required certain shareholders and key management to elect to receive all of their consideration in scrip.

Also on 8 April 2024, APM provided a year-to-date Q3 update and outlook, which indicated that based on early management accounts for Q3 and assuming that historical seasonal trends that have previously driven strong Q4 performance do not occur in FY24, APM anticipates FY24 Underlying EBITDA<sup>28</sup> and Underlying NPATA<sup>29</sup> to be in the range of \$280 million to \$290 million and \$95 million and \$105 million, respectively.

Following a period of non-exclusive due diligence, on 3 June 2024, APM announced that it had entered into the Scheme Implementation Deed with Ancora BidCo, an entity controlled by MDP for the acquisition of 100% of APM Shares (other than APM Shares held by MDP affiliates) by way of the Scheme. APM also provided its fourth trading update that earnings were now expected to be around the bottom end of the ranges provided on 8 April 2024.

Under the Scheme, APM Shareholders (other than those who make a valid election to receive a scrip consideration alternative described below) will receive the All Cash Consideration of \$1.45 per APM Share in respect of all of the APM Shares that they hold on the Scheme Record Date.<sup>30</sup> The All Cash Consideration is the default form of consideration under the Scheme.

As an alternative, APM Shareholders (other than Ineligible Foreign Shareholders) may elect to receive:

- the Mixed Consideration, comprising 90% of the consideration in unlisted shares in Ancora TopCo and 10% in cash; or
- the All Scrip Consideration, comprising 100% in unlisted shares in Ancora TopCo.

The Scrip Consideration will comprise 95% Series A Shares and 5% Series B Shares.

Such an election must be made by the Election Time. An APM Shareholder who does not make a valid election or does not make an election before the Election Time will receive the All Cash Consideration.<sup>31</sup> Ineligible Foreign Shareholders will also receive the All Cash Consideration.

The scrip consideration alternatives enable APM Shareholders to maintain an interest in the APM business should they wish to do so.

The scrip consideration alternatives are subject to the Maximum Scrip Threshold, such that no more than 65% of Scheme Shares will receive Ancora TopCo Shares. A scale back mechanism will be in place and will occur on a pro-rata basis, with APM Shareholders receiving the All Cash Consideration in lieu of unlisted shares in Ancora TopCo.

The Scheme is subject to the Rollover Condition, which requires that APM receives valid elections to receive the Scrip Consideration from each Key Rolling Shareholder<sup>32</sup> and their affiliates in respect of 100% of their respective holdings,<sup>33</sup> representing not less than 342,097,703 APM Shares in aggregate. Including APM

<sup>28</sup> Underlying EBITDA is earnings before interest, tax, depreciation, and amortisation, and contains management adjustments to exclude certain one-off items. Post IFRS 16 basis.

<sup>29</sup> Underlying NPATA is net profit after tax before contract amortisation and includes management adjustment for one off items.

<sup>30</sup> 7:00pm on the second Business Day after the date on which the Scheme becomes effective, or such other date after the Scheme becomes effective, as APM and Ancora BidCo may agree in writing.

<sup>31</sup> Unless otherwise determined by BidCo to be deemed a valid election in accordance with clause 5.2(j) of the Scheme.

<sup>32</sup> As defined in the Scheme Implementation Deed to mean each of Megan Wynne, Bruce Bellinge, Michael Anghie, MKW Nominees Pty Ltd, Bellinge Holdings Pty Ltd, Wattle WA Pty Ltd, May-Lee A/C, Matthew Cooper, Fiona Monahan, Carl Alexander Woodbridge, Karen Rainbow, Rainbow Ambition Pty Ltd, Jack Sawyer, Cait Hayes, Stephen Farrell (in his personal capacity and as trustee of the Fairfield Trust), Ian Taylor and each of their respective Affiliates that are APM Shareholders.

<sup>33</sup> An exception is that Bruce Bellinge is only required to roll 90%.



Performance Rights and assuming all Key Rolling Shareholders elect the Scrip Consideration for 100% of their holdings, this is equivalent to 54% of Scheme Shares (Minimum Scrip Threshold).

Further conditions to which the implementation of the Scheme is subject to are set out in Section 5.3 of this report.

In addition, Quadrant Funds<sup>34</sup> have entered into an unconditional cash commitment to subscribe for \$150 million equity in Ancora TopCo.

As a result of the Rollover Condition and the application of the Scaleback Mechanism, depending on the number of elections to receive the scrip consideration, APM Shareholders who validly elect to receive the Scrip Consideration will hold between 41.1%<sup>35</sup> and 48.0% of Ancora TopCo Shares, MDP will hold between 40.4% and 47.1% of Ancora TopCo Shares and Quadrant will hold between 11.6% and 11.8% of Ancora TopCo Shares.

The APM Independent Board Committee unanimously recommends that APM Shareholders vote in favour of the Scheme and the Item 7 Transaction, in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.

Megan Wynne (APM Executive Chair and Founder) and Michael Anghie (APM Group Chief Executive Officer) (together with the Independent Board Committee, the **Recommending Directors**) also unanimously recommend that APM Shareholders vote in favour of the Scheme and the Item 7 Transaction, in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.

Subject to the same qualifications, the Recommending Directors, who hold or control 37.51% of APM Shares on issue in aggregate as at 8 August 2024 each intend to vote all the APM Shares held or controlled by them in favour of the Scheme and the Item 7 Transaction.

The Recommending Directors' unanimous recommendation on the Scheme is based on the quantum of the All Cash Consideration. The Recommending Directors make no recommendation in relation to the All Scrip Consideration or the Mixed Consideration alternatives.

#### 5.4 The Item 7 Transaction

In addition, MDP Group have entered into a Conditional Transfer Agreement under which, on the Implementation Date, Ancora TopCo will acquire all of the APM Shares held by MDP Funds in exchange for Series A Shares and Series B Shares in Ancora TopCo. These shares will ultimately be transferred to Ancora BidCo. The acquisition is conditional on the Item 7 Resolution being passed by non-associated APM Shareholders at the General Meeting and the Scheme becoming effective.

#### 5.5 Rights and obligations of Ancora TopCo Shares

Ancora TopCo Shareholders will be subject to the provisions of the Ancora TopCo Shareholders' Deed and Ancora TopCo Constitution, which are included in Attachment D and E of the Scheme Booklet, respectively, and summarised in Section 10.8(c) of the Scheme Booklet. They will have fewer rights as a shareholder in Ancora TopCo compared to their current investment in APM. The key terms include the following:

- **capital structure:** immediately following implementation, the only securities on issue by Ancora TopCo will be Series A Shares and Series B Shares. Shareholders who elect to receive a scrip consideration alternative will receive 95% of the value of their holding as Series A Shares and 5% Series B Shares. Following implementation of the Scheme, managers of Ancora TopCo and its subsidiaries may be invited to subscribe for Series C Shares;
- **dividends:** a decision to pay dividends will be at the sole discretion of the Ancora TopCo Board (with Major Shareholder Approval) and made on a unanimous basis. Series A Shares are entitled to a preferential distribution of 8% yield per annum on capital contributions and unpaid accrued yield. Distributions are made in the following order and priority: firstly, Series A unpaid yield until reduced to nil, secondly, Series A unreturned capital until reduced to nil and thirdly, distributions on Series B Shares. Vested Series C Shares rank equally with Series B Shares;

<sup>34</sup> Collectively, QSEF Trust A, QSEF Trust B, QSEF Trust C, QSEF Trust D, QSEF Trust E and Quadrant Affiliate 1.

<sup>35</sup> Calculated on the basis that all Key Rolling Shareholders elect to receive the Scrip Consideration with respect to 100% of their Scheme Shares.



- **repurchase:** Series A Shares may be repurchased by Ancora TopCo for no consideration and cancelled as soon as practicable following such distribution if, immediately following the distribution, the aggregate Series A Unpaid Yield on the Series A Shares is zero and the aggregate Series A Unreturned Capital on the Series A Shares is zero;
- **conversion:** Series A Shares automatically convert to Series B Shares on the 15<sup>th</sup> anniversary of the date of the Deed, with the number of Series B Shares calculated as the sum of the unpaid preferential yield and unreturned capital, divided by the fair value of one Series B Share;
- **no direct holding:** as the Ancora TopCo Shareholders’ Deed requires that Ancora TopCo has no more than 50 shareholders, Ancora TopCo intends to appoint an independent third-party trustee to hold Ancora TopCo Shares on bare trust for each shareholder who holds less than 10% of Ancora TopCo Shares. Ancora TopCo Shareholders will therefore be the beneficial holder but not the legal holder of the relevant Ancora TopCo Shares in accordance with the terms of a custody agreement (being the Nominee Deed) as specified by Ancora TopCo;
- **liquidity:** Ancora TopCo Shares will be highly illiquid. There will be no public market for trading in Ancora TopCo Shares as Ancora TopCo will be an unlisted public company, nor is there expected to be any private market facilitated by Ancora BidCo in the future. In addition, we note that under the Ancora TopCo Shareholders’ Deed, no disposal of Ancora TopCo Shares is permitted except:
  - in relation to acquisitions by Ancora TopCo of small holdings sale (\$25,000 or less) for Fair Value after 12 months following the Implementation Date;
  - with approval of the Board by unanimous resolution;
  - to a permitted transferee;<sup>36</sup>
  - pursuant to a drag along process or tag along process in the event of an exit;
- **voting:** Series A Shares and Series C Shares are non-voting, while Series B Shares are voting shares. Each Ancora TopCo Shareholder is entitled to the number of votes equivalent to the number of Series B Shares held by it. However, under the Ancora TopCo Shareholders’ Deed, each Ancora TopCo Shareholder irrevocably grants Ancora TopCo and each of its directors power of attorney in respect of matters relating to their Ancora TopCo shareholding, including matters which, in the context of Ancora TopCo, they would be required to vote, sign, consent to or approve. This may mean that certain actions may occur without any input from APM Shareholders who elect to receive a scrip consideration alternative;
- **appointment of Directors:** under the terms of the Ancora TopCo Shareholders’ Deed, any Ancora TopCo Shareholder holding at least 10% of Series B Shares is entitled to appoint, remove and replace one Ancora TopCo Director in respect of each 10% of shares held by that shareholder. MDP may appoint up to a maximum of three MDP Directors and non-MDP Shareholders may appoint a maximum of one non-MDP Director, after which all appointments must be Non-executive Directors. After implementation of the Scheme, MDP, Megan Wynne and Quadrant Funds will likely continue to remain substantial holders of Ancora TopCo. Depending on the level of elections to receive a scrip consideration alternative, MDP will hold between 40.43% and 47.1% of Series B Shares, Megan Wynne and her affiliates will hold between 23.1% and 36.3% and Quadrant will hold between 11.6% and 11.8%. As a result:
  - MDP will initially be entitled to appoint four Directors. As noted in Section 10.6(b) of the Scheme Booklet, following implementation of the Scheme, MDP’s appointed Non-executive Directors will be Ms Elizabeth Betten and Mr William Ritchie; and
  - Megan Wynne and affiliates will be entitled to appoint two Directors, including one non-MDP Director and one Non-executive Director; and
  - Quadrant Funds will be entitled to appoint one Director.

Most Board decisions (e.g. dividends, acquisitions, divestments) require unanimous approval of shareholders holding more than 20% of Series B Shares (**Major Shareholder Approval**). Certain key decisions (e.g. issuance of securities, distributions / redemptions, an exit event, winding up /

<sup>36</sup> An affiliate of the shareholder or replacement trustee custodian, responsible entity or general partner of the same trust or partnership.



liquidation, related party transactions) require unanimous approval of shareholders holding more than 10% Series B Shares (**Intermediate Shareholder Approval**). MDP and Megan Wynne will, therefore, be in a position to influence the outcome of most decisions relating to Ancora TopCo, including the timing and terms of any exit;

- **shareholder protections:** Ancora TopCo will be an unlisted public company with less than 50 shareholders and neither the ASX Listing Rules nor Australia’s takeover regime under Chapter 6 of the Corporations Act will apply. As such, Ancora TopCo Shareholders will no longer have the protections offered under the ASX Listing Rules and Australian corporate law for listed public companies in relation to takeovers, acquisition of substantial shareholdings, provisions relating to continuous disclosure, approval for changes in capital and share issues, restrictions on transactions with persons of influence and significant transactions and takeover provisions;
- **pre-emptive rights:** Ancora TopCo Shareholders have drag along rights in the event of an exit event and tag along rights in certain situations where MDP sells down its interest; and
- **restraint:** APM management and their associates are restrained from taking certain competitive actions (e.g. soliciting clients), with certain limited exceptions.

## 5.6 Conditions precedent

### 5.6.1 Scheme

Implementation of the Scheme is subject to the following conditions precedent:

- receipt of various approvals, consents or relief from regulatory authorities, including ASIC, ASX and FIRB;
- approval of the Scheme Resolution by the requisite majorities of APM Shareholders at the Scheme Meeting;
- approval of the Item 7 Resolution at the General Meeting;
- APM receives valid elections to receive the Scrip Consideration from each Key Rolling Shareholder<sup>37</sup> and their affiliates in respect of 100% of their respective holdings, representing not less than 342,097,703 APM Shares in aggregate;
- the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of APM Shareholders;
- approval of the Scheme by Supreme Court of New South Wales;
- no APM material adverse change, no APM prescribed occurrence and no restraints having occurred;
- as at the Delivery Time, APM has taken all necessary steps to ensure that APM has complied with the provisions in the Scheme Implementation Deed regarding APM Equity Incentives; and
- receipt of consent to the change of control or ownership of APM that arise from the implementation of the Scheme or confirmation from the counterparty that no consent is necessary.

### 5.6.2 Item 7 Resolution

The Item 7 Transaction is conditional on:

- the Item 7 Resolution being passed by non-associated APM Shareholders; and
- the Scheme becoming effective.

<sup>37</sup> As defined in the Scheme Implementation Deed to mean each of Megan Wynne, Bruce Bellinge, Michael Anghie, MKW Nominees Pty Ltd, Bellinge Holdings Pty Ltd, Wattle WA Pty Ltd, May-Lee A/C, Matthew Cooper, Fiona Monahan, Carl Alexander Woodbridge, Karen Rainbow, Rainbow Ambition Pty Ltd, Jack Sawyer, Cait Hayes, Stephen Farrell (in his personal capacity and as trustee of the Fairfield Trust), Ian Taylor and each of their respective Affiliates that are APM Shareholders



## 5.7 Exclusivity provisions

The Scheme Implementation Deed contains customary exclusivity provisions that apply during the Exclusivity Period,<sup>38</sup> including ‘no continuing discussions’, ‘no shop’, ‘no talk’ and ‘no due diligence’ (‘no talk’ and ‘no due diligence’ are subject to a fiduciary carve out), notification obligations and a matching right. A break fee of approximately \$13.5 million will be payable by APM to Ancora BidCo in certain circumstances (**APM Break Fee**) and a reverse break fee of approximately \$13.5 million will be payable by Ancora BidCo to APM in certain circumstances (**MDP Break Fee**).

## 5.8 Transaction costs

If the Scheme is implemented, APM expects to pay transaction costs of approximately \$21.0 million (including GST) in connection with the Scheme and Ancora TopCo expects to pay transaction costs of \$47.0 million (including GST). These total transaction costs of \$68.0 million (including GST) will ultimately be borne by Ancora TopCo and will be reflected in the value of Ancora TopCo Shares. If the Scheme is not implemented, APM expects to pay an aggregate of approximately \$6.5 million (excluding GST) in transaction costs, being costs that have already been incurred or will be incurred even if the Scheme is not implemented.

# 6 Scope of the report

## 6.1 Purpose

### 6.1.1 Scheme

The MDP Proposal is to be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act and requires approval of APM Shareholders. Section 412(1) of the Corporations Act requires, among other requirements, that an explanatory statement issued by a company in relation to a proposed members’ scheme of arrangement includes information that is material to the making of a decision by a member as to whether or not to agree to the scheme resolution.

Schedule 8, clauses 8303 and 8306 of the Corporations Regulations 2001 (Corporations Regulations) states that a scheme company must commission an independent expert’s report when:

- the other party to the scheme holds at least 30% of the voting shares of the scheme company; or
- the other party to the scheme and the scheme company have common directors.

In the case of the Scheme, a statutory requirement for an independent expert’s report applies because three of APM’s Directors, Timothy P. Sullivan, Elizabeth Q. Betten and William E. Ritchie, are Directors of MDP. MDP Funds hold a relevant interest of 29.08% in APM, which is below the 30% threshold.

### 6.1.2 Item 7 Resolution

Item 7 of s611 (**Item 7**) of the Corporations Act 2001 (Corporations Act) allows members to approve an acquisition of relevant interests in voting shares that would otherwise contravene the prohibitions in s606. Item 7 contains disclosure requirements to ensure that members are able to make an informed decision about whether or not to approve the acquisition. It is a requirement that the company commissions an independent expert’s report (or, if it has the expertise, a director’s report to the same standard) to discharge the requirement to disclose all material information on how to vote on the resolution

## 6.2 Basis of assessment

### 6.2.1 Scheme

We have referred to guidance provided by ASIC in its Regulatory Guides in particular, RG 111, which outlines the principles and matters which it expects a person preparing an independent expert’s report to consider when providing an opinion on whether a scheme of arrangement is in the best interests of shareholders.

<sup>38</sup> The Exclusivity Period is the period from 31 May 2024 to the earlier of the valid termination of the Scheme Implementation Deed; 31 January 2025 (or such other date as Ancora BidCo and APM agree in writing) and Implementation Date of the Scheme.



RG 111 distinguishes between the analysis required for control transactions and other transactions. RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid to give effect to a control transaction, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is ‘fair and reasonable’ and, as such, incorporates issues as to value. In relation to control transactions. RG 111.10 to 12 states:

- ‘fair and reasonable’ is not regarded as a compound phrase;
- an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer;
- the comparison should be made assuming 100% ownership of the ‘target’ and irrespective of whether the consideration is scrip or cash;
- the expert should not consider the percentage holding of the bidder or its associates in the target when making this comparison; and
- an offer is ‘reasonable’ if it is ‘fair’. An offer might be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.13 sets out the factors an expert might consider in assessing whether an offer is reasonable:

- the bidder’s pre-existing voting power in securities in the target;
- other significant shareholding blocks in the target;
- the liquidity of the market in the target’s securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to the bidder, such as particular technology, etc;
- the likely market price if the offer is unsuccessful; and
- the value to an alternative bidder and likelihood of an alternative offer being made.

RG 111.20 states that if an expert would conclude that a proposal was ‘fair and reasonable’ if it was in the form of a takeover bid, it will also be able to conclude that the scheme is ‘in the best interests’ of members of the company.

RG 111.21 states that if an expert would conclude that a proposal was ‘not fair but reasonable’ if it was in the form of a takeover bid, it is still open to the expert to also conclude that the scheme is ‘in the best interests’ of the members of the company.

RG 111.11 provides that an offer is fair if the value of the consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the target and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target entity. That is, RG 111.11 provides that the value of the target should be assessed as if the bidder was acquiring 100% of the issued equity in the target (i.e. on a controlling interest basis). In addition, any special value of the target to a particular bidder (e.g. synergies that are not available to other bidders) should not be taken into account under the comparison.

Accordingly, when assessing the full underlying value of APM, we have considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of APM. As such, we have not included the value of special benefits that may be unique to Ancora BidCo.

### 6.2.2 Item 7 Resolution

In assessing the Item 7 Resolution, we have had regard to RG 111 and Regulatory Guide 74: Acquisitions approved by members (RG 74).

RG 111.41 states that approval for a sale of securities that would otherwise contravene s606 may be sought under item 7 of s611. Item 7 of s611 envisages that security holders not associated with such a transaction may approve it. In doing so, these security holders may be forgoing:

- (a) the opportunity of receiving a takeover bid; and
- (b) sharing in any premium for control.





RG 111.42 states that the expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. The expert should provide an opinion either:

- (a) that the advantages of the proposal outweigh the disadvantages; or
- (b) that the disadvantages of the proposal outweigh the advantages.

In accordance with RG 111.43 to 111.46, the expert should consider:

- whether the vendor is to receive a premium for control;
- whether further transactions are planned between the entity, the vendor or any of their associates and whether those transactions are on an arm’s length basis;
- whether any proposed acquisition by way of a sale, if approved, might deter the making of a takeover bid for the entity; and
- any other advantages or disadvantages for non-associated shareholders.

## 7 Industry

### 7.1 Overview of the health and human services industry

#### 7.1.1 Introduction

Health and human services relates to services which focus on assisting people to find stability in their lives, with industry providers contributing a wide range of services focused on improving an individual’s health, employability, wellbeing, and capacity.<sup>39</sup> In order to achieve this, the health and human services industry spans employment services, rehabilitation, counselling, social care and family services, prisoner and refugee services, and accommodation providers.

In a 2019 Australian publication titled “Human Services: The next wave of productivity reform” written by the Productivity Commissioner, it was acknowledged that human services is a large part of the Australian economy, comprising approximately 20.0%. Within this publication, the Productivity Commissioner considered this industry to be ready for change, identifying that many human services consumers were disempowered, competition was heavily managed, and funding was often based on inputs and grants rather than focused on outcomes.<sup>40</sup>

APM provides a range of health and human services, which are more fully described in Section 8.2 of this report, including:

- Employment Services;
- Health and Wellbeing Services;
- Communities and Assessments Services; and
- Disability and Aged Care Services.

In Australia and New Zealand, APM provides a full suite of services. In North America and the United Kingdom, APM provides all services except Disability and Aged Care. The following discussion focuses on APM’s service lines in its main geographical markets.

#### 7.1.2 Key stakeholders

As those seeking health and human services are often in a more vulnerable situation, such as living with disability or unemployment, the industry has multiple stakeholder groups which ensure the effective provision of services. Stakeholder groups have varying roles, and the way they interact with each other is fundamental to the operations of the industry as a whole. Stakeholder groups include:

<sup>39</sup> “The Definition of Human Services”, Scott Wilson, Human Services Edu Organisation, 14 June 2021.

<sup>40</sup> “Human Services: The next wave of productivity reform”, Stephen King, Productivity Commission, 2019.

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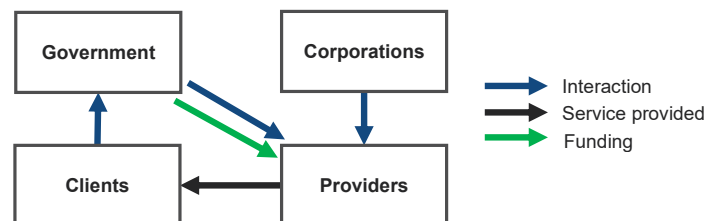
- **Governments:**<sup>41</sup> create the funding and regulatory structure which allows participants to engage with each other, and plays a role in allocating or pairing clients and health and human services providers.<sup>42</sup> Specific government programs and departments are discussed in further detail in Section 7.2.1 of this report;
- **Human services providers:**<sup>43</sup> which depending on the type of program, support clients and corporations with a range of services from assessment through to delivery. These human services providers can focus on a particular service sector within the market or provide a range of services across different service sectors. These providers span charitable, not-for-profit, and for-profit providers, in addition to government providers, who compete by offering varying ranges and types of services, as well as ancillary products;
- **Clients:**<sup>44</sup> are the recipients of services provided by human services providers, and can be anything from individuals and families to corporations; and
- **Corporations:**<sup>45</sup> which play various roles in the human services industry, and depending on the context of the service and service sector can be considered clients or third-parties.

**Stakeholder Interactions**

Due to the range of services covered under the umbrella of the human services industry, these four stakeholders interact in a myriad of ways depending on the specific service being offered. A generalised overview of how these interactions occur across the industry as a whole, and a summary for each of the four key service sectors, is as follows.

*Employment Services*

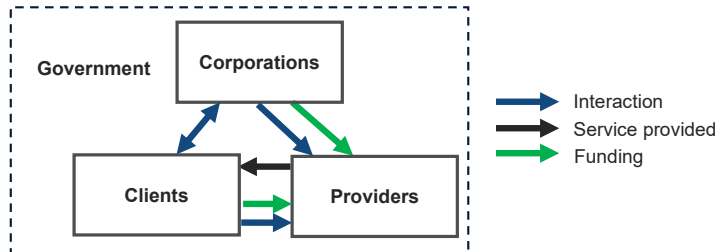
Clients assessed as eligible for Employment Services access those services primarily through government agencies, such as Workforce Australia, who then either provide a list of eligible human services providers for their needs or allocate them to human services providers, dependent upon how the markets or specific programs operate locally. Corporations also engage with human services providers in order to fill their staffing needs. Funding is provided by the relevant government authority directly to the human services providers.



*Health and Wellbeing Services*

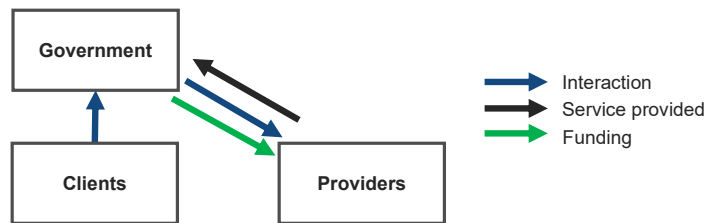
Governments establish the overarching regulatory framework, such as the Workers Compensation Act 1987 in Australia, and organisations act as both clients and corporations to work with human services providers. These organisations engage with health and human services providers as corporations to provide services to their client (e.g. insurers contracting for services to their clients’ injured employees), and engage directly with human services providers as clients to provide services to their employees (e.g. employee assistance programs (EAPs)). Additionally, individuals are able to go direct to human services providers, such as for physiotherapy and occupational therapy services. Funding is provided by the party that is contracting with the human services provider.

<sup>41</sup> Governments can refer to federal, state, county, and local levels of Government dependent upon the nature of schemes, programs and agencies involved.  
<sup>42</sup> APM 2021 Prospectus.  
<sup>43</sup> Human services providers refers to providers of any form of Human Services.  
<sup>44</sup> Clients refer to individuals, families, community groups or corporations who seek Human Services.  
<sup>45</sup> Corporations refers to companies that seek assistance, and benefits, from human services providers but do not receive the Human Services directly.



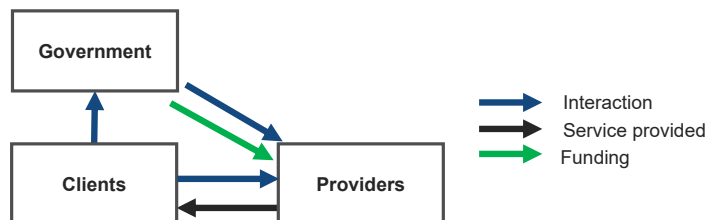
*Communities and Assessments*

Governments provide programs and support schemes which clients apply for, and human services providers are engaged by the governments to assess whether the clients meet set eligibility criteria. Assessments are performed independently of the provision of services. Service provision is contracted out separately after assessments are provided back to the relevant agency.



*National Disability Insurance Scheme (NDIS)*

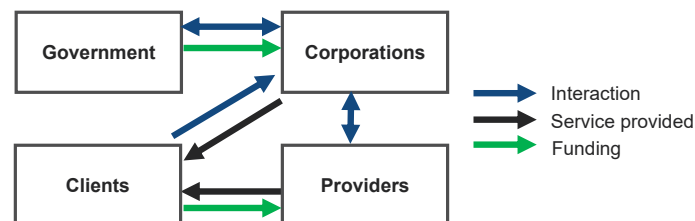
The NDIS has three distinct plans to allow participants to engage in the way that best suits their needs. These plans are agency-managed, self-managed, and managed by a plan manager, with differing ways in which the stakeholders interact:



- **agency-managed:** where clients interact with the government agencies, who contract with the human services providers;
- **self-managed:** clients interact directly with human services providers; and



**managed by a plan manager:** clients engage with corporations who manage their individual needs and engage with the human services providers. The corporations are paid directly by the government whilst the client pays for services from the human services providers.

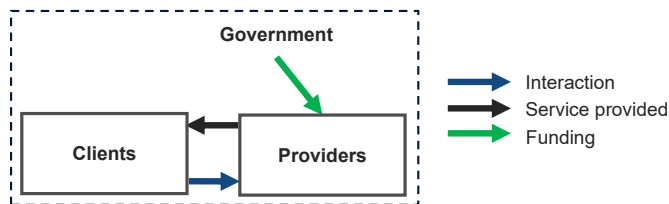


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*Aged Care Services*

Clients are assessed by independent assessment teams under government assistance programs, and those eligible then engage directly with human services providers, who receive funding for the provision of services from government agencies.



**7.2 Regulatory Landscape**

Human services are a societal demand, and therefore have historically been provided via a highly regulated market, driven by government policy and largely funded by government programs. Given the differences between societies, regulatory frameworks vary significantly between services and geographies. However, it is worth noting that EAPs are totally unregulated.

**7.2.1 Key government departments and programs**

There are numerous government programs and schemes available to individuals in order to access different types of human services. Depending upon the service, these programs and schemes have differing funding models for the human services providers, as discussed in Section 7.2.2 of this report.

The following table provides a brief outline of some of the key programs and schemes available in Australia, the United States, Canada, and the United Kingdom.

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#### Key Programs in Australia and New Zealand, North America, and the United Kingdom<sup>46</sup>

	Australia and New Zealand	North America	United Kingdom
Employment Services	Disability Employment Services (DES)  Workforce Australia (WFA)  Work Assist Services  Employment Preparation and Placement Programs	Job Corps  Workforce Innovation and Opportunity Act (WIOA)  Temporary Assistance for Needy Families (TANF)  Work BC  Ontario Employment Services Transformation	Restart Scheme Work and Health Programme (WHP), which includes the Core and Pioneer sub-programmes designed for different markets
Health and Wellbeing Services	NDIS  Vocational Rehabilitation Employer Paid Services Medicare Funded Services Private Health funded services Vocational Rehabilitation, Pain Management, Community Rehabilitation and Concussion Services	Rehabilitation Services and Vocational Assistance Program (RSVAP)	Access to Work
Communities and Assessments Services	Regional Assessments Services (RAS) and Residential Aged Care Assessments (RACA)  National Panel of Assessors (NPA)  Local Area Coordination (LAC) Aged Care Assessment Teams (ACAT) NDIS	Homelessness Services	National Citizen Service (NCS)  Commissioned Rehabilitative Services (CRS)  Functional Assessment Service Creating Future Opportunities
Disability and Aged Care	Regional Assessments Services (RAS) and Residential Aged Care Assessments (RACA) National Panel of Assessors (NPA) Local Area Coordination (LAC) NDIS Residential; Commonwealth Home Support Program (CHSP); Home Care Packages		

Source: APM Management

#### 7.2.2 Revenue model for human services providers

Whilst user paid and insurance funded services exist, governments provide the majority of funding for human services programs, meaning government budgets for social expenditure will shape the scope and scale of these programs. Refer to Sections 7.3 and 7.5.3 of this report for information on the trends and outlook for social expenditure globally.

Human services providers receive the majority of their revenue through program funding from governments, and lower levels of funding from corporations. Across programs, human services providers can be remunerated under a range of different payment structures depending on the service sector, client, project, and geography. The most common revenue models in the human services industry are outlined as follows:

<sup>46</sup> North America is the combination of the United States and Canada



### Revenue Models

	Fee for Service	Cost Plus / Fixed Fee	Service Fee / Outcome Fee
Description	Based on the delivery of a service, fees are typically based on hourly labour rates plus reimbursement of non-labour costs, per assessment, per counselling session, per training program	<p><b>Cost Plus:</b> typically includes reimbursement for direct and indirect costs incurred to deliver services and can include a profit rate calculated as a percentage of total costs incurred.</p> <p><b>Fixed Fee:</b> typically agreed at the start of the contract and does not adjust with changes in volumes.</p>	<p><b>Service Fee:</b> fee based on activity, per call, per assessment, per enrolment.</p> <p><b>Outcome Fee:</b> fee per job placement, per job sustainment, per completed eligibility determination.</p> <p>Can vary by individual due to the assessed level of difficulty to place that individual into employment.</p>
Margin and risk	Medium	Lower	Higher
Relevant service sector	Health & Wellbeing Communities & Assessment Disability & Aged care	Employment Services Health & Wellbeing Communities & Assessment Disability & Aged care	Employment Services Communities & Assessment

Source: APM 2021 Prospectus.

## 7.3 Key trends in the human services industry

### 7.3.1 Introduction

As society adapts to changing environments and conditions, the human services industry has likewise adapted to continue to meet the needs of society. The key trends in the human services industry are driven by social movements, giving consumers greater flexibility, control, and choice, and changing use of technology.

### 7.3.2 Social equality

In recent years, western societies have been increasingly focused on issues of inequality and discrimination both in society and in the workplace, with calls for more action from governments and corporations to enact societal change. The importance of this societal pressure on governments can be seen in the September 2023 White Paper “Working Future”, wherein the Australian Government outlined a series of objectives for the Australian economy, including an objective to deliver sustained and inclusive full employment.<sup>47</sup>

The Australian Government, like the United Kingdom, has responded to these societal demands by expanding its human services departments and offerings to address various forms of inequality and discrimination. Examples include:<sup>48</sup>

- 2003: federal budget provided to implement case-based funding for Disability Open Employment Services (**DOES**);
- 2005: funding for DOES effectively made ‘uncapped’ with case-based funding replacing block funding;
- 2006-10: disability and vocational services gradually contracted out to private providers, replacing CRS Australia who was the solo provider of Australian Government funded vocational rehabilitation services;
- 2010: DES is launched;
- 2011: Centrelink and Medicare Australia integrated into the Department of Human Services;
- 2011 to 2013: the National Mental Health Service Planning Framework (**NMHSPF**) is first developed;<sup>49</sup>

<sup>47</sup> “Working Future: The Australian Governments White Paper on Jobs and Opportunities”, September 2023

<sup>48</sup> “Levelling up the United Kingdom”, a 2022 United Kingdom white paper on actions needed to reduce inequality.

<sup>49</sup> “History of the National Mental Health Service Planning Framework”, Australian Institute of Health and Welfare, 2023.



- 2012: the Workplace Gender Equality Agency (**WEGA**) is established;
- 2013: the NDIS is legislated, with trials and transition to full rollout occurring through to 2020;
- 2019: the Department of Human Services, renamed to Services Australia, is made an Executive Agency; and
- 2024: WEGA publishes the first gender pay gap analysis report.

### 7.3.3 Empowering the individual

The human services industry in Australia has historically been heavily managed with little opportunity for competition between providers.<sup>50</sup> The lack of competition has been driven by multiple factors, such as the Australian Government allocating individuals to human services providers,<sup>51</sup> and human services providers insisting on the market being designed for their benefit rather than consumers.<sup>52</sup> In response, Australia has been increasing and improving consumer choice and control, encouraging a more competitive market, and focussing on achieving the best outcome for the consumer rather than the human services provider.<sup>53</sup> This has been achieved through regulatory reforms, such as the 2018 DES reform, which allowed participants to either register directly with DES providers or through government agencies.

This industry trend has been seen globally. In 2003, Germany replaced its contracting-out system and introduced “Bildungsgutschein”, educational vouchers redeemable at certified educational institutions, which allow holders to take a free course of their choice to reskill or upskill themselves,<sup>54</sup> and in 2017 the United Kingdom Parliament tabled a paper by both the Secretary of State for Health and the Secretary of State for Work and Pensions, which outlined the need for a transition to a consumer-oriented human services industry.<sup>55</sup>

### 7.3.4 Technology

In 2016 the Oklahoma Department of Human Services partnered with private companies to develop predictive artificial intelligence tools to aid its child welfare system in flagging high risk factors.<sup>56</sup> Since then, the digital transformation across the human services industry, and across society generally, has continued to shift how society operates, and has also widened social and economic inequality, such as digital exclusion and greater demand for higher technological capabilities in employees.

Such shifts have required the human services industry to be innovative in tailoring services to aid people in overcoming the challenges technology pose. Human services stakeholders have been finding ways to implement new technologies to improve their service, such as improved data analysis and process automation.

More recently, human services providers have rapidly adopted various technologies in response to the various restrictions throughout the COVID-19 pandemic,<sup>57</sup> and technological advances continue to impact how they operate and offer services.<sup>58</sup>

## 7.4 Key drivers by service sector

Whilst there are overlaps in the key growth drivers across the various service sectors that form the human services industry, each service sector also has its own particular growth drivers, outlined as follows.

<sup>50</sup> “Human Services: The next wave of productivity reform”, Stephen King, Productivity Commission, 2019.

<sup>51</sup> APM 2021 Prospectus p. 48.

<sup>52</sup> “Human Services: The next wave of productivity reform”, Stephen King, Productivity Commission, 2019.

<sup>53</sup> APM 2021 Prospectus p. 48.

<sup>54</sup> “Vouchers, Caseworkers, and the Reform: Public Training Programs in Germany”, Rinne, Uhlendorff, and Zhao, 15 July 2008.

<sup>55</sup> “Improving lives: the future of work, health and disability”, the United Kingdom Department for Work and Pensions, and the United Kingdom Department of Health and Social Care, 2017.

<sup>56</sup> “DHS partners with Tom Ward and Eckerd Kids to bring new technology to child protective investigations”, Oklahoma Human Services, 2016.

<sup>57</sup> “How COVID-19 has pushed companies over the technology tipping pint – and transformed business forever”, McKinsey Survey, 2020.

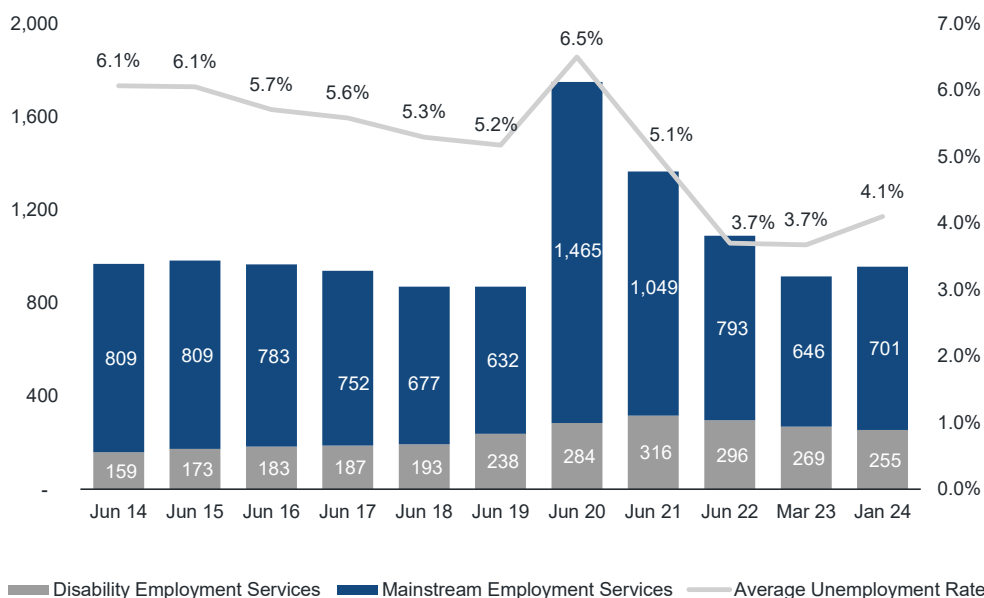
<sup>58</sup> “Digitising Human Services”, Jarrod Ball, Committee for Economic Development of Australia (CEDA).



### 7.4.1 Employment Services

The largest demand driver for the Employment Services sector is unemployment rates, as this is the largest determining factor for how many people will be seeking assistance in gaining employment. The following chart illustrates this caseload relationship between those seeking Employment Services and the unemployment rate in Australia since 2014. In Australia, the mainstream Employment Services are Workforce Australia Services, Workforce Australia Online, and Transition to Work programs.

**Number of Employment Services Participants (Thousands) and Average Annual Unemployment Rate in Australia**



Source: Australian Bureau of Statistics, APM Management, Kroll analysis.

Over the last decade in Australia, demand for Employment Services has moved in line with the unemployment rate, except for demand for DES which has grown with a CAGR of 6.0% from 159,280 participants in June 2014 to 268,980 in June 2023. However, as DES was launched in 2014 this trend might have been caused by the increasing accessibility of the program.

The gap between the unemployment rate and the number of people accessing Employment Services has, however, been decreasing, particularly since the COVID-19 pandemic. This implies that the portion of unemployed who are seeking Employment Services has lifted, which could be due to multiple factors such as improved accessibility through new technological capabilities, as discussed in Section 7.3.4 of this report, as well as increased remote working opportunities. Additionally, the number of people with greater barriers to employment is relatively stable given the difficulty in attaining placements, meaning this group forms a greater percentage of the unemployed population as unemployment rates drop. Given this population of clients require more intensive assistance gaining employment, their proportion of the total population seeking employment services is a key driver of margins

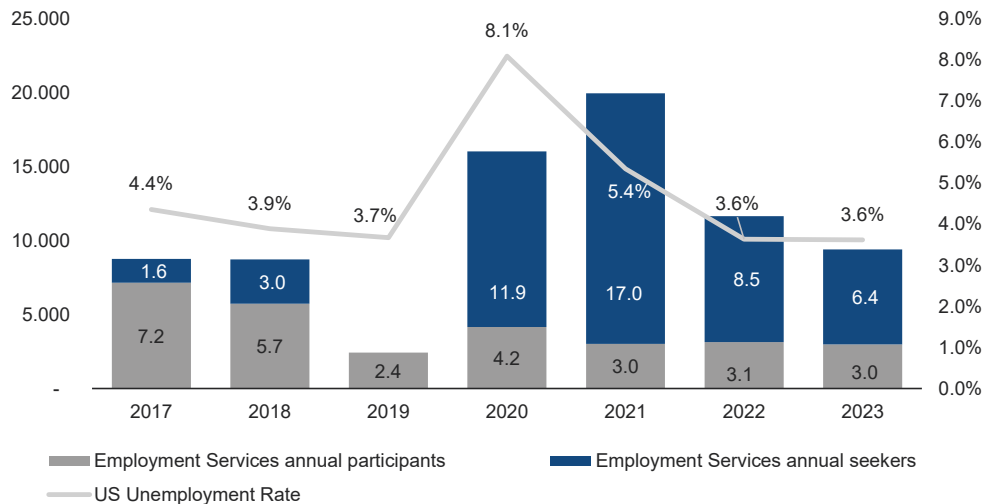
The Workforce Innovation and Opportunity Act (**WIOA**) publishes annual data on the total number of participants who both seek but don’t access, and also successfully access the WIOA and Wagner-Peyser programs in the United States. When compared against the United States unemployment rate a similar trend to that observed in Australia is seen.

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**United States Annual Average Unemployment Rate and Annual Number of Employment Services Seekers and Participants (Millions)**



Source: Workforce Innovation and Opportunity Act Annual Reports, Bureau of Labor Statistics, Kroll analysis.<sup>59</sup>

Aside from the individual benefits, government investment in Employment Services delivers clear economic benefits to societies as a whole. In 2020, the UK Government found that for every \$1.00 invested in Employment Services, it was reasonable to expect a return of \$2.42 to \$2.51 over a four year period.<sup>60</sup>

#### 7.4.2 Health and Wellbeing Services

Health and wellbeing services are one of the few offerings within the human services industry which receives funding from both government and private market sources in meaningful quantities. This means that brand, reputation, relationships and performance are major drivers of growth for this service sector as they are determining factors for winning, and maintaining, contracts with employers and insurers.

Additional drivers for this service sector include the volume and severity of workplace injuries and accidents, and societal mental health awareness, discussed as follows.

##### Volume and severity of workplace injuries and accidents

Research in Australia suggests there are substantial returns on investments in vocational rehabilitation, and injury prevention and management services for insurers, with an estimated \$24.00 to \$39.00 in cost savings for every \$1 spent. However, this research also suggested there is room for growth in the future as not all workplace injuries are currently seeking vocational rehabilitation services.<sup>61</sup>

Furthermore, population growth will drive demand for Health and Wellbeing Services as the volume of injuries will likely increase as populations rise, and as more individuals enter the workforce, requiring employers to renew training and education programs.

##### Societal mental health awareness

Mental health and wellbeing issues present a significant cost to employers through increased absenteeism, presenteeism, turnover and compensation claims.<sup>62</sup> As discussed in Section 7.3.2 of this report, there is a societal trend towards greater focus on mental health and wellbeing within society, which drives an increase

<sup>59</sup> WIOA removed the Program Year 2018 Annual Data Book from its archive, meaning data for the 12 months to 30 June 2019 is unavailable.

<sup>60</sup> “The Work Programme – A Quantitative Assessment”, Department of Works and Pensions, November 2020.

<sup>61</sup> “Swiss Re Rehabilitation Watch 2014”, Swiss Re Australia, 2014.

<sup>62</sup> “Creating a mentally healthy workplace: Return on investment analysis”, PwC, 2014.



in the use of EAPs. In 2014, PwC Australia found that, on average, companies generate \$2.30 in cost savings for every \$1.00 invested on EAPs to improve the overall mental health of their employees.<sup>63</sup>

Internationally, New Zealand, Canada, and the United Kingdom also have supportive government policies and funded programs targeting this sector to boost productivity and efficiency, and improve workplace environments. New Zealand operates in a similar manner to Australia, Canada focuses primarily on services for veterans and workers compensation schemes, and the United Kingdom has stable policy for broad employee health and wellbeing, including the National Health Service Diabetes Prevention Programme, and the Access to Work Mental Health Support Service.<sup>64</sup>

#### 7.4.3 Communities and Assessment Services

Growth in Communities and Assessment Services will grow as the average age of populations increases, and as wealth inequality grows.

##### Ageing populations

Demand for aged care is driven by the volume, and age, of the elderly within a community. The proportion of people who use aged care increases dramatically with age, with the people who use home or residential aged care roughly doubling with every five years of age, from 13.0% of 80-year-old females and 8.5% of 80-year-old-males to 26.0% of 85-year-old females and 17.0% of 85-year-old males.<sup>65</sup>

##### Justice and Youth

One symptom of widening socio-economic gaps is the cycle of disadvantage and the lack of social cohesion between groups within communities.<sup>66</sup> In response to social pressure to address wealth inequality, governments have been rolling out various programs targeted towards youth. In the United Kingdom, a social integration charity designed and piloted a youth personal and social development program in 2008 that launched in 2010 as the National Citizens Services. In 2018, this service became a national institution by becoming a Royal Charter Body through cross-party support.

In addition to this program, the United Kingdom Government has established other communities-based programs, such as the Commissioned Rehabilitative Services, which works as part of the Ministry of Justices probation system and is aimed at helping youths break the cycle of reoffending.

#### 7.4.4 Disability and Aged Care Services

Disability and Aged Care Services will experience changes in demand based on societal acceptance and support for disabilities, as well as changes to the size and composition of a population.

##### Disability care

People with disability have an over-representation within the unemployed population, and as discussed in Section 7.3.2 of this report, there is increasing awareness and demand for more action to be taken to address societal inequalities and discrimination.<sup>67</sup> This combination of factors has led to a growth in the number of disability support services being offered to address both day-to-day living difficulties and employability barriers. This heightened social focus, combined with the increased social expenditure discussed in Section 7.5.3 of this report, will continue to drive growth in this service sector.

##### Aged care

Aged Care is driven by the rising number of older people requiring assistance and services. There are different types of aged care services available, such as at home and residential aged care, which vary significantly in funding, costs, and eligibility. Growth in aged care services will be driven by factors that change the demand for these services, such as total population and composition, and life expectancy.

<sup>63</sup> “Creating a mentally healthy workplace: Return on investment analysis”, PwC, 2014.

<sup>64</sup> APM 2021 Prospectus.

<sup>65</sup> Financial Report on the Australian Aged Care Sector 2021-2022.

<sup>66</sup> Cycles of disadvantage are formed when challenges relating to poverty and social exclusion being experienced by parents are transmitted to their children, and so on which forms an intergenerational cycle of disadvantage.

<sup>67</sup> “Working Future: The Australian Governments White Paper on Jobs and Opportunities”, September 2023



## 7.5 Outlook

Whilst the key sector drivers provide some insight into the growth potential and expectations of the human services industry, the following section provides an outline of the outlook for these drivers.

### 7.5.1 Regulatory reform

The Australian Labor Government has committed to reform Workforce Australia, which poses a significant risk for human services providers. Part of this planned reform has included ceasing Workforce Australia programs that the Australian Government has deemed as underperforming, which started post the release of the 2022-23 budget. Remaining Workforce Australia contracts, previously seen as a sign of revenue security, are set to expire in 2028, creating potential concern for providers who rely on these income streams as the new remuneration and operating models are yet to be confirmed.

Along with this reform is a plan to introduce a new disability employment program by 1 July 2025, which will mean the end of the DES which had been previously extended for two years. Additionally, the 2024-25 budget has provided funding for a new Remote Jobs and Economic Development Program which will replace the current Community Development Program.

With the ending of the DES and Workforce Australia contracts, providers will face revenue uncertainty going forwards as current working relationships end, and the Government develops new programs with potentially differing incentive schemes and operating structures.

Along with this reform risk is the potential for obsolescence. Despite the recent trend towards allowing for greater competition within the human services industry, there is also a risk that governments will reduce their reliance upon third party service providers. This was seen in 2021 when the UK Ministry of Justice withdrew from contracts with third parties in favour of sourcing the service in-house. Recommendation Four in the Rebuilding Employment Services report, published in November 2023, would see the establishment of a new entity, Employment Services Australia, which would act in part as a provider of services for clients who are closest to the labour market rather than just a referrer to providers.<sup>68</sup>

### 7.5.2 Macroeconomic environment

Like the broader economy, the human services industry has been impacted by the recent changes in the macroeconomic environment. For human services providers the recent low unemployment, higher interest rates, inflation, and rising costs of living have all impacted the demand for their services and placed pressure on margins.

Typically, demand for human services is counter cyclical, i.e. demand for human services increases during periods of economic downturns as unemployment increases causing more people to experience hardships in day-to-day life and greater barriers to employment.

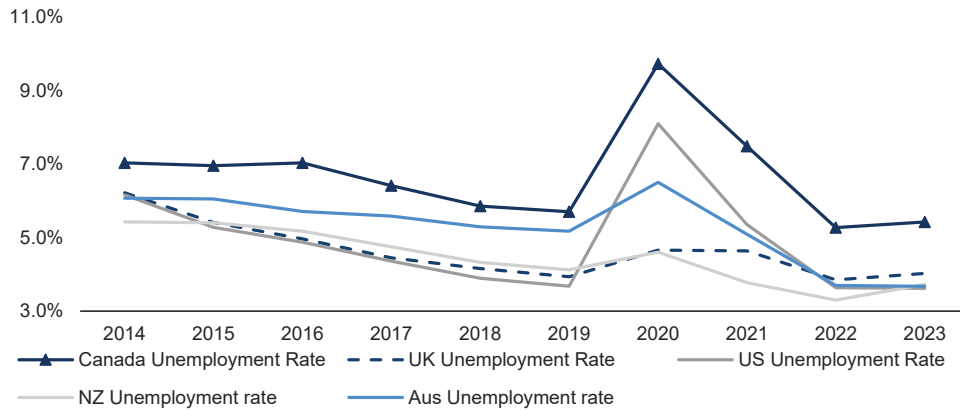
Post COVID-19 there has been a general decline in the labour force participation rates, with the United States dropped from 63.2% to 62.5%, Canada dropping from 65.6% in the last quarter of 2019 to 64.7% in the first quarter of 2024, and the United Kingdom dropping from 64.2% to 62.6%, however Australia has risen from 65.8% to 66.6%. The participation rate serves as an indicator of the proportion of the working age population that is either employed or actively seeking employment.

Current unemployment rates in Australia, the United States, Canada, and the United Kingdom are among the lowest ever seen, with recent trends impacted by the COVID-19 pandemic.

<sup>68</sup> “Rebuilding Employment Services, Select Committee on Workforce Australia Employment Services”, November 2023.



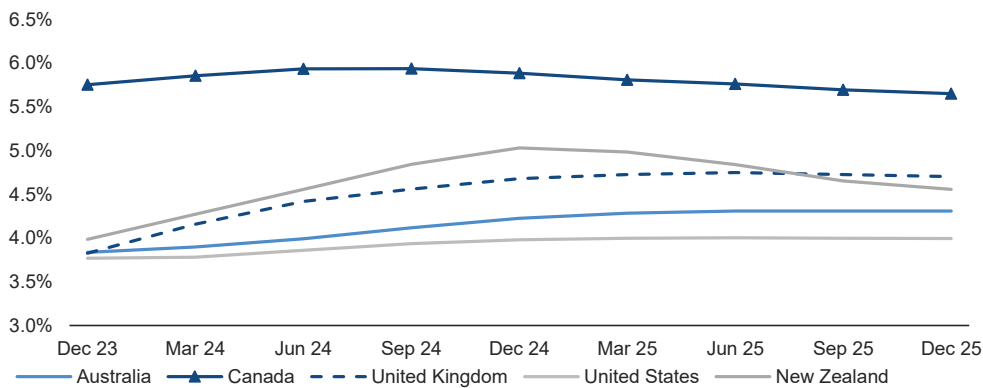
**Average Annual Unemployment rates in Australia, New Zealand, the United States, Canada, and the United Kingdom since 2014**



Source: S&P Capital IQ, Office for National Statistics, Bureau of Labor Statistics, Kroll Analysis.

According to the OECD, unemployment rates are expected to rise between 2023 to 2025 across all of these regions except Canada, which will see a slight decline from 5.8% to 5.7%. The United Kingdom is expected to see the largest increase of 0.9%, followed by New Zealand with a 0.6% increase, Australia with a 0.5% increase, and the United States with a 0.2% increase.<sup>69</sup>

**Quarterly Unemployment Rate Forecast across Australia, New Zealand, the United States, Canada and the United Kingdom**



Source: OECD Unemployment Forecasts.

This short-term increase in unemployment may present further opportunities and demand for Employment Services, however it is worth noting that current unemployment rates are at near all-time lows. Australia last saw an unemployment rate near 4.0% around 2007,<sup>70</sup> and the United States recently saw its lowest unemployment rate in 54 years.<sup>71</sup>

**7.5.3 Funding**

Government spending in the human services industry is commonly referred to as social expenditure and will shift and change based on societal importance being placed on human services. It is one of the metrics

<sup>69</sup> OECD Unemployment Rate Forecasts.

<sup>70</sup> "Australia Unemployment Rate", CEIC, 2024.

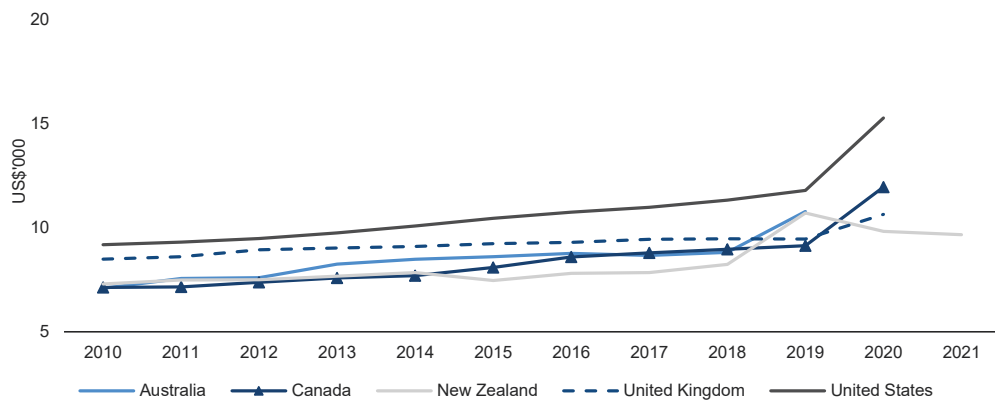
<sup>71</sup> "News: Unemployment is at its Lowest Level in 54 Years", U.S. Department of Commerce, 3 February 2023.

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collected and monitored by the Organisation for Economic Cooperation and Development (**OECD**), to help serve the growing need for indicators of social policy. Using its Social Expenditure Database, SOCX, the OECD publishes the level of social expenditure in various ways, such as per capita. Whilst the OECD data since 2019 is limited, the following chart shows a long-term trend of increasing social expenditure by governments, with spikes particularly evident at the start of the COVID-19 pandemic, except in New Zealand which instead decreased spending in 2020 and 2021.<sup>72</sup>

**Social Expenditure in US\$ Per Capita in Australia, New Zealand, the United States, Canada, and the United Kingdom**

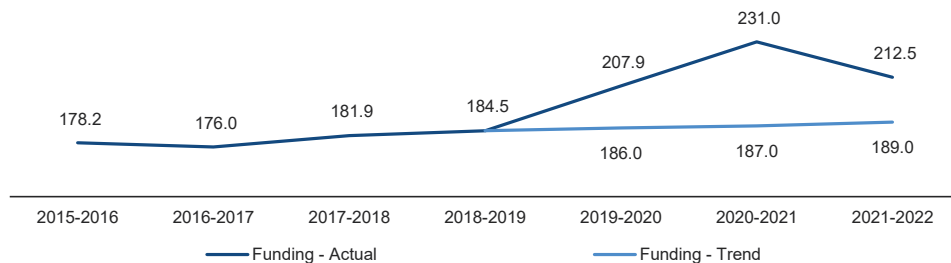


Source: OECD SOCX database, Kroll Analysis.

Growth in social expenditure since 2010 has been highest in Australia with a CAGR of 4.8%, followed by New Zealand with a CAGR of 4.3%, and Canada and the United States both with a CAGR of 2.8%. The United Kingdom had the lowest growth, with per capita expenditure experiencing a CAGR of 1.2%.

Focusing on Australia, prior to the COVID-19 pandemic total Australian social expenditure grew with a CAGR of 1.2% between the twelve months to 30 June 2016 to the twelve months to 30 June 2019. During the COVID-19 pandemic, social expenditure increased strongly to unprecedented levels before subsiding in the 12 months to 30 June 2022 (although remaining elevated). The following chart shows the difference between actual social expenditure in Australia during the COVID-19 pandemic and the expected funding based on long-term trends.

**Actual Total Social Expenditure (\$ Billions) vs Trend Social Expenditure (\$ Billions) in Australia From The Twelve Months to 30 June 2016 to The Twelve Months to 30 June 2022**



Source: Australian Institute of Health and Welfare, Kroll analysis.

This trending increase in social expenditure has allowed governments to both expand upon their programs and schemes and adjust regulatory frameworks in efforts to make the industry more sustainable.

<sup>72</sup> OECD SOCX database.

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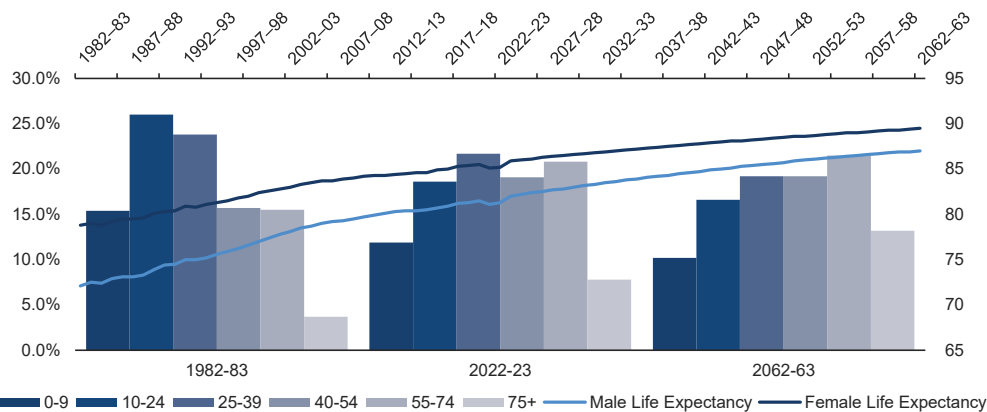
Program availability is directly related to the level of social expenditure occurring within economies, with the global trend towards increases in both social expenditure per capita, and total social expenditure. Additionally, the increased social focus on social inequality discussed in Section 7.3.2 of this report is placing pressure on governments to expand existing services to broaden efforts to address inequality, such as widening services for disability and mental health.

The growth in the total dollar value of social expenditure is likely to be higher given expected population growth. The OECD Data Explorer contains population growth expectations from 2023 to 2061 for countries around the world, and this data shows that Australia is expected to grow by 13.7 million people (50.6% total growth), New Zealand is expected to grow by 1.2 million (24.1% total growth), the United States is expected to grow by 66.4 million (19.5% total growth), Canada is expected to grow by 14.4 million (36.5% total growth), and the United Kingdom is expected to grow by 3.8 million people (5.5% total growth).<sup>73</sup>

### 7.5.4 Population Growth and Composition

Aged Care Services continue to grow to support the needs of the ageing Australian population. The 2023 Intergenerational Report projects Australian life expectancies to increase from 81.3 years for men and 85.2 years for women in FY23 to 87.0 years for men and 89.5 for women by 2063. Further, this report shows the forecast increase in proportion of the population that are aged 55 and older, with those aged 75 and above reaching 13.2% of the total population by 2063, up from 7.8% in 2023.<sup>74</sup>

**Current Australian Population Composition by Generation and Life Expectancy at Birth Chart (1982-2063)**



Source: Australian Bureau of Statistics, 2023 Intergenerational Report.

This increasing, and increasingly elderly, population represents a growth opportunity for the human services providers in this sector as the demand for services will continue to grow, and interactions with older people will span longer periods of time as longevity increases. Australia is currently working through the Aged care reform roadmap, which will culminate in the establishment of the Elder Care Support Program, the Support at Home Program, and the First Nations Aged Care Assessment System, as well as the expansion of the existing National Aged Care Mandatory Quality Indicator Program.<sup>75</sup>

The other impact of an ageing population will be on economic policy, as the importance of the employment rate will increase. This has the potential to decrease the cyclicity of Employment Services as funding would shift towards programs which more broadly target the population with the goal of increasing overall workforce participation, rather than just those seeking employment.

<sup>73</sup> OECD Data Explorer, Population growth from 2023 to 2061.  
<sup>74</sup> “2023 Intergenerational Report”, the Australian Government, 2023.  
<sup>75</sup> “Aged Care Reform Roadmap”, Australian Department of Health and Aged Care, 29 July 2024.

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### 7.5.5 Wealth inequality

A common source of social movements is wealth inequality, which has been increasing across Australia, the United States, and the United Kingdom.<sup>76</sup> With increasing prevalence and use of newer technologies, such as artificial intelligence, and process automation attempting to drive productivity higher, society is facing the risk of further increases in wealth inequality.<sup>77</sup>

For the human services industry, if wealth inequality continues to rise there will be further divides between communities and the cycle of disadvantage will continue to perpetuate. This would likely mean that society would require greater levels of community-based and youth-targeted social programs.

An additional source of wealth inequality that human services will be increasingly engaged with will be climate migrants. On 13 September 2021, the World Bank issued an updated Groundswell report which concluded that, by 2050, climate change could force hundreds of millions of people to migrate within their own countries.<sup>78</sup>

### 7.5.6 Political risk

National elections, such as those upcoming in Australia, the United States, and the United Kingdom, naturally provide platforms for discussions around social expenditure policy. However, during these periods, human services programs, even those with bi-partisan support, will be exposed to uncertainty and transitory periods.

During challenging economic times, social expenditure can also be viewed unfavourably by political parties, which may lead to reductions in the level of funding. Such opinions were raised by multiple candidates seeking the Republican National Committee Presidential Nomination.<sup>79</sup>

## 8 Profile of APM

### 8.1 Background

APM (abbreviated from Advanced Personnel Management) commenced operations in 1994 in Perth, Western Australia as a vocational rehabilitation services provider for injured workers. APM’s founder, Megan Wynne, has continued to lead the company and was Managing Director until 2020 when she became Executive Chair. Over the past 30 years, APM has expanded its Human Service offerings and operations across Australia and internationally through organic growth and acquisition activity, commencing operations in the United Kingdom in 2010, New Zealand in 2012, and North America and Europe in 2018.

Quadrant Private Equity acquired a 60% stake for approximately \$250 million in 2017. The acquisition implied a value for APM at over \$450 million. Subsequently, in March 2020, shortly after the onset of the COVID-19 pandemic, MDP acquired the majority stake from Quadrant, implying a value for APM of \$1.6 billion.

APM continued to operate and undertake strategic acquisitions during the COVID-19 pandemic. It refinanced external debt facilities, and by July 2021, had more than 7,000 team members across 10 countries and supported more than one million people each financial year.<sup>80</sup>

On 12 November 2021, APM was admitted to the official list of the ASX, floating at an issue price of \$3.55 per APM Share, closing with a market capitalisation of \$3.0 billion on the first day of listing.<sup>81</sup> The initial

<sup>76</sup> “Sharp jump in wealth inequality over last 20 years”, Australian Council of Social Services, 27 September 2023; “Trends in income and wealth inequality”, Pew Research Centre, 9 January 2020; Poverty in Britain is firmly linked to the country’s mountain of private wealth – Labour must address this growing inequality”, Stewart Lansley, 6 September 2023.

<sup>77</sup> “Rising inequality: A major issue of our time”, Zia Qureshi, Bookings Institution, 16 May 2023.

<sup>78</sup> “Groundswell Report: Climate Change Could Force 216 Million People to Migrate Within Their Own Countries by 2050”, World Bank Group, 13 September 2021.

<sup>79</sup> “Trump’s GOP rivals open the door to cutting Social Security for younger people”, Jeff Stein, Washington Post, 22 July 2023.

<sup>80</sup> APM 2021 Prospectus; “Big Wynne bonus in \$400 million APM sale”, S. Smith, The West Australian, 12 August 2017; “American dream: fresh face scoops up Quadrant’s APM in \$1.5b deal”, S. Thompson, A. Macdonald, T. Boyd, Australian Financial Review, 10 March 2020; “Meet the due behind WA’s newest millionaires factory”, J. Sprague, Australian Financial Review, 11 November 2021.

<sup>81</sup> Calculated as the closing share price on 12 November 2021 of \$3.33 multiplied by 898,621,383 shares outstanding.



public offering raised approximately \$339.0 million from the issue of new shares which was used to reduce existing debt levels and add financial flexibility to pursue further growth opportunities including future potential acquisitions.

By December 2023, APM had expanded into 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore and South Korea), with a workforce of more than 15,000 people who supported over 2 million people in 2023.<sup>82</sup>

The extended period of low unemployment and lower job placement volumes across all APM’s key geographic regions, together with higher funding costs have, however, impacted APM’s financial and share price performance. As at 16 February 2024, the last undisturbed trading day prior to market speculation around the existence of a possible change of control proposal, APM had a market capitalisation on the ASX of \$761.3 million.<sup>83</sup>

In March 2024, APM announced that following the additional Job Corps and Workforce contract wins in the United States, APM had secured the Toronto Catchment in Phase 3 of the Ontario Employment Services Transformation in Canada. These contract awards are expected to contribute an estimated \$1 billion in gross revenue to APM over approximately five years.<sup>84</sup>

However, over the course of April and May 2024, APM continued to experience low client flows in its Employment Services business in Australia and the United Kingdom. On 8 April 2024, APM provided a trading update and guidance for FY24 Underlying EBITDA and NPATA on the basis of early management accounts for Q3, assuming no change in the operating environment for the balance of the year. APM subsequently announced on 3 June 2024 that it expected underlying earnings will be around the bottom end of the ranges provided in April, and that activity levels experienced in 2H24 are likely to continue into FY25. Further, it was announced that if the refinancing of certain existing bank facilities completes, it is expected that FY25 interest expense will be higher than FY24 due to the combination of higher interest rates and the full year impact of higher drawn debt balances

### 8.1.1 Acquisitions

Strategic acquisitions have been a key driver of APM’s expansion. Between 2015 and 2021, APM acquired 16 businesses with a total acquisition cost of over \$300 million, and since listing, APM has acquired nine businesses with a total acquisition cost of over \$430 million.<sup>85</sup> The key acquisitions in APM’s expansion are summarised in the following table.

#### Key Acquisitions

Acquisition Date	Target, Interest Acquired	Purchase Consideration	Rationale
<b>Prior to listing on the ASX</b>			
December 2018	Ingeus Group ( <b>Ingeus</b> ), 100% (including WCG, Ross Innovative Employment Solutions, and Assure Programs)	\$65.3 million	Enabled APM to consolidate its footprint in the United Kingdom and further expand into Europe, North America and South-East Asia.
December 2019	Konekt Limited ( <b>Konekt</b> ), 100%	\$75.1 million	Expanded APM’s Employment Services and vocational rehabilitation services in Australia.

<sup>82</sup> APM Interim Report 2024, H1 FY24 Results Presentation.

<sup>83</sup> Calculated as the closing share price on 16 February 2024 of \$0.83 multiplied by 917,181,946 shares outstanding.

<sup>84</sup> “APM secures new North America Contracts”, APM ASX Announcement, 21 March 2024.

<sup>85</sup> APM 2024 Interim Report, 2023 Annual Report, APM 2022 Annual Report. Calculated comprising: Jan 2022: Lifecare Physiotherapy \$70.5 million and Clustera Sverige AB for \$9.4 million, Dynamic Education System Inc for \$0.8 million. April 2022: BioSymm and Construct Health for \$17.7 million. Oct 2022: Springday for \$2.8 million. Nov 2022: Equus Workforce Solutions for \$251.7 million. Jan 2023: Human Psychology for \$0.8 million. Feb 2023: Everyday Independence for \$76.9 million. July 2023: Ergoworks for \$2.1m. Oct 2023: Mobility (remaining 40%) for \$5m.





Acquisition Date	Target, Interest Acquired	Purchase Consideration	Rationale
<b>Since listing on the ASX</b>			
December 2021	Early Start Australia Pty Ltd, 100%; Integrated Care Pty Ltd ( <b>MyIntegra</b> ), 100%; Mobility Australia Pty Ltd, Mobility Holdings Pty Ltd (together, <b>Mobility</b> ), 60%	\$124.9 million <sup>86</sup>	Acquired at the time of listing on the ASX, and included the first acquisitions for APM’s Disability and Aged Care businesses.
January 2022	Lifecare Physiotherapy ( <b>Lifecare</b> ), 81%	\$70.5 million	Supported APM’s expansion into providing Health and Wellbeing services in Australia.
November 2022	Equus Workforce Solutions ( <b>Equus</b> )	\$251.7 million	Expanded APM’s service offering in the United States adding 18 new states and territories. APM is now the largest Employment Services provider in the region.
February 2023	Everyday Independence	\$76.9 million <sup>87</sup>	Everyday Independence is a leading registered NDIS provider. The acquisition expanded APM’s disability therapy services and complemented APM’s existing allied health business.

Source: APM Annual and Interim Reports, Investor Presentations.

### 8.1.2 Strategy

APM seeks to deliver on its purpose of ‘Enabling Better Lives’ through the provision of services focused on enhancing an individual’s employability, health and well-being, and social and economic participation in their community. APM’s strategy is to build a long-term sustainable health and human services business, achieving strong growth across both connected and diversified businesses, through organic contract awards and re-tenders, and the completion and integration of strategic acquisitions.<sup>88</sup>

The three elements of APM’s growth strategy are to:

- **grow existing business.** Winning, operating and retaining large-scale, complex government contracts in the health and human services sector is a critical and fundamental part of APM’s business;
- **pursue new markets.** APM continues to assess new markets and strategic opportunities including replicating existing service offerings in the international market, particularly around disability, allied health and mental health; and
- **assess and complete accretive strategic acquisitions.** APM has a track record of expansion through strategic acquisition, building scale in existing businesses and integrating acquired businesses to enter new markets and adjacent service areas.

Strategic priorities highlighted in January 2024 for 2H24 and FY25 were:

- continued delivery of high-quality leading services to clients and customers across the business;
- mobilisation of new programs particularly in North America and Functional Assessments in the United Kingdom;
- focus on attracting and retaining allied health professionals to service the growing addressable market in Australia; and
- integration and optimisation of recent acquisitions and continued focus on the refinement of the operating and support systems to enable APM’s people to deliver best-in-class services to clients and customers.<sup>89</sup>

<sup>86</sup> APM 2022 Annual Report. The total purchase consideration amount is comprised of \$83.3 million, \$30.9 million and \$10.7 million for Early Start Australia, MyIntegra and Mobility respectively. These amounts include the estimated deferred consideration associated with earn-out payments for Early Start and MyIntegra as at 30 June 2022.

<sup>87</sup> Includes estimated deferred consideration as at 31 December 2024, per APM Interim Report 2024.

<sup>88</sup> APM 2023 Annual Report.

<sup>89</sup> ASX Announcement, APM First Half Trading Update, 17 January 2024.



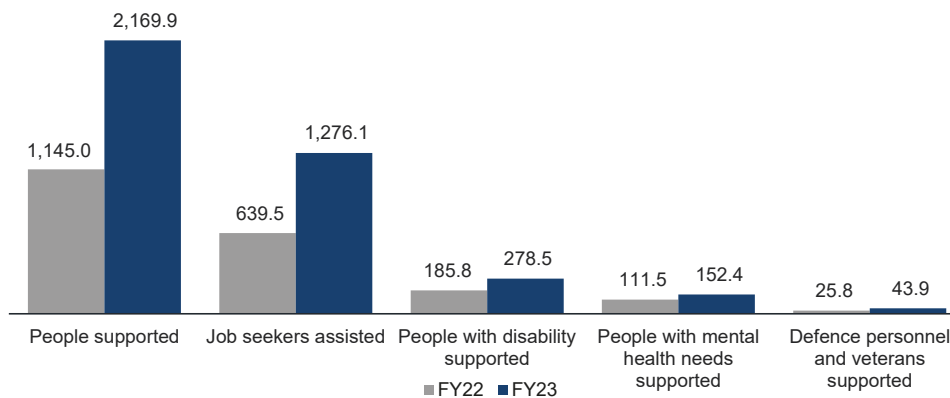
### 8.1.3 Sustainability and Social Impact

APM aspires to be a global leader in sustainability and social impact. The business is aligned with the United Nations’ Sustainable Development Goals which aim to end poverty and inequality, and ensure that all people enjoy health, justice and prosperity while protecting the planet for the future.

During FY23, APM completed its first materiality assessment, strengthened its governance framework, measured its scope 1 & 2 Greenhouse Gas emissions for disclosure,<sup>90</sup> and developed its Sustainability Strategy. APM’s Sustainability Strategy comprises four pillars (clients, people, communities and governance) and provides a shared vision, goals and targets for the global business as the company advances its social impact agenda.

Key measures of APM’s social impact are summarised in the following chart.

APM’s Social Impact in FY22 and FY23 (thousands of people)



Source: APM Annual Reports

APM has also assisted 7,072 Ukrainian refugees through its German team’s pro-bono resettlement assistance in FY23.<sup>91</sup>

## 8.2 Operations

### 8.2.1 Service lines

APM’s health and human service offerings are grouped into four service lines:

- **Employment Services:** working with governments to deliver services to individuals who require support to find work, including those with injury, illness or disability, sole parents, youth, aged workers, ex-offenders, and people from culturally or linguistically diverse backgrounds. In Australia, APM also operates the online platform, Employable Me, which provides a free recruitment marketplace for employers;
- **Health and Wellbeing:** delivery of private, government, insurance and corporate health programs focused on prevention, responsive, rehabilitation (medical, psychosocial and vocational), allied health and psychological intervention services;
- **Communities and Assessments:** on behalf of government, APM works with individuals to develop support plans for funded and non-funded support services. APM operates community-based programs in the youth, justice, homelessness and veterans’ sectors; and

<sup>90</sup> APM 2023 Annual Report. Scope 1 emissions are direct emissions from sources that the owned or controlled by the company. Scope 2 emissions are indirect emissions from the purchase of electricity.

<sup>91</sup> APM 2023 Annual Report.

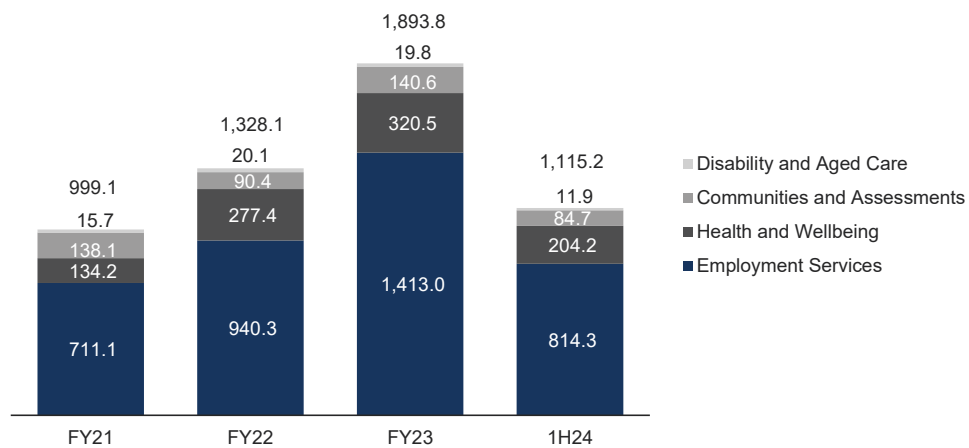
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- **Disability and Aged Care Support Services:** support services cater to the disability and aged care sectors including plan management, support coordination, and an on-demand home care services marketplace. This represents a growth opportunity for APM.

Employment Services is the largest service line representing 73.0% of revenue in 1H24. Health and Wellbeing has, however, grown at a faster rate between FY21 and FY23 with a compound annual growth rate (CAGR) of 54.5%. Employment Services, Disability and Aged Care and Communities and Assessments grew at CAGRs of 41.0%, 12.3% and 0.9% respectively between FY21 and FY23.

**APM’s Revenue by Service Line from FY21 to 1H24 (\$ millions)**

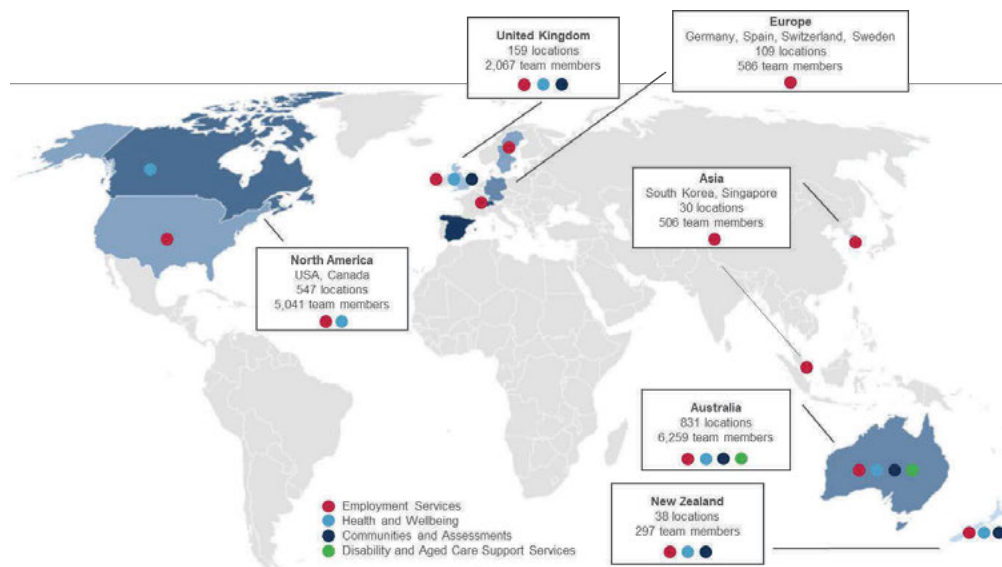


Source: APM Annual Reports, Interim Report 2024

### 8.2.2 Geographical footprint

APM has more than 15,000 team members located across 1,430 sites and 11 countries. APM offers Employment Services across all regions; Health & Wellbeing and Communities & Assessments in ANZ, the United Kingdom and North America; and Disability & Aged Care in ANZ only.

**APM’s Global Presence**

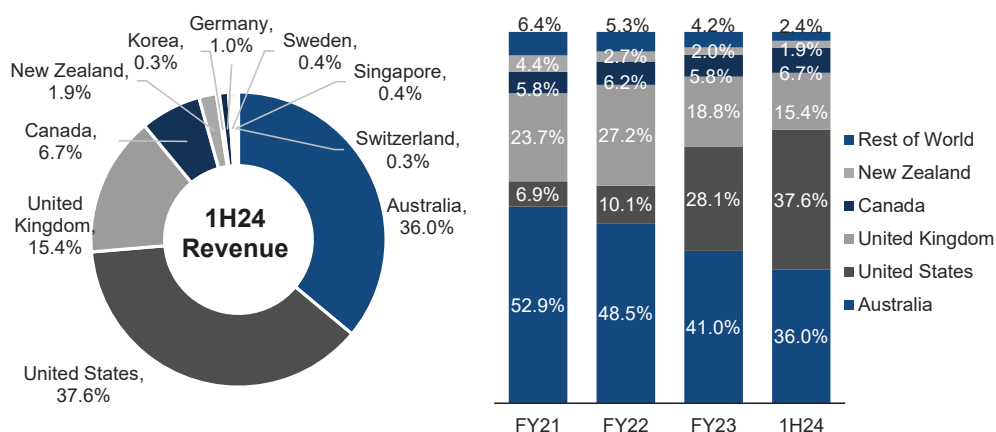


Source: APM 2023 Annual Report.



Revenue derived from the United States has grown following the acquisition of Equus in 2022 and in 1H24, the United States surpassed Australia as the dominant source of revenue. The share of APM’s revenue in 1H24 by country since FY21 is shown in the following charts.

**APM’s Revenue by Country**



Source: APM Annual Reports, Interim Report 2024

**8.2.3 Key brands**

APM’s services are delivered through a range of proprietary brands. The key brands supporting each of the four service lines are summarised in the following table.

**APM’s Brand Portfolio**

	Brands	Overview of key brands
Employment Services		<ul style="list-style-type: none"> <li>APM Employment Services provides Employment Services for jobseekers experiencing underemployment or unemployment, injury, illness or disability, and employers. Key programs include DES and WFA.</li> <li>APM Work Assist delivers disability and mental health employment in New Zealand.</li> <li>Ingeus delivers Employment Services programs in the United Kingdom, Germany, Spain, Switzerland, South Korea and Singapore.</li> <li>WCG and Agilec deliver Employment Services in Canada through WorkBC, Calgary Career Hub and Ontario Employment Services Transformation.</li> <li>Dynamic Workforce Solutions, Equus Workforce Solutions, Grant Associates and Ross Innovative Employment Solutions deliver Employment Services in the United States under various funding streams.</li> <li>Clustera tailors job matching and staffing services in Sweden.</li> <li>MCI is an Australian learning organisation.</li> <li>APM Employable Me is APM’s digital recruitment platform.</li> </ul>



	Brands	Overview of key brands
Health and Wellbeing		<ul style="list-style-type: none"> <li>▪ <i>Everyday Independence</i> delivers evidence-based therapies to children, youth and adults in Australia.</li> <li>▪ <i>Early Start Australia</i> works with families to optimise the development of children, adolescents and adults by supporting the development of physical, language, cognitive, sensory, social and emotional skills.</li> <li>▪ <i>Assure</i> and <i>Human Psychology</i> are APM's EAP businesses.</li> <li>▪ <i>Springday</i> is a digital health platform supporting multiple business streams including EAP.</li> <li>▪ <i>Communicorp</i> and <i>FBG</i> are psychology based consulting businesses.</li> <li>▪ <i>APM Workcare</i> and <i>Konekt</i> provide injury prevention and injury management services across Australia with teams focused on partnering with customers and stakeholders to develop tailored and innovative service models.</li> <li>▪ <i>Generation Health</i>, <i>Acumen Health</i> and <i>The Interact Group</i> deliver occupational injury rehabilitation services, including to the Australian Defence Force and veterans community.</li> <li>▪ <i>APM</i> in New Zealand provides a wide range of vocational rehabilitation, pain management, community rehabilitation and concussion services, as well as physiotherapy services.</li> <li>▪ <i>Lifecare</i> provides Physiotherapy, Sports Medicine, Hydrotherapy and Podiatry in clinics across Australia and via mobile home services.</li> <li>▪ <i>Biosymm</i> delivers on-site or clinic-based physiotherapy treatment and exercise, and develops targeted prevention strategies with employers.</li> <li>▪ <i>CiC</i> in the United Kingdom delivers EAP and mental health and wellbeing services.</li> <li>▪ <i>Ingeus</i> delivers access to work mental health support service.</li> <li>▪ <i>WCG</i> delivers vocational rehabilitation and assistance services to veterans and their families in Canada.</li> <li>▪ <i>MCI</i> is a vocational training and education business.</li> <li>▪ <i>Ergoworks</i> including <i>ErgoEquip</i> provides physiotherapy and work care support services.</li> </ul>
Communities and Assessments		<ul style="list-style-type: none"> <li>▪ <i>APM Communities</i> delivers assessment services to determine eligibility and availability of disability support.</li> <li>▪ <i>APM Assessment Services</i> delivers assessment services to determine eligibility and availability of aged care and disability support.</li> <li>▪ <i>Ingeus</i> in the United Kingdom provides community services such as youth and justice education and training programs.</li> <li>▪ <i>Equitable Social Solutions</i> provides homelessness prevention housing supports.</li> </ul>
Disability and Aged Care Support Services		<ul style="list-style-type: none"> <li>▪ <i>myintegra</i> provides NDIS plan management and support coordination services.</li> <li>▪ <i>mobility</i> is an app-based platform and marketplace providing on-demand home care services targeting the disability and aged care markets.</li> </ul>

Source: APM 2023 Annual Report, APM website, APM 2021 Prospectus.

#### 8.2.4 Key programs, contracts and funding streams

While individuals participate in and are the primary beneficiaries of APM's programs and services, APM earns the majority of its revenue from programs funded by Governments and the private sector.

APM's programs, contracts and funding streams are supported by multiple long-term customer relationships. In Australia, APM has contracted with the Department of Social Services since 2007, and the Department of Employment and Workplace Relations (**DEWR**) since 2009. In the United Kingdom, APM has contracted with the United Kingdom Department of Work and Pensions (**DWP**) since 2002. Other key relationships include the United States Department of Labour through APM's brands in the United States; Ministry of Labour, Training and Skills Development in Ontario, Canada through the WCG brand; Workforce Singapore and Ministry of Employment and Labour in South Korea through the Ingeus brand; and the Accident Compensation Corporation in New Zealand.

APM's key contracts are summarised in the following table.

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### Summary of Key Programs, Contracts and Funding Streams

Program/ Contract/ Funding stream	Country	Customer	Service Line	Contract Term	Contract Renewal
DES	Australia	Australian Government Department of Social Services	Employment Services	7 years	June 2025
WFA	Australia	Australian Government Department of Employment and Workplace Relations	Employment Services	6 years	June 2028
LAC	Australia	National Disability Insurance Agency	Communities and Assessments	5.5 years	June 2025
RAS	Australia	Australian Government Department of Health & Aged Care	Communities and Assessments	5.5 years	December 2024
RACA	Australia	Australian Government Department of Health & Aged Care	Communities and Assessments	4 years	December 2024
Vocational Rehabilitation	Australia	Bupa	Health and Wellbeing	6 years (10 including options)	June 2024 (Option to 2029)
Restart Scheme	United Kingdom	Department for Work & Pensions	Employment Services (Ingeus)	5 years	June 2026
WHP	United Kingdom	Department for Work & Pensions	Employment Services (Ingeus)	7.75 years	September 2026
NCS	United Kingdom	National Citizen Service Trust	Communities and Assessments (Ingeus)	2 years	January 2025
FAS	United Kingdom	Department for Work & Pensions	Communities and Assessments	5 years	March 2029
RSVAP	Canada	Department of Veteran Affairs Canada	Health and Wellbeing (Services provided by the WCG business together with a joint venture partner, Lifemark Health)	6 years	August 2027
Work BC	Canada	Ministry of Social Development & Poverty Reduction	Employment Services (WCG)	8 years	March 2027
Ontario Employment Services Transformation	Canada	Ontario Ministry of Labour, Training and Skills Development	Employment Services (WCG)	3 years	Various. Between 2025 to 2027
Job Corps	United States	United States Department of Labor	Employment Services (Equus)	Various	Various
WIOA	United States	United States Department of Labor	Employment Services	Various	Various
TANF	United States	United States Department of Health & Human Services	Employment Services	Various	Various

Source: APM, APM 2023 Annual Report, APM 2021 Prospectus

APM seeks to increase its average tenure across key programs through new contract awards, re-tenders and extensions, with the base tenure excluding future options being more than three years across its largest contracts, and 10.1 years on average for APM’s top 10 contracts.<sup>92</sup>

The contract tendering process differs across geographies and service lines, however, the common focus is on quality and track record of performance, capability and the ability to deliver positive outcomes. APM has a dedicated centralised business team that works with local teams to maximise the success of tendering.

<sup>92</sup> “APM Wins Functional Assessments Contract in UK and Business Update”, APM ASX Announcement, 26 May 2023; APM 1H24 Results Presentation, p. 28.



For several major programs, including DES and WFA, contracts are awarded separately for each region or geographic area. The potential loss of a contract on the basis of suboptimal operational performance would in the majority of cases be limited to a regional or employment service area level, rather than the loss of the entire program.<sup>93</sup>

Any changes in state or federal Government initiatives, and the structure of the various Government funding programs (including the decision to use third party human services providers) may, however, have a significant impact on APM’s operations and future financial performance.

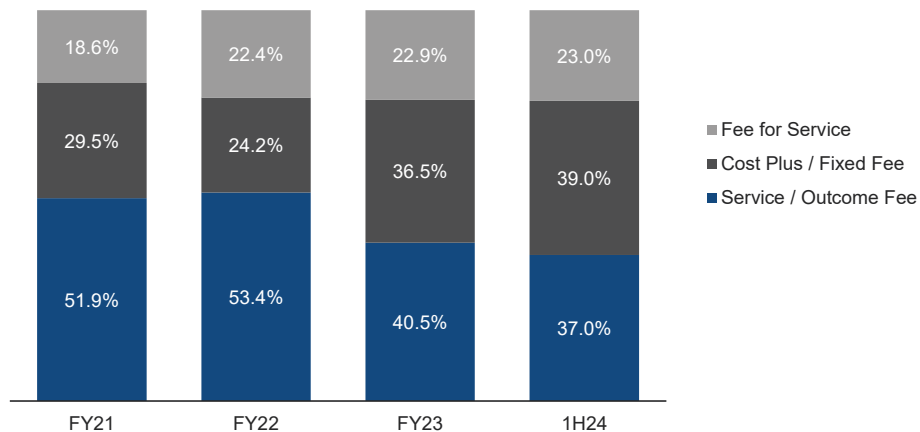
APM relies on key government programs for a significant portion of its revenue, with a large number of individual contracts operating under (and dependent upon) more than 100 government programs that APM operates. In FY23, revenue from APM’s top three programs, DES, Workforce Australia and the Restart Scheme, represented approximately 31% of total revenue, and in FY24 revenue from these top three programs are forecast to contribute approximately 21% of total revenue. Current contracts which are due for renewal in the 12 month period from 1 July 2024 are forecast to contribute 26% of APM’s FY25 revenue.

The current DES program is due to expire in June 2025 and the Australian Government intends to introduce a new disability employment program by 1 July 2025, funding for which has been provided in the Australian 2024-25 Budget.<sup>94</sup> There is no assurance that APM will be awarded new DES contracts on the same or equivalent terms to its existing contracts under DES, or at all.

#### 8.2.5 APM’s revenue model

APM’s contracts include a number of different revenue models. Service/ Outcome fees represented APM’s largest mode of revenue until 1H24 when Cost Plus / Fixed Fee became the dominant fee model, as shown in the following chart.

**APM Revenue by Fee Model**



Source: APM 2023 and 1H24 Investor Presentations, APM Management.

As discussed in Section 7.2.2 of this report, revenue models vary depending on the service sector, client, project, and geography.

In the United States and Canada, the majority of APM’s Employment Services revenue is based on Cost Plus or Fixed Fee funding contracts. The acquisition of Equus in November 2022 changed the geographic mix of APM’s revenue, with greater contribution from the United States and Canadian businesses which are predominantly Cost Plus / Fixed Fee contracts. The proportion of revenue from Cost Plus / Fixed Fee has increased from 29.5% in FY21 to 39.0% in 1H24 as shown in the APM Revenue by Fee Model chart.

As discussed in Section 7.3.3 of this report, the German Government provides eligible jobseekers with placement vouchers which provide employment agencies with a fixed sum upon the successful placement

<sup>93</sup> APM 2021 Prospectus p.79

<sup>94</sup> “Employment Services, Budget Resources”, Parliament of Australia, Thomas, M., May 2024.



of the voucher recipient. Ukrainian refugees are currently the predominant recipients of APM’s German placement vouchers.

Employment Services revenue can be significantly impacted during periods of low unemployment by reduced client volumes, and reduced outcome fees due to caseloads becoming more difficult to successfully place and/or higher workforce turnover or movement.

For APM’s Health and Wellbeing business, revenue is typically earned through an annual Fixed Fee or Fee for Service (e.g. hourly rate or per counselling session) while APM’s Communities and Assessment contracts vary from a Fee for Service (e.g. per assessment), Fixed Fees, or payment by results or milestone. Revenue for APM’s Disability and Aged Care Support Services business is typically earned through Fee for Service or Fixed Fees.

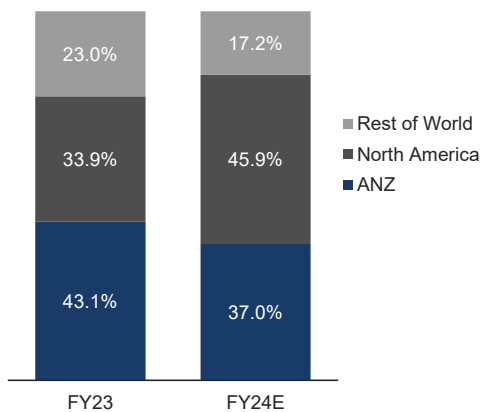
**8.2.6 Reporting segments**

APM reports its results within three geographical segments:

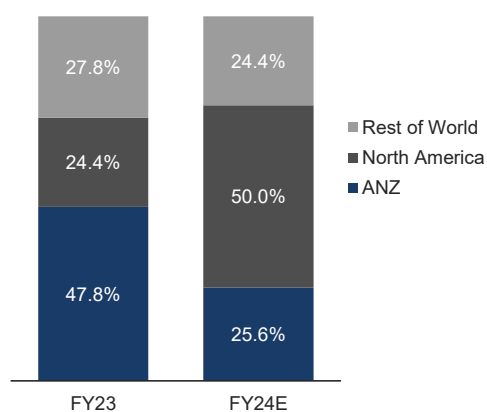
- **ANZ:** Australia and New Zealand. ANZ derives revenue from all four service lines;
- **North America:** Canada and the United States. North America derives revenue from Employment Services, Communities & Assessments and Health and Wellbeing; and
- **Rest of World:** South Korea, Singapore, Germany, Switzerland, Sweden, Spain and the United Kingdom. Rest of World derives revenue from Employment Services, Health and Wellbeing, and Communities and Assessments.

ANZ was the largest segment in FY23, however, due to increasing North American revenue streams in FY24 from new contract wins and a full six month contribution from Equus, North America is now the largest. North America is estimated to have contributed 45.9% of revenue and 50.0% of NPATA in FY24.<sup>95</sup> The share of revenue and NPATA of APM’s reporting segments in FY23 and FY24 (Estimated) is shown as follows.

**Revenue by Reporting Segment**



**Underlying NPATA by Reporting Segment**



Source: APM 2023 Investor Presentation and Scheme Booklet Section 9.11.

<sup>95</sup> Net profit after tax and before contract amortisation, before underlying adjustments.

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### 8.3 Financial performance

#### 8.3.1 Historical financial performance

The following table summarises the financial performance of APM for FY21, FY22, FY23 and 1H24.

##### APM Financial Performance (\$ millions)

	FY21 Audited <sup>1</sup>	FY22 Audited	FY23 Audited	1H24 Reviewed
ANZ revenue	574.3	680.4	816.7	424.6
North America revenue	127.0	217.4	643.1	494.0
Rest of World revenue	315.1	432.9	436.6	198.2
<b>Total revenue</b>	<b>1,016.4</b>	<b>1,330.7</b>	<b>1,896.4</b>	<b>1,116.8</b>
People expenses	(609.9)	(801.3)	(1,212.6)	(756.6)
Client support expenses	(78.6)	(105.6)	(130.0)	(109.9)
Administration expenses	(44.0)	(55.7)	(92.2)	(48.8)
Occupancy expenses	(23.9)	(44.6)	(73.1)	(42.0)
Other expenses	(38.1)	(5.8)	(39.4)	(20.5)
Other gains/(losses)	12.8	(9.7)	15.9	8.9
<b>Underlying EBITDA<sup>2</sup></b>	<b>234.7</b>	<b>308.0</b>	<b>365.0</b>	<b>147.8</b>
Depreciation and amortisation <sup>3</sup>	(52.4)	(70.7)	(90.2)	(49.0)
Finance expense (net) <sup>3</sup>	(33.8)	(38.7)	(55.4)	(36.5)
Income tax expense	(19.9)	(32.1)	(41.1)	(7.3)
ANZ Underlying NPATA <sup>4</sup>	88.0	97.5	85.1	17.3
North America Underlying NPATA	6.1	11.6	49.6	29.7
Rest of World Underlying NPATA <sup>4</sup>	34.6	57.2	43.5	8.0
<b>Underlying NPATA<sup>5</sup></b>	<b>128.6</b>	<b>166.3</b>	<b>178.2</b>	<b>55.0</b>
NPATA adjustments <sup>6</sup>	(79.7)	(73.9)	(19.7)	(11.4)
<b>Statutory NPATA</b>	<b>48.8</b>	<b>92.4</b>	<b>158.5</b>	<b>43.6</b>
Contract amortisation	(50.8)	(51.7)	(49.8)	(26.6)
<b>Net profit after tax</b>	<b>(1.9)</b>	<b>40.7</b>	<b>108.7</b>	<b>17.0</b>
Non-controlling interests	-	0.4	(1.3)	(0.5)
<b>Net profit after tax attributable to APM Shareholders</b>	<b>(1.9)</b>	<b>41.1</b>	<b>107.4</b>	<b>16.5</b>
<b>Performance Metrics</b>				
Revenue growth <sup>7</sup>	na	30.9%	42.5%	30.8%
Underlying EBITDA growth <sup>7</sup>	na	31.2%	18.5%	(11.7%)
Underlying NPATA growth <sup>7</sup>	na	29.3%	7.2%	(35.5%)
People expense as % of revenue	60.0%	60.2%	63.9%	67.7%
<b>Operating Margins</b>				
Underlying EBITDA margin <sup>8</sup>	23.1%	23.1%	19.2%	13.2%
Underlying NPATA margin <sup>9</sup>	12.7%	12.5%	9.4%	4.9%

Source: APM Annual Reports and Results Presentations; Kroll analysis.

na means not available. Minor variances to reported figures may be due to rounding.

Notes:

- Presented in the APM 2021 Prospectus and FY21 statutory financial statements, FY21 comprises results from incorporation on 9 March 2020 to 30 June 2021, a period of almost 16 months.
- Underlying EBITDA is earnings before interest, tax, depreciation, and amortisation, and contains management adjustments to exclude certain one-off items. Post IFRS 16 basis.
- Excludes underlying adjustments.
- Due to changes in reporting of geographical results, FY21 Underlying NPATA results for ANZ and Rest of World are inconsistent with figures for FY22 and FY23 as New Zealand results were previously included in the results for Rest of World.
- Underlying NPATA is net profit after tax before contract amortisation and includes management adjustment for one off items.
- NPATA adjustments include one-off expense items relating to debt refinancing, capital restructuring, shareholder interest expense, and tax expense and effect adjustments.



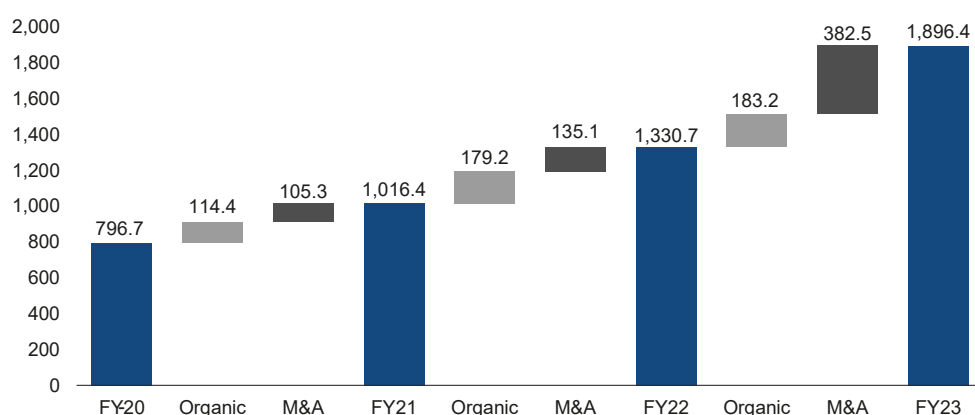
(notes continued)

7. As FY21 represents approximately 16 months from incorporation on 9 March 2020 to 30 June 2021, the basis of growth in FY22 is not directly comparable to growth in subsequent periods.
8. Underlying EBITDA margin is calculated as Underlying EBITDA divided by total revenue.
9. Underlying NPATA margin is calculated as Underlying NPATA divided by total revenue.

In relation to the financial performance of APM, we note:

- from FY21 to FY23 revenue has grown strongly at a CAGR of 36.6%, driven by a combination of organic and inorganic growth as shown in the following chart.

#### Organic and Inorganic Revenue Growth (\$ millions)



Source: APM 2021 Prospectus, FY22 and FY23 Results Presentations.

Note: FY20 and FY21 figures reflect Pro Forma figures as presented in the APM 2021 Prospectus.

- organic growth has mainly been achieved by securing new long-term contracts, such as the Rehabilitation Services and Vocational Assistance Program in Canada, and the Restart Scheme in the United Kingdom. Inorganic growth has come from acquisitions occurring across all geographies and sectors, including the Equus acquisition in North America, Everyday Independence acquisition in Australia, Clustera Sverige AB acquisition in Sweden, and investments into the Disability and Aged Care sectors and digital platforms. In FY23, organic growth was responsible for 32.4%, or \$183.2 million, of total revenue growth with inorganic growth comprising the rest, largely due to the Equus acquisition, relative to 52.1% and 57.0% in FY21 and FY22 respectively;
- revenue in 1H24 similarly saw a 30.8% increase over 1H23 results, with the majority of this stemming from organic growth due to lower levels of acquisitions than in prior years;
- APM’s financial results are impacted by various seasonal factors during each financial year, including:
  - youth programs in the United Kingdom, which are run from June to September;
  - United Kingdom referral rates are lower during August due to the number of people taking vacations;
  - December and January in Australia and New Zealand have lower client interactions due to the number of people taking vacations and seasonally lower recruitment periods;
  - collections in the United States are impacted by complex funding arrangements with the government, where significant delays in receipts are not uncommon; and
  - historical seasonality has also been impacted by the timing of the completion of business acquisitions.
- as discussed in Section 8.2.5 of this report, revenue by fee type has changed significantly since FY21, with Service / Outcome Fee type reducing from 52.0% of revenue to 37.0% in 1H24. This has been driven by the significant growth in the North America business, which has predominantly Cost Plus / Fixed Fee markets;
- people expenses are the largest cost for APM and have been increasing as a proportion of revenue due to the investments into attracting and retaining allied health staff, as well as wage inflation. This



has allowed APM to better support the Health and NDIS businesses. People expenses have grown from 60.0% of revenue in FY21, to 60.2% in FY22, 63.9% in FY23, and 67.7% in 1H24. The other significant expenditure items are occupancy and administration expenses. Combined with people expenses, these three expenses account for 87.5% of total operating expenses in 1H24, with growth in occupancy and administration expenses having been impacted by APM’s acquisition activity;

- Underlying EBITDA margins have steadily decreased, from 23.1% in FY21 to 13.2% in 1H24, which has been primarily driven by the low levels of unemployment and high labour costs across all regions. Clients receiving Employment Services support in the low unemployment cycle require more support than previously, and with contracts primarily awarded on the basis of Outcome Fees, margins have increasingly tightened in this service sector. Adding to this, the changing mix of fee types driven by the growth in the North America business is inherently lowering margins;
- Underlying NPATA margins have declined significantly, from a peak of 12.7% in FY21 to 4.9% in 1H24. This has been driven by a combination of a decrease in the Underlying EBITDA margin, as well as elevated financing costs driven by the rising cash rates and increases to income tax expenses;
- the following items have been excluded from underlying earnings:

#### NPATA Adjustments (\$ millions)

	FY21 audited	FY22 audited	FY23 audited	1H24 reviewed
Acquisitions, integrations and initial public offering	1.0	(36.3)	(25.6)	(8.9)
Extinguish pre-initial public offering Management Equity Plan	1.2	(10.5)	-	-
Foreign Exchange impact	7.8	(9.7)	3.9	(1.2)
Employee initial public offering gift	-	(5.1)	-	-
Debt refinancing	-	(24.7)	(2.6)	(1.7)
Capital structure expenses	(26.4)	(31.7)	-	-
Shareholder interest expense	(72.7)	-	-	-
Tax expense adjustments	-	22.6	(1.6)	-
Tax effect adjustments	9.3	21.4	6.2	3.7
Other	-	-	-	(3.4)
<b>Total NPATA adjustments</b>	<b>(79.8)</b>	<b>(74.0)</b>	<b>(19.7)</b>	<b>(11.5)</b>

Source: APM Annual Reports and Results Presentations; Kroll analysis.

- APM’s operating model relies upon long-term service contracts, which are amortised in the income statement. Despite the growth in operations, amortisation declined by 2.0% from FY21 to FY23. 1H24 reported contract amortisation is in line with prior full year results;
- excluding initial public offering related costs, acquisition expenses are the main source of one-off items contained within the underlying adjustments to NPATA and EBITDA;
- APM’s earnings per share and distributions are set out as follows:

#### Per Share Metrics

	FY21 audited	FY22 audited	FY23 audited	1H24 reviewed
Weighted average number of shares outstanding (million)	na	575.6	917.2	917.2
Dividend per share	na	5.0¢	10.0¢	-
Underlying EPS <sup>1</sup>	na	28.9¢	19.4¢	6.0¢
Statutory EPS <sup>2</sup>	na	7.1¢	11.7¢	1.80¢
Payout ratio <sup>3</sup>	na	17.3%	51.5%	-%

Source: APM Annual Reports and Results Presentations; Kroll analysis.

Notes:

1. Calculated as Underlying NPATA divided by weighted average number of shares outstanding.
2. Calculated as statutory net profit after tax attributable to APM Shareholders divided by weighted average number of shares outstanding.
3. Calculated as dividend per share divided by Underlying NPATA per share.

With regard to the APM per share metrics summarised above, we note:

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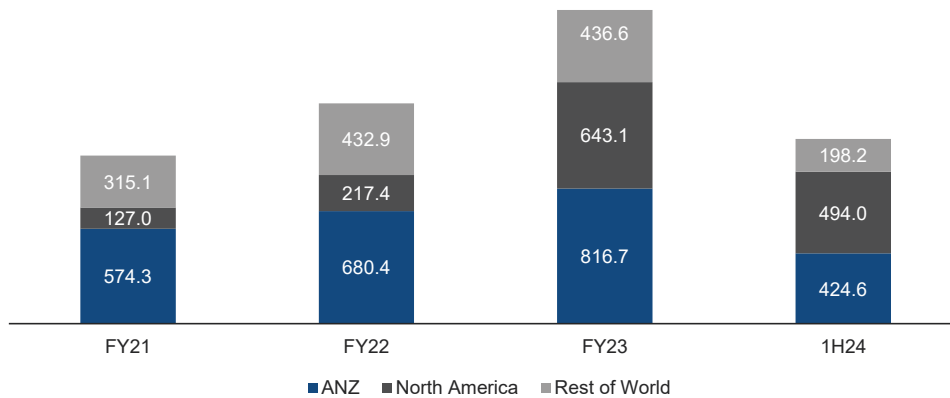


- Underlying EPS decreased significantly over the period of FY21 to FY23. This is due to the significant tightening of margins across APM’s service lines, especially those in the Employment Services sector following challenging conditions in all geographies;
- APM targets a distribution payout ratio of 40% to 60% of Underlying NPATA. APM commenced declaring dividends with the final FY22 dividend (i.e. it did not declare an interim dividend). The FY22 dividend declared was below the target range. In FY23, both interim and final dividends were declared, resulting in a payout ratio that was towards the midpoint of the target range. As announced in the 1H24 results presentation, dividends have been deferred following the announcement of the Indicative CVC Proposal;

**Segment performance**

- revenue growth and margins by reporting segment are set out as follows:

**APM Reporting Segment Results – Revenue (\$Millions)**

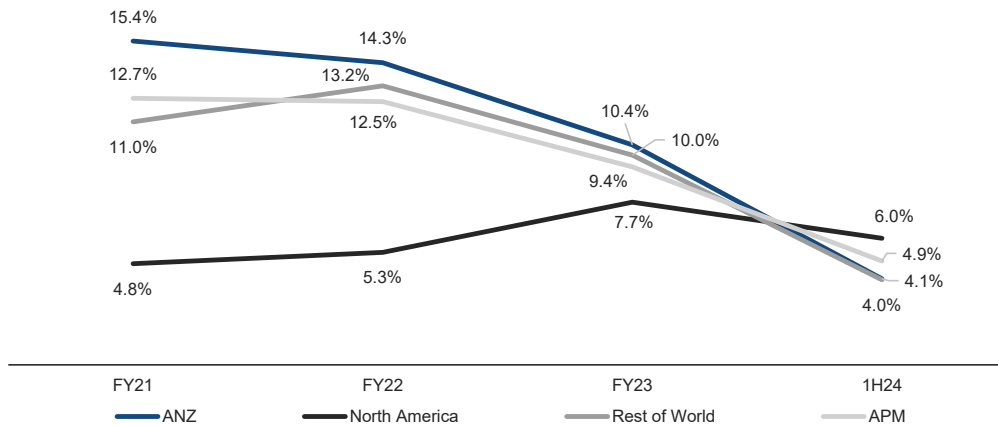


Source: APM Annual reports and results presentations, Kroll analysis.  
 Note: New Zealand included in Rest of World in FY21 and ANZ in subsequent periods.

- APM’s reporting segments have shown strong revenue growth, primarily through acquisitions as discussed above:
  - ANZ revenue growth has primarily been driven by growth from continued investment in Health and Wellbeing Services. Employment Services contributed less revenue in 1H24 due to lower client flows across DES and WFA, impacted by sustained, historically low levels of unemployment;
  - North America has experienced the strongest revenue growth and reflects the acquisition of Equus and new contracts awarded in Canada. 1H24 is the first period in which North America revenue exceeded ANZ revenue; and
  - revenue growth in Rest of World has been impacted by the slowing flow of clients into employment programs, particularly in the United Kingdom Restart Scheme in 1H24.



### APM Reporting Segment Results – Underlying NPATA Margin



Source: APM Annual reports and results presentations, Kroll analysis.

- NPATA margins across ANZ and Rest of World have declined, whilst North America showed year-on-year improvements through FY21 to FY23. 1H24 margins were down across the whole business, with APM’s Underlying NPATA margin at 4.9% compared to 9.4% in FY23:
  - ANZ NPATA margin decreased as a result of the increasing cost of debt together with additional investment into APM group corporate services that support global operations in FY23 and recruitment in the allied health and NDIS businesses in 1H24;
  - the NPATA margin in North America is relatively low and has remained relatively stable, reflecting the more structured margin and lower risk contracts that are predominantly on a Fixed Fee basis; and
  - NPATA margins across Rest of World have fallen with reducing caseload together with the increased investment in support activity required to sustain contract performance during the low unemployment cycle.

#### 8.3.2 Outlook

On 8 April 2024, APM provided a year-to-date Q3 update with the following guidance:

- FY24 Underlying EBITDA of between \$280 million and \$290 million; and
- FY24 Underlying NPATA of between \$95 million and \$105 million.

The announcement noted that the guidance was based on early management accounts for Q3, assuming that historical seasonal trends that have previously driven strong Q4 performance do not occur in FY24, and no change in the operating environment for the balance of the year.

The implementation of a new client management system in the Australian Health business in March 2024 temporarily impacted productivity, however the benefits of the new system were expected to be realised in FY25.

Section 9.11 of the Scheme Booklet provided a trading update with estimated revenue, Underlying EBITDA<sup>96</sup> and Underlying NPATA for FY24 of \$2,332 million, \$281 million and \$95 million respectively, which remains aligned with guidance provided on 8 April 2024. FY24 has been impacted by extended periods of low unemployment levels, resulting in reduced client flows in key employment services contracts in Australia and the UK. FY24 ANZ revenue has been materially impacted by reduced client flows which is partially offset by the full year benefit of revenue contribution from Everyday Independence. North America revenue has increased on FY23, driven by the full year contribution of Equus. Rest of World revenue has declined on FY23, driven by reduced client flows in the UK and the conclusion of the JETs program. The reduction

<sup>96</sup> Underlying EBITDA adjusts for the impact of acquisition and integration related costs including redundancies, impairments and other one-time, non-recurring events.



in EBITDA since FY23 has largely driven by the shift in regional mix and greater proportion of Cost Plus, lower margin contracts.

With regards to FY25 earnings, APM noted that it expected significant incremental earnings growth through announced contract awards and corporate initiatives, including:<sup>97</sup>

- new contracts together with those commenced in FY24 that will have a full-year contribution in FY25 together with benefits of new systems in the Australian Health business are expected to contribute an additional circa. \$300 million revenue and approximately \$40m in Underlying EBITDA in FY25 versus FY24. This includes contributions from:
  - Canada: the Ottawa contract under the Ontario Employment Services Transformation commencing in FY24, with FY25 being a full year of earnings contribution and the Toronto contract commencing in late FY25;
  - United Kingdom: the Functional Assessments contract with earnings contribution from October 2024;
  - United States: Job Corps and Workforce contracts awarded during 2024 with FY25 being a full year of earnings contributions; and
  - Australia: implementation of a client management system which will be completed in Q4FY24 for APM’s allied health therapy business and which will facilitate further growth in this business;
- efficiency initiatives. APM commenced a detailed review of all areas of its business and identified a number of initiatives to improve productivity and efficiency to support the delivery of services. The first phase of these initiatives will be implemented in Q4 of FY24 and is expected to provide productivity and operating cost benefits equivalent to 1% of revenue, contributing approximately \$25 million to Underlying EBITDA for FY25; and
- debt refinance. APM engaged with the Commonwealth Bank of Australia and HSBC Australia to lead on an extension and amendment of its debt facilities with a focus on the tranches maturing in July 2025 and January 2026.

On 3 June 2024, when APM announced that Underlying EBITDA and Underlying NPATA were expected to be around the bottom end of the ranges provided on 8 April 2024, APM noted that the activity levels experienced in 2H24 are likely to continue into FY25. Further, if the debt refinance completes, it is expected that FY25 interest expense will be higher than FY24 due to the combination of higher interest rates and the full year impact of higher drawn debt balances.<sup>98</sup>

On 15 July 2024, APM announced that it has secured financing to 2030 following the commitment of new facilities of up to \$950 million from Goldman Sachs. The commitment enables APM to elect to replace its existing facilities in the event that the Scheme does not proceed. If the Scheme proceeds, the MDP acquisition facilities identified in the Scheme Implementation Deed will extinguish the existing facilities. Key terms of the new Goldman Sachs facilities include a debt margin approximately 218 basis points higher than APM’s existing margin.

### 8.3.3 Broker forecasts

In addition to the earnings guidance and estimates from APM for FY24, Kroll has considered broker consensus forecasts.

As far as Kroll is aware, APM is followed by six brokers. However, one is a financial adviser on the Scheme and, therefore, has been excluded from our analysis. Of the remaining five brokers, only three released revised forecasts following APM’s trading update of 3 June 2024. Kroll has included the latest forecasts provided by these three brokers as the basis for the broker consensus.

<sup>97</sup> “Receipt of Non-Binding Acquisition Proposal and Business Update”, APM ASX Announcement, 8 April 2024.

<sup>98</sup> “Entry into a Scheme Implementation Agreement and Trading Update”, APM ASX Announcement, 3 June 2024.



APM’s broker consensus for FY24 to FY26 is summarised as follows.

**APM Broker Consensus (\$ millions)<sup>1</sup>**

	FY23	FY24	FY25	FY26
<b>Total revenue</b>	<b>1,896.4</b>	<b>2,205.3</b>	<b>2,506.3</b>	<b>2,663.1</b>
<b>Underlying EBITDA</b>	<b>365.0</b>	<b>280.1</b>	<b>316.0</b>	<b>345.0</b>
<b>Underlying NPATA</b>	<b>178.2</b>	<b>94.2</b>	<b>106.0</b>	<b>125.0</b>
<b>Growth</b>				
<i>Total revenue growth</i>	42.5%	16.3%	13.6%	6.3%
<i>Underlying EBITDA growth</i>	18.5%	(23.3%)	12.8%	9.2%
<i>Underlying NPATA growth</i>	7.2%	(47.1%)	12.5%	17.9%
<b>Profitability</b>				
<i>Underlying EBITDA margin</i>	19.2%	12.7%	12.6%	13.0%
<i>Underlying NPATA margin</i>	9.4%	4.3%	4.2%	4.7%
<i>Underlying EPS<sup>2</sup> (cents)</i>	19.4	10.3	11.6	13.6
<i>Dividend per share (cents)</i>	10.0	8.1	8.9	9.2

Source: APM Broker reports and Kroll analysis.

Notes:

- The broker consensus for revenue, Underlying EBITDA, Underlying NPATA and dividend per share metrics reflect the median of the broker forecasts. The remaining growth and profitability metrics have been calculated from the median consensus figures.
- Calculated as Underlying NPATA divided by weighted average number of shares outstanding.

With regard to the APM’s broker consensus summarised above, we note:

- brokers noted that, overall, APM remains well positioned and is expected to grow in the medium to long-term from rising unemployment, new contracts, growth in the health business and opportunities within the NDIS. The near term outlook, however, remains uncertain while unemployment rates and caseloads remain low, particularly in Australia and the United Kingdom, together with headwinds from recent government reviews and bearish views on government expenditure. Inflation, high interest rates and tight labour markets for recruiting allied health professionals were flagged as potentially dragging on revenue ramp ups and margins;
- the consensus outlook for APM has been revised down since APM’s first profit warning for FY24 at the 2023 Annual General Meeting on 10 November 2023. Forecasts for FY24 revenue and Underlying EBITDA have fallen by up to approximately 10% and 30% respectively since November 2023. One broker noted in January that the 1H24 trading update resulted in a further deterioration of investor confidence in management and more specifically the earnings visibility of the business. One broker has held fundamentals since the Indicative CVC proposal in mid-February. A third negative trading update was issued in April. The consensus shown above reflects the consensus outlook for brokers that have revised forecasts after the most recent profit trading update on 3 June 2024;
- the median consensus revenue growth for FY24 and FY25 is 16.3% and 13.6% respectively, falling to 6.3% in FY26. The growth is driven by expectations of the mobilisation of contract wins in North America combined with the full year contribution from acquisitions;
- Underlying EBITDA and Underlying NPATA growth is expected in FY25 and FY26, however, consensus EBITDA and NPATA margins continue to decline to 12.6% and 4.2% respectively in FY25, despite announced efficiency initiatives, reflecting the greater contribution from lower-margin contracts in the United States, reduced high margin work in both Australia and the United Kingdom’s Employment Services programs and soft 2H24 activity levels that are likely to continue into FY25. Higher debt costs are also expected to rise in FY25, with higher interest rates and higher drawn balances; and
- given the expected decline in profitability and high debt levels, forecast dividends per share are expected to be lower than FY23.

Further details of the broker estimates are included in Appendix 3.



## 8.4 Financial position

The following table summarises the financial position of APM as at 30 June 2021, 30 June 2022, 30 June 2023 and 31 December 2023.

### APM Financial Position (\$ millions)

	30 June 2021 Audited	30 June 2022 Audited	30 June 2023 Audited	31 December 2023 Reviewed
Receivables and other current assets	209.4	353.1	604.5	551.6
Payables and other current liabilities	(163.4)	(235.2)	(300.1)	(265.1)
Deferred revenue	(78.2)	(139.6)	(138.7)	(125.5)
<b>Net working capital</b>	<b>(32.2)</b>	<b>(21.7)</b>	<b>165.8</b>	<b>161.0</b>
Property, plant and equipment	30.3	55.6	49.0	44.2
Right of use assets	75.7	80.5	135.7	118.4
Intangible assets and goodwill	1,729.6	1,968.4	2,199.8	2,169.1
Current tax liabilities	(29.5)	(20.8)	(5.2)	7.9
Net deferred tax liabilities	(84.4)	(45.5)	(58.2)	(50.4)
Net derivative financial instruments	-	17.5	-	-
Other non-current assets	6.2	11.6	12.5	12.6
Other non-current liabilities	(4.1)	(46.7)	(81.0)	(64.4)
<b>Total funds employed</b>	<b>1,691.7</b>	<b>1,998.9</b>	<b>2,418.4</b>	<b>2,398.3</b>
Cash and cash equivalents	106.8	171.4	106.8	106.7
Borrowings	(1,673.0)	(602.7)	(867.8)	(907.0)
Right of use lease liabilities	(81.9)	(87.9)	(159.9)	(142.8)
<b>Net debt (including lease liabilities)</b>	<b>(1,648.1)</b>	<b>(519.2)</b>	<b>(920.9)</b>	<b>(943.1)</b>
<b>Net assets</b>	<b>43.6</b>	<b>1,479.8</b>	<b>1,497.5</b>	<b>1,455.2</b>
<b>Total equity</b>	<b>43.6</b>	<b>1,479.8</b>	<b>1,497.5</b>	<b>1,455.2</b>
Non-controlling interest	-	(3.5)	(7.1)	(6.0)
<b>Total equity attributable to the owners of APM</b>	<b>43.6</b>	<b>1,476.2</b>	<b>1,490.4</b>	<b>1,449.2</b>
<b>Statistics</b>				
Number of shares at period end (million)	47.0	917.2	917.2	917.2
Net assets per share <sup>1</sup>	\$0.93	\$1.61	\$1.63	\$1.59
Net leverage ratio (times) <sup>2</sup>	7.0	1.7	2.4	3.0
Interest coverage ratio (times) <sup>3</sup>	4.0	8.0	9.0	6.0

Source: APM Annual Reports and Presentations; Kroll analysis.

Notes:

1. Net assets per share is calculated as the net assets divided by the number of shares outstanding at period end
2. Calculated as the ratio of Total Net Debt on the last day of the relevant period to EBITDA in respect of the relevant period. EBITDA reflects 'Facility EBITDA' as defined by APM's facility agreements.
3. Calculated as ratio of EBITDA, to Net Interest Expense in respect of the relevant period. EBITDA reflects 'Facility EBITDA' as defined by APM's facility agreements.

With regard to the financial position, we note the following:

- as a services business with a strategy of pursuing growth through acquisition, APM's asset base is primarily comprised of intangibles, making up 90.4% of total funds employed as at 31 December 2023. Goodwill is the largest intangible asset and as at 31 December 2023, represented \$1,788.4 million, followed by service agreements and relationships (\$248.9 million), branding (\$72.9 million), and licences and software (\$58.8 million);
- net working capital was negative at 30 June 2021 and 30 June 2022 due to large deferred revenue balances associated with outcome-based revenue primarily for Employment Services. However, at 30 June 2023, net working capital increased significantly to \$165.8 million due to increases in trade receivables and accrued revenue from acquisitions, and remained at that level until 31 December 2023;
- property, plant and equipment and right-of-use asset balances are relatively minor, relating to equipment and leasehold improvements;





- other non-current liabilities as at 31 December 2023 primarily included earn-out payables (\$53.8 million) and other deferred consideration (\$17.5 million) that were recognised as a result of business acquisitions, with the remainder relating to a put option liability associated with the acquisition of Lifecare Physiotherapy in 2022; and
- net assets per share has remained relatively stable since 30 June 2021.

As announced in Section 9.11 and 9.12 of the Scheme Booklet, APM estimates balances for cash and gross debt as at 30 June 2024 of \$116 million and \$916 million respectively, and notes that the financial position of APM has not materially changes since 31 December 2023.

#### 8.4.1 Borrowings

APM currently has syndicated multi-currency and revolving corporate debt facilities totalling \$1,140 million in aggregate. The financing is provided across six tranches as shown in the following table. As at 30 June 2024, APM had total borrowings of \$910.1 million (net of borrowing costs).

##### APM Borrowings as at 30 June 2024 (\$ millions)

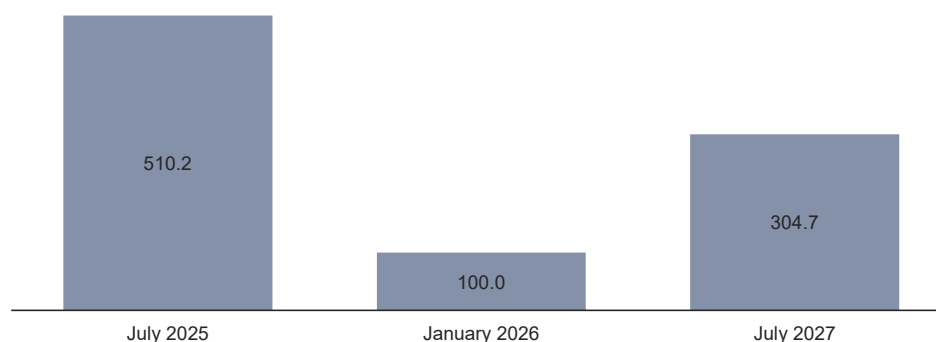
Facility	Drawn	Limit	Maturity <sup>1</sup>
A: Fully revolving facility	-	200.0	January 2027
A1: Fully revolving multi-currency corporate facility – Syndicated debt facility	150.2	163.0	July 2025
A2: Revolving multi-currency corporate facility – Syndicated debt facility	87.0	87.0	July 2027
B: Term loan	100.0	100.0	January 2026
B1: Fully revolving multi-currency corporate facility – Syndicated debt facility	360.0	360.0	July 2025
B2: Revolving multi-currency corporate facility – Syndicated debt facility	217.7	230.0	July 2027
<b>Bank loans</b>	<b>914.9</b>	<b>1,140.0</b>	
Capitalised borrowing costs	(5.8)		
<b>Bank loans, net of borrowing costs</b>	<b>909.1</b>		
Non-bank third party finance	1.0		
<b>Balance sheet debt</b>	<b>910.1</b>		

Source: APM Annual Financial Report 31 December 2023. Figures may not add due to rounding differences.

Note 1: Reflects maturity following recent refinancing announced 15 July 2024.

APM’s existing facilities are set to mature over the next three years as shown in the following chart.

##### Maturity Profile of Drawn Debt Facilities as at 30 June 2024



Source: APM Management, Kroll Analysis.

On 15 July 2024, APM announced that it has secured up to \$1,310 million from Goldman Sachs for the purposes of retiring its existing syndicated corporate facility. Key terms of the new facilities include a covenant lite six year Term Loan of \$950 million and delayed draw Term Loan of \$210 million and a five year revolving facility of \$150 million with a margin which is approximately 218 basis points higher than APM’s existing margin.

APM’s debt ratios relative to covenants is set out as follows.



#### Debt Covenant Compliance

	Requirement	30 June 2023	31 December 2023	30 June 2024
Net leverage ratio (times) <sup>1</sup>	< 3.50	2.41	2.95	3.32
Interest coverage ratio (times) <sup>2</sup>	> 3.00	8.99	5.99	4.17

Source: APM Annual Reports, Kroll Analysis.

Notes:

1. Calculated as the ratio of Total Net Debt on the last day of the relevant period to EBITDA in respect of the relevant period. EBITDA reflects 'Facility EBITDA' as defined by APM's facility agreements.
2. Calculated as ratio of EBITDA, to Net Interest Expense in respect of the relevant period. EBITDA reflects 'Facility EBITDA' as defined by APM's facility agreements.

Since 30 June 2022, APM's net leverage ratio has increased and its interest coverage ratio has declined, although both remain within covenants. APM has been compliant with debt covenants in all periods presented.

## 8.5 Cash flows

The following table summarises APM's cash flow statement for FY21, FY22, FY23 and 1H24.

#### APM Cash Flows (\$ millions)

	FY21 audited	FY22 audited	FY23 audited	1H24 Reviewed
<b>Underlying EBITDA</b>	<b>234.8</b>	<b>308.0</b>	<b>365.0</b>	<b>147.8</b>
Acquisition working capital	na	(15.0)	(93.1)	38.5
Other working capital and underlying adjustments <sup>1</sup>	na	(75.9)	(7.6)	(45.8)
<b>Underlying operating cash flow (pre-interest, pre-tax)</b>	<b>225.8</b>	<b>281.9</b>	<b>264.3</b>	<b>140.5</b>
Tax paid	(8.0)	(28.3)	(39.3)	(24.4)
Interest received	0.2	(0.2)	1.1	0.6
Cash component of underlying adjustments	1.0	(36.3)	(21.7)	(13.5)
<b>Statutory operating cash flow</b>	<b>219.0</b>	<b>217.1</b>	<b>204.4</b>	<b>103.2</b>
Payments for acquisition of subsidiaries, net of cash acquired	(1,234.9)	(176.1)	(283.8)	(9.4)
Capital expenditure (net)	(16.2)	(70.8)	(46.6)	(13.9)
Receipts/(payment) for security deposits	-	(5.4)	1.0	0.1
<b>Net cash flow after investing activities</b>	<b>(1,032.1)</b>	<b>(35.1)</b>	<b>(125.0)</b>	<b>80.1</b>
Dividends and distributions	-	-	(92.9)	(46.6)
Net proceeds from borrowings	712.8	(153.0)	265.6	36.0
Net interest expense	(56.5)	(33.0)	(51.0)	(34.0)
Payment for leases	(41.9)	(44.9)	(61.2)	(35.7)
Net proceeds from issues of shares	523.4	331.8	-	-
<b>Net cash generated</b>	<b>105.8</b>	<b>65.8</b>	<b>(64.5)</b>	<b>(0.1)</b>
Opening net cash and cash equivalents	-	106.8	171.4	106.8
FX impact on cash held	1.0	(1.2)	-	-
<b>Closing net cash and cash equivalents</b>	<b>106.8</b>	<b>171.4</b>	<b>106.8</b>	<b>106.7</b>
<b>Statistics</b>				
<i>Underlying cash conversion ratio<sup>2</sup></i>	96.2%	91.5%	72.4%	95.1%

Source: APM Annual Reports and Presentations; Kroll analysis.

na means information is not available.

Notes:

1. Reflects the change in working capital as reported by APM in its Annual and Half Yearly Results Presentations and includes prepayments, and other financial liabilities to reconcile statutory EBITDA.
2. Underlying cash conversion ratio is calculated as Underlying operating cash flow (pre-interest, pre-tax) divided by Underlying EBITDA.

In relation to APM's cash flows, we note the following:

- underlying operating cash flow has been relatively stable, however, the underlying cash conversion ratio was below trend in FY23 as a result of the timing of the acquisition of Equus, seasonality of United States debtors, and mobilisation and ramp up of contracts. APM's cash conversion ratio



increased to 95.1% in 1H24 as a result of a reduction in accrued and deferred revenue (which reflects lower client flow into Employment Services programs) and the seasonality of collections, with some payments in the United States and United Kingdom scheduled for January 2024 received in December 2023;

- historically, acquisitions have been the greatest use of cash. In FY22, proceeds from the initial public offering were used to fund acquisitions and repay borrowings, whilst in FY23 acquisitions were funded primarily by borrowings;
- capital expenditure relates to both plant, and equipment (net of disposals) and development of proprietary service delivery platforms (resulting in the recognition of an intangible asset); and
- APM first declared a dividend as a listed company with the final FY22 dividend, which was paid on 29 September 2022.

APM’s unaudited cash balance as at 30 June 2024 was \$116.0 million.

## 8.6 Capital structure and ownership

As at 8 August 2024, APM had the following securities on issue:

- 917,181,946 Ordinary Shares; and
- 12,364,179 APM Performance Rights.

### 8.6.1 APM Shareholders

As at 8 August 2024, APM had 4,318 registered Shareholders, of which 351 held unmarketable parcels (being a parcel of APM Shares with a market value of less than \$500). The top 20 registered APM Shareholders are primarily APM Directors and management (including founder Megan Wynne), and institutional nominees. They accounted for 88.2% of APM Shares on issue. Retail investors (investors holding 10,000 shares or less) accounted for 74.3% of total APM Shareholders and 1.0% of APM Shares on issue.<sup>99</sup>

APM has received substantial holding notices from the following APM Shareholders.

#### APM Substantial Shareholders as at 8 August 2024

Substantial Shareholder	Date of notice	Number of shares	Percentage <sup>1</sup>
Megan Wynne & Bellinge Holdings Pty Ltd	29 December 2021	318,580,868	34.73%
MDP Funds	17 November 2021	266,719,701	29.08%
UBS Group AG and its related bodies corporate	5 August 2024	56,045,785	6.11%
First Sentier Investor Holdings	6 June 2024	46,268,594	5.04%

Source: ASX Announcements

Note 1: Interests held by Megan Wynne and Bellinge Holdings and MDP Funds are consistent with Section 9.9 of the Scheme Booklet. Other interests are as per the substantial shareholder notices disclosed to the ASX.

At the time of the initial public offering, approximately 70% of the total issued shares were held by existing shareholders, but subject to voluntary escrow from the period of APM’s listing until at least the date on which APM released its financial results to the ASX. 353.9 million shares were in voluntary escrow until the date on which APM released its financial results with respect to FY23 to the ASX, and 8.9 million shares remain in escrow until the date on which APM releases its financial results with respect to FY24 to the ASX.

On 28 August 2023, the APM Group ceased to have a deemed relevant interest in APM as a result of the expiry of the first escrow period.

### 8.6.2 APM Performance Rights

APM offers a Long Term Incentive Plan (LTIP) in which eligible participants receive share-based payments in the form of performance rights. APM Performance Rights give the recipient the right to receive APM

<sup>99</sup> Computershare data as at 8 August 2024.



Shares, subject to performance and service conditions over a three year measurement period (APM Performance Rights).

**APM Performance Rights as at 8 August 2024**

Tranche	Expected exercise date	Unvested	Vested
FY23 LTIP	31 August 2025	4,370,249	-
FY24 LTIP	31 August 2026	7,993,930	-
<b>Total</b>		<b>12,364,179</b>	-

Source: APM Management.

Clause 5.8 (b) of the Scheme Implementation Deed stipulates that APM must ensure that all APM equity incentives have either lapsed or vested and converted into APM Shares such that there are no outstanding APM equity incentives on issue at the Scheme Record Date.

The APM Board has, exercising its discretion under the APM LTIP, resolved that, subject to the Scheme becoming Effective, FY23 and FY24 APM Performance Rights will vest and that the holders of those rights will re-invest after-tax proceeds to purchase Series A Shares and Series B Shares in the same 95% and 5% ratio contemplated in the Scheme. The FY22 APM Performance Rights will lapse for no consideration. The net impact is that APM will issue 6,553,015<sup>100</sup> shares prior to the Scheme Record Date such that the diluted number of APM Shares at the Scheme Record Date will be 923,734,961.

**8.7 Share price performance**

In assessing APM’s share price performance, we have:

- analysed price and volume performance since listing on the ASX on 12 November 2021;
- compared APM’s share price movement to the S&P/ASX 300 Industrials Index (**ASX 300 Industrials Index**) which is used by APM as a Total Shareholder Return hurdle in the vesting of APM Performance Rights; and
- assessed the VWAP and trading liquidity of APM Shares for the period up to 16 February 2024, the last trading day prior to the announcement of the Indicative CVC Proposal.

**8.7.1 Recent share market trading**

APM’s share price performance and the volume of shares traded over the period from listing on the ASX on 12 November 2021 to 8 August 2024, is illustrated as follows.

**APM Share Price and Volume Since Listing**



Source: S&P Capital IQ; Kroll analysis.

<sup>100</sup> Calculated as 12,364,179\*(1-47%).

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APM was listed on the ASX at \$3.55 per share. In its first year of trading, from 12 November 2021 to 11 November 2022, the share price remained broadly at this level, however, experienced a high degree of volatility, closing in a relatively wide range of \$2.47 to \$3.50. The key events during this time include:

- announcement of a number of contract awards (e.g. 44 contracts with WFA announced on 28 March 2022, and the DES program extension announced on 26 October 2022);
- announcement of the Lifecare acquisition on 3 December 2021 and Clustera acquisition on 29 December 2021;
- announcement of the 1H22 results on 25 February 2022. FY22 NPATA guidance was revised upwards to \$157.6 million, 2.9% above the APM 2021 Prospectus forecast of \$155.1 million, reflecting the contribution of the Lifecare and Clustera acquisitions;
- announcement on 4 March 2022 that APM would be added to the ASX 300 Index, effective 22 March 2022;
- the commencement of a period of contractionary monetary policy in APM’s key markets aimed at curbing elevated inflation, impacting APM’s interest costs (which were already elevated at a premium of 466 bps above BBSY). From 4 May 2022 to 20 June 2022, the share price decreased by 24.5%;
- announcement on 4 July 2022 that APM had refinanced its debt facility, resulting in a 240-basis points interest cost saving. The share price increased by 8.4% in the following four trading days;
- announcement on 29 August 2022 that APM had achieved FY22 NPATA of \$166.3 million, 7.2% above the APM 2021 Prospectus forecast;
- announcement on 28 September 2022 of the Equus acquisition. Management advised that the acquisition would increase APM’s net leverage from 1.7 times to 2.3 times whilst decreasing its Underlying NPATA margin from 12.5% to 10.1%; and
- following the announcement on 2 November 2022 of the completion of the Equus transaction, APM’s share price declined by 4.3% to close at \$3.11 on 11 November 2022.

Following this period of relative share price support, APM’s share price declined by 77.8% from \$3.11 on 11 November 2022 to close at a low of \$0.69 on 23 January 2024. During this time, the share price was likely impacted by the following:

- macroeconomic trends and industry drivers:
  - a decline in the unemployment rate in Australia, the United States, and the United Kingdom to historically low levels, reducing demand for Employment Services, impacting revenue due to reduced client volumes and reduced outcome fees due to caseloads becoming more difficult to successfully place and/or higher workforce turnover or movement;
  - continued contractionary monetary policy in order to target elevated inflation in APM’s key markets, with the official cash rate being increased 13 times in Australia (a total increase of 4.25%) until 8 November 2023, while APM was relatively highly leveraged, resulting in an increase in interest costs;
  - a wind back of Australian COVID-19 pandemic-related government support packages in FY22, whereas the APM 2021 Prospectus indicated peak funding driven by COVID-19 pandemic-related support would occur in FY22;
- company announcements:
  - APM continued to acquire additional businesses, expanded its debt facility, and announced multiple contract awards, such as those in North America and in the United Kingdom;
  - announcement on 15 December 2022 of the Everyday Independence acquisition;
  - after exceeding APM 2021 Prospectus forecasts in FY22, no specific earnings guidance was provided for subsequent periods;
  - the 1H23 results announcement on 27 February 2023 and FY23 results announcement on 28 August 2023, each of which indicated continued growth in earnings but a decline in margins resulting from the Equus acquisition and scaling of the Health business and a reduction in the cash conversion ratio;



- initiation of new broker coverage on 26 October 2023, citing a healthy balance sheet and improving macroeconomic conditions. The share price increased by 12.7% from \$1.97 on 26 October 2023 to closing at \$2.22 on 9 November 2023;
- APM’s annual general meeting on 10 November 2023, where it advised that the impact of the persistent low unemployment rates across its key markets would impact financial performance. Following the Annual General Meeting, trading volumes increased and the sell down by some institutional investors placed downward pressure on the share price; and
- the 1H24 trading update on 17 January 2024, where APM announced a decrease in earnings relative to 1H23 (although an improved cash conversion ratio, and 2H24 earnings were expected to exceed 1H24). The share price declined by 47.9% to close at \$0.69 on 23 January 2024.

In the month to 16 February 2024, the last trading day before the announcement of the Indicative CVC Proposal, APM Shares traded in the range of \$0.68 to \$1.365, at a VWAP of \$0.80, and closed at \$0.83 on 16 February 2024.

Following the withdrawal of the Revised CVC Proposal, the announcement of the Original MDP Proposal on 8 April 2024, and the third quarter update the share price fell 29.4% to a close of \$1.15.

Subsequent trading between 9 April 2024 and 28 May 2024 saw closing share prices fluctuate between a high of \$1.245, on 26 April 2024, and a low of \$1.05, on 3 May 2024. After 28 May 2024 the share price saw a rally indicating investor expectations of an update on the MDP proposal.

### 8.7.2 Relative performance

APM is a member of the ASX 300 Industrials Index (0.07% weighting). The performance of APM Shares, relative to the ASX 300 Industrials since listing on 12 November 2021 is illustrated as follows.

#### APM Share Price Performance Relative to Indices Since Listing



Source: S&P Capital IQ; Kroll analysis.

In the first 12 months since listing on the ASX, APM’s share price broadly traded in line with the ASX 300 Industrials Index, before underperforming until the announcement of the Indicative CVC Proposal, as discussed above.



### 8.7.3 Liquidity

An analysis of the volume of trading in APM Shares, including the VWAP for various periods up to 16 February 2024, the last undisturbed trading day before the announcement of the Indicative CVC Proposal, is set out as follows. Low and high prices refer to prices at the close of trading.

#### APM Liquidity up to 16 February 2024

Period	Price (\$)			Cumulative value (\$ millions) <sup>1</sup>	Cumulative volume (million)	Percentage of issued capital
	Low	High	VWAP			
1 day	0.82	0.86	0.83	1.4	1.7	0.2%
1 week	0.78	0.87	0.83	10.9	13.1	1.4%
1 month	0.68	1.365	0.77	118.9	155.0	16.9%
3 months	0.68	1.58	0.96	240.3	250.6	27.3%
6 months	0.68	2.24	1.26	479.5	381.8	41.6%
12 months	0.68	2.48	1.43	692.2	484.2	52.8%

Source: IRESS; Kroll analysis.

In the 12 months to 16 February 2024, 52.8% of APM Shares (146.3% of free float) were traded.<sup>101</sup> Ordinarily, this level of trading would indicate that APM Shares are liquid. However, in considering the liquidity of APM shares it is important to recognise that:

- 65.16% of APM Shares are owned by the largest two substantial shareholders; and
- trading of APM Shares within this 12-month period has been influenced by the more recent rise in trading volume of APM Shares. Of the 484.2 million shares traded over the 12 months to 16 February 2024, 59.6% of these shares were traded since the 10 November 2023 Annual General Meeting, and 110.7 million (22.9%) were traded on 5 individual days.

## 9 Valuation of APM

### 9.1 Summary

Kroll has assessed the value of APM’s equity to be in the range of \$1,296.0 million to \$1,611.0 million, which corresponds with a value per APM Share in the range of \$1.40 to \$1.74 on a fully diluted basis.<sup>102</sup> Our range of assessed values reflects 100% ownership of APM and, therefore, incorporates a control premium. As our valuation includes a control premium, our range of assessed values per share exceeds the price at which we expect APM Shares would trade on the ASX in the absence of the MDP Proposal.

The value of APM’s equity has been determined by estimating the fair value of APM’s operating business, together with consideration of other liabilities, adjusted net debt and non-controlling interests. The valuation is summarised as follows.

<sup>101</sup> Free float excludes the holdings of Megan Wynne and MDP Funds.

<sup>102</sup> This includes all of the 917,181,946 ordinary shares on issue, and the issue of 6,553,015 shares to settle vesting APM Performance Rights.



#### APM Summary of Value (\$ millions)

	Section Reference	Valuation Range	
		Low	High
<b>Value of APM's operating business (100% control basis)</b>	9.3	<b>2,295.0</b>	<b>2,610.0</b>
Other liabilities	9.5	(36.5)	(36.5)
<b>Enterprise value (100% control basis)</b>		<b>2,258.5</b>	<b>2,573.5</b>
Adjusted net debt	9.6	(956.3)	(956.3)
Non-controlling interests	9.7	(6.3)	(6.3)
<b>Value of APM's equity (100% control basis)</b>		<b>1,296.0</b>	<b>1,611.0</b>
Number of shares outstanding – diluted (millions) <sup>1</sup>	8.6.2	923.7	923.7
<b>Value per APM Share – diluted (control basis) (\$)</b>		<b>\$1.40</b>	<b>\$1.74</b>

Source: Kroll analysis.

Note 1: This includes all of the 917,181,946 ordinary shares on issue, and the issue of 6,553,015 shares to settle vesting APM Performance Rights.

In assessing the value of APM's operating business, Kroll has adopted a market approach as the primary methodology (refer to Section 9.3 of this report). The value derived from the market approach has been cross-checked using a discounted cash flow analysis (refer to Section 9.4 of this report).

The range of values per APM Share is relatively wide, mainly as a result of APM's financial leverage.

Our valuation range of \$1.40 to \$1.74 per APM Share reflects a premium over the closing price of APM Shares on 16 February 2024, the last undisturbed trading day prior to market speculation around the existence of a possible change of control proposal, of between 69.0% and 110.1% and a premium to the one-month VWAP in the range of 82.8% to 127.3%. This level of premium is significantly above the range of premiums typically observed in completed transactions, which are broadly in the range of 25% to 40% depending on the individual circumstances<sup>103</sup> and likely reflects a combination of the following:

- that our valuation of APM includes a control premium, rather than a valuation of a minority interest in the company as traded on the ASX. We note, however, that synergies available to a pool of potential acquirers of APM are expected to be limited as we consider that an acquirer is likely to be a financial buyer (refer to Section 9.2.3 of this report);
- that our value range attributes significant value to APM's opportunities for growth in the medium to long-term, whilst also reflecting the inherent risk associated with achieving those opportunities given the uncertainty of APM's near term outlook; and
- factors impacting the APM share price as at 16 February 2024, including APM's two negative trading updates in November 2023 and January 2024.

In forming our view as to the value of APM Shares, we have considered a range of factors including:

- APM's position as one of the global operators in the health and human services industry with a diversified service offering and geographical footprint;
- the uncertainty of APM's near term outlook, given APM's Employment Services business is operating in an environment of extended low unemployment levels impacting employment service volumes. Kroll has reflected this uncertainty in our selection of a range of maintainable earnings for APM;
- the outlook for health and human services with unemployment rates expected to rise approximately 0.5% across APM's key markets by mid-2025, growing populations globally, an ageing demographic and increasing social expenditure;<sup>104</sup>
- APM's opportunities for growth in revenues and EBITDA margins in the medium to long-term from rising unemployment, ramp up of existing and new contracts, growth in the APM's Health and Wellbeing business, opportunities within NDIS, and efficiency initiatives implemented during Q4 FY24;

<sup>103</sup> Source: 2023 Mergerstat Review. Range represents median premium from 2013 to 2022. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

<sup>104</sup> OECD Unemployment Forecasts.





- the broker consensus, which forecasts APM’s Underlying EBITDA margin to fall from 19.2% in FY23 to 12.7% in FY24, and remain steady at approximately 13.0% in the short-term to FY26;
- business risk associated with contract renewal and potential changes in program eligibility, state or federal government policy and funding as a result of reviews and upcoming elections in APM’s key markets. The current DES contract in particular, which is one of APM’s top three programs, is due to expire in June 2025. Kroll has reflected this uncertainty in our selection of a range of maintainable earnings for APM;
- APM’s ability to attract and retain allied health professionals as planned to grow the Health & Wellbeing business in Australia, noting that labour market conditions for health professional recruitment remain tight;
- continuing headwinds from inflation;
- APM’s debt refinancing, high leverage and associated funding costs. APM financial leverage is approaching current covenant ratios;
- APM’s other liabilities including deferred consideration, contingent guarantees and related party transactions; and
- synergies available to a pool of potential acquirers.

Our valuation does not consider further acquisitions or entry into new markets. Whilst there may be an opportunity for APM to undertake further acquisitions and expand, we consider that it is unlikely that an acquirer would pay for something that they had to execute themselves and bear all associated risks.

## 9.2 Approach

### 9.2.1 Overview

Our valuation of APM has been prepared on the basis of ‘fair value’. The generally accepted definition of fair value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm’s length. Fair value excludes ‘special value’, which is the value over and above the value that a particular buyer, which can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

In the absence of direct market evidence, fair value is commonly derived by applying one or more of the following valuation approaches:

- the market approach;
- income approach; or
- cost approach.

These approaches are discussed in further detail in Appendix 4. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved. A secondary methodology is often adopted as a cross-check to ensure the reasonableness of the outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For profitable businesses, the market approach and income approach are commonly used as they reflect ‘going concern’ values, which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either non-profitable, non-tradeable or asset rich (e.g. real estate investment trusts), a cost approach is often adopted as there tends to be minimal goodwill, if any.

### 9.2.2 Selection of methodology

A discussion of the rationale for the selection of the valuation methodologies is set out as follows.

#### Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);



- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

APM has a substantial operating history although its earnings have grown and altered (e.g. revenue model mix) as a result of acquisition activity. Whilst recent performance and productivity have been impacted by extended low levels of unemployment and the implementation of a new management system, and subdued activity levels are expected to continue into FY25, there is no basis to expect that the business will be unable to continue indefinitely. In addition, there are a number of broadly comparable publicly traded health and human service providers, as well as transactions involving health and human service providers from which to calculate meaningful multiples. Consequently, a market approach has been used as the primary valuation approach.

Application of this approach involves the capitalisation of the cash flows or earnings of a business at a multiple that reflects both the risks of the business and the future growth prospects of the income it generates. This methodology requires an element of professional judgement as to:

- the level of earnings or cash flows that are expected to be maintainable indefinitely, adjusted for non-recurring items and other known factors likely to impact on future operating performance; and
- an appropriate capitalisation multiple that reflects the risk and growth prospects associated with the level of earnings being capitalised. The capitalisation multiple is usually determined having regard to market evidence derived from comparable transactions and sharemarket prices for comparable companies, whilst also considering the specific characteristics of the business being valued.

The earnings base to which a multiple is commonly applied include revenue, EBITDA, EBIT and net profit after tax. The choice will typically depend on the industry and characteristics of the subject asset. We note that EBITDA or an equivalent measure reflecting the Underlying EBITDA of the company is commonly used in valuing health, aged care and other human service companies. Consequently, we have utilised historical and forecast EBITDA (adjusted to exclude exceptional items) as the basis for our market approach.

In considering the appropriate earnings of the business being valued from which to calculate multiples, factors taken into account include whether the historical performance of the business reflects the expected level of future operating performance, such as when significant changes occur in the operating environment including macroeconomic conditions and regulatory change, and where forecasts or consensus data is available, whether there is reasonable support for expected future earnings, such as market stability over the forecast period and contractual certainty around revenue and margins. APM’s Underlying EBITDA margins in FY21 and FY22 were bolstered by the unprecedented levels of government support to counter the impact of the COVID-19 pandemic. Margins have steadily decreased since FY22 driven by low levels of unemployment and higher labour costs across all regions, and the changing mix of fee types driven by the growth in the North America business. Although APM’s base contract tenure, excluding future options, is more than three years across its largest contracts, APM continues to operate in an environment of extended low levels of unemployment and client flows, with increased support required to be provided to achieve sustainable employment. There is no certainty as to the time frame in which these factors will normalise. Consequently, Kroll has focused on multiples for FY24.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them. In any event, we are not aware of any rules-of-thumb applicable to the health and human services industry.

#### **Income approach**

Under an income approach, the value of an asset or business is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history, there is a variable pattern of cash flow, or the asset or business has a finite life.



The most common application of the income approach is the DCF methodology. This methodology allows for cash flows to reflect a range of risks and opportunities and also allows for a range of scenarios to be modelled.

A DCF methodology can be applied to cash flows to the whole asset or business or cash flows to equity. Cash flows to the whole asset or business is most commonly used because an asset or business should theoretically have a single value that is independent of how it is financed or whether income is paid as dividends or reinvested.

Utilising a DCF methodology requires estimation of cash flows for a number of years and discounting those cash flows back to present value. APM has provided a seven-year forecast for FY24 to FY30 (**Model**).

As there are various uncertainties in relation to certain assumptions underlying the Model which are outside management’s control, including unemployment rates, government funding, inflation, labour costs and funding costs, each of which can have a material impact on value, the DCF methodology has been considered as a supporting valuation methodology rather than the primary valuation methodology.

Kroll has prepared a high-level DCF analysis that uses the Model as its starting point. Kroll has undertaken various enquiries in relation to the Model, including holding discussions with APM management and UBS as advisor with regard to the assumptions underlying the Model, and reviewing key assumptions in the context of current economic and industry and broker forecasts, financial and regulatory conditions.

We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information, or tested the mathematical integrity of the Model, however, we have made sufficient enquires and, where considered necessary, have made adjustments to reflect our judgement.

Following our enquiries and independent analysis, Kroll is of the view that the forward-looking information has been prepared on a reasonable basis, recognising the inherent uncertainties and limitations, and is, therefore, suitable as a basis for our DCF analysis. In making this assessment, we have taken the following into account:

- the Model is used in the day-to-day operations of APM for strategic oversight, business and capital planning purposes, and is periodically provided to auditors and investment banks for impairment testing and analytical purposes;
- the current version of the Model was prepared in May 2024 and reflects management’s view as to the most likely scenario for APM based on the current trajectory and run-rate at the time;
- forecasts for the first financial year of the Model, FY24, are based upon ten months actual results (preliminary and unaudited) to 30 April 2024, plus two months of forecasts to 30 June 2024;
- FY25 budget data was prepared at the individual APM business unit level, converted into Australian dollars at an average exchange rate, consolidated and signed off by senior management prior to IBC review and approval in early June. Assumptions are based on current run rate of performance, except where management have a detailed plan to influence future performance;
- key programs including DES and WFA are modelled separately on a monthly basis. Workcare (Konekt, APM and GenHealth), Early Start Australia and Everyday Independence are also modelled separately on an annual basis;
- the forecast financials for FY26 to FY30 reflect an extrapolation of FY24 and FY25 and captures local management assumptions regarding the execution and renewal of existing contracts and current cost of services;
- announced cost savings of \$25 million from efficiency initiatives are also reflected;
- the Model assumes no material contracts will change or that they will be replaced by equivalent contracts. Services provided under the current DES contract are assumed to continue beyond expiry at 30 June 2025; and
- the Model does not include the potential impact and growth from further acquisitions or expansion into new markets.

The cash flows within our high-level DCF analysis do not constitute a forecast or projection by Kroll of the future performance of APM, and no assurance or warranty is provided that future performance will align with the assumptions adopted in the model. These assumptions do not, and do not purport to, represent the range of potential outcomes for APM’s business operations.



### Cost approach

A cost-based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). This approach does not capture growth potential or internally generated intangible value associated with a company such as APM.

### 9.2.3 Control premium

Consistent with the requirements of RG 111, we have assumed 100% ownership of APM and, therefore, our valuation includes a control premium.

Successful transactions are commonly completed with an implied acquisition premium to the pre-trading equity price of the target in the order of 25% to 40% depending on the individual circumstances.<sup>105</sup> In considering the evidence provided by actual transactions, it is important to recognise that the observed premium for control is an outcome of the valuation process, not a determinant of value, and that each transaction will reflect to varying degrees the outcome of a unique combination of factors, including:

- the acquirer’s capacity to realise full control over the strategy and cash flows of the target entity;
- the magnitude of synergies available to all acquirers, for example, the rationalisation of costs related to duplicated functions, or the removal of costs associated with the target being a listed entity;
- uncertainties related to the timing of full realisation of target synergies;
- the expected costs to migrate and integrate the business;
- the nature of the bidder (i.e. whether the acquirer is a financial investor or a trade participant);
- synergistic or special value that may be unique to a particular acquirer;
- the interest acquired in the transaction with consideration to the bidder’s pre-existing shareholding in the target;
- the prevailing conditions of the economy and capital markets at the time of the transaction with consideration to the position in the overall market cycle;
- desire (or anxiety) for the acquirer to complete the transaction;
- whether the acquisition is competitive; and
- the extent the target company’s share price already reflects a degree of takeover speculation.

The premium that is ultimately applied must have regard to the circumstances of each case. In some situations, it may be appropriate to apply no premium for control, for example, there are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering. Accordingly, an assessment as to an appropriate control premium, if any, is essentially a matter of judgement.

The multiples derived for listed comparable companies generally reflect prices at which portfolio interests (i.e. minority interests) are traded and consequently, do not include a control premium. They may also be impacted by the level of liquidity in trading of the particular security. Accordingly, when valuing a business as a whole (i.e. APM on a 100% basis), or when valuing the main undertaking of a business, it is appropriate to reference the multiples achieved in recent transactions, where a control premium and breadth of purchaser interest are more fully reflected.

The number of potential strategic acquirers for APM is limited, as APM is one of the largest operators in the global health and human services sector. The most comparable candidate, Maximus Inc (**Maximus**), recently divested its Employment Services operations in Italy, Singapore and Canada.<sup>106</sup> Consequently, Kroll considers that the likely acquirer of APM is a financial buyer. Any acquirer of APM, including a financial buyer, could likely only save APM’s public company costs. Kroll has estimated APM’s public company costs at \$3.1 million.

<sup>105</sup> 2023 Mergerstat Review. Range represents median premium from 2013 to 2022. Premiums are calculated based on the seller’s closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

<sup>106</sup> “Maximus announces divestiture in Outside the U.S. Segment”, Maximus Inc, 6 November 2023.



In valuing APM utilising a market approach, we have included a control premium by applying a multiple that includes a premium for control. Applying both an adjustment to earnings to reflect synergies and a control multiple in the valuation would result in an overstatement of the benefits of a potential acquisition.

In undertaking the DCF analysis as a cross-check, synergies are reflected directly in the cash flow forecasts.

## 9.3 Market approach

### 9.3.1 Summary

Kroll has assessed the value of APM’s operating business using a market approach having regard to capitalisation of EBITDA for selected transactions involving global Employment Services and health related services (**Health Related Services**), services that are broadly related to APM’s Health and Wellbeing, Communities and Assessments, and Disability and Aged Care Support Services, and the trading multiples of listed global health and human services companies with an exposure to global or major national markets. This assessment requires consideration of an appropriate level of maintainable earnings (refer to Section 9.3.2 of this report) and capitalisation multiple (refer to Section 9.3.3 of this report).

We have determined the value of APM’s operating business to be in the range of \$2,295.0 million to \$2,610.0 million as follows.

#### Value of APM’s Operating Business (\$ millions)

	Section Reference	Valuation Range	
		Low	High
Maintainable EBITDA	9.3.2	270.0	290.0
Capitalisation multiple (control basis)	9.3.3	8.5	9.0
<b>Value of APM operating business (control basis)</b>		<b>2,295.0</b>	<b>2,610.0</b>

Source: Kroll analysis.

### 9.3.2 Maintainable earnings

The selection of maintainable earnings is a judgement and should reflect the earnings that can be achieved by a business in the future on an ongoing basis (i.e. they do not reflect any cyclical impacts, discontinued operations or non-recurring items that would not be expected to continue in the future). It is an estimation of the earnings or cash flows that a hypothetical purchaser would utilise for valuation purposes, having regard to historical and forecast operating results, non-recurring items of income and expenditure, and other known factors that are likely to have an impact on the business’ operating performance.

In selecting a range of maintainable earnings for APM, Kroll has taken into consideration the variability of APM’s earnings and the challenges associated with APM’s ability to forecast earnings. Such variability can be reflected in either the selected earnings or selected multiple. In the case of APM, Kroll has reflected this uncertainty by selecting a range of maintainable earnings.

As a result of the difficulty in forecasting future earnings for APM, Kroll has reflected APM’s future growth prospects in the selection of the EBITDA multiple rather than in the maintainable EBITDA. As is appropriate, Kroll has matched the historical multiples for APM with the historical multiples observed in transactions and historical multiples implied by trading of publicly listed companies, each of which will reflect their future growth prospects.

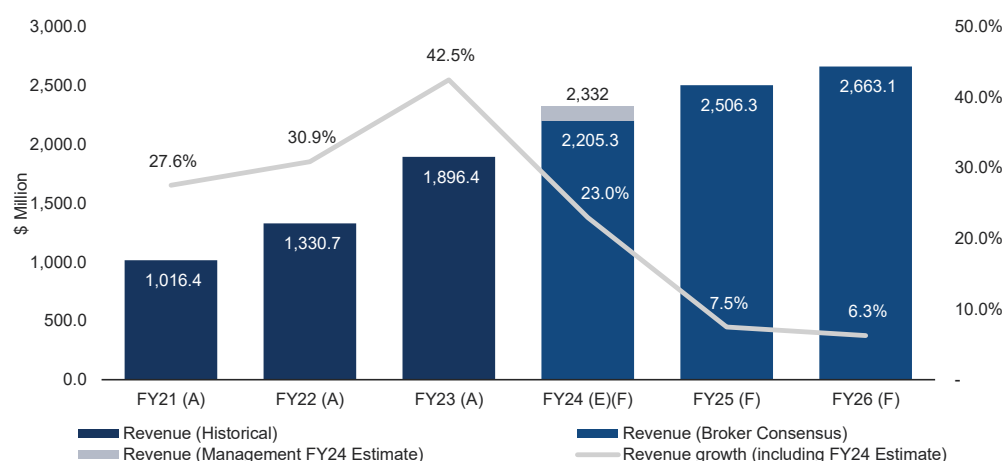
The selected maintainable earnings is based on an assessment of APM’s historical financial performance, APM’s estimates for FY24 and the latest broker consensus. Our considerations with regard to APM’s revenue, EBITDA and EBITDA margins are outlined as follows.

#### Revenue

The following chart shows APM’s actual (A), estimated (E) and consensus forecast (F) revenue and revenue growth (including FY24 Estimate) from FY21 to FY26.



### APM Revenue (\$ Millions) and Revenue Growth (%)



Source: Kroll analysis

Notes:

- As presented in the APM 2021 Prospectus and FY21 statutory financial statements, FY21 comprises results from incorporation on 9 March 2020 to 30 June 2021.
- FY24 reflects APM’s estimate (\$2,332 million) and broker consensus (\$2,330.6 million).
- FY25 and FY26 revenue reflects the brokers’ consensus revenue (refer to Section 8.3.3 of this report)
- Revenue growth in FY24 and FY25 are calculated from APM’s FY24 estimate.

In relation to APM’s revenue we note the following:

- APM’s revenue growth from FY21 to 1H24 has been driven by a combination of organic and inorganic growth, and dynamics across its key service lines and geographical segments:
  - as discussed in Section 8.3.1 of this report, acquisitions have historically been a key driver of APM’s revenue growth, contributing over 50% of total revenue growth between FY21 and FY23. In FY23, 67.6% of revenue growth was attributable to inorganic growth, primarily relating to the acquisition of Equus. APM acquired Ergoworks and Mobility in 1H24,<sup>107</sup> however, these were relatively small acquisitions that are unlikely to drive comparable revenue growth in FY24;
  - whilst Employment Services is the largest service line across APM’s three geographical segments representing over 70% of revenue, growth in Australia has predominantly been driven by Health and Wellbeing, as discussed in Section 8.2.1 of this report. Employment Services revenue in Australia and Rest of World, which predominantly reflects a mix of higher margin Service/ Outcome fees, has been particularly impacted in FY24 by lower client flows in DES and Workforce Australia and in the UK Restart Scheme due to the extended low levels of unemployment, combined with more support being required to assist clients into employment;
  - following APM’s acquisition of Equus in FY23, North America now generates the largest proportion of APM’s revenue. Key Employment Services programs in the United States predominantly use a Cost Plus pricing regime which provides lower margins. Key programs in Canada reflect a mix of Fixed Fee with some service and outcome fees;
- APM’s trading updates from 10 November 2023 through to 3 June 2024 have highlighted the reduced client flows and placement volumes particularly in APM’s Employment Services in Australia and United Kingdom. In its 3 June 2024 ASX announcement, APM assumed that historical seasonal trends that have driven strong Q4 performance will not occur in FY24. Section 9.11 of the Scheme Booklet provided that estimated group revenue for FY24 was \$2,332 million, which is 5.7% higher than the broker consensus for FY24;

<sup>107</sup> Ergoworks Physiotherapy and Consulting Pty Ltd and ErgoEquip Pty Ltd (together, **Ergoworks**) were acquired on 4 July 2023 for \$2.1 million, and the remaining 40% in Mobility Australia Pty and 40% in Mobility Holdings Pty Ltd (together, **Mobility**) were acquired on 6 October 2023 for \$2.5 million in cash and \$2.5 million deferred. Per Note 3 of APM Interim Report 2024.

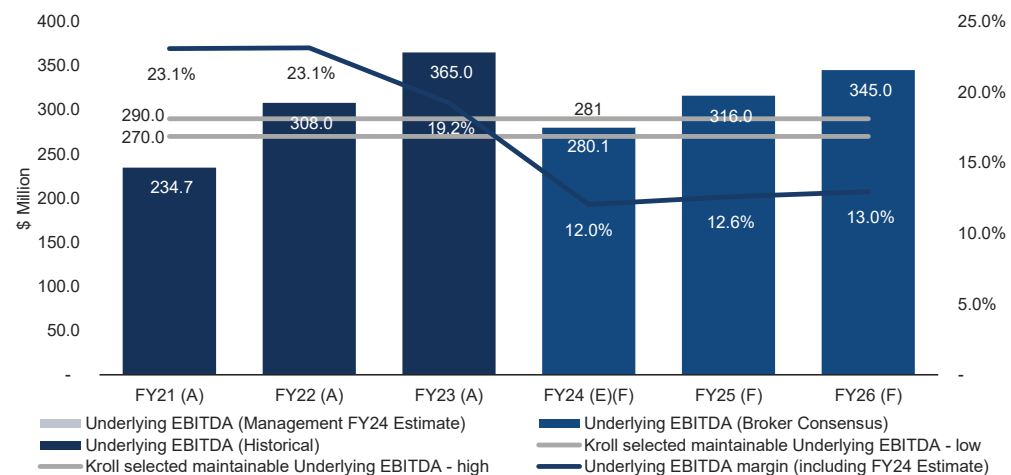


- revenue growth for FY25 onwards is expected to be influenced by a range of factors, including new contracts together with full-year contribution from those commenced in FY24. Contract awards in North America are expected to deliver estimated additional revenue of approximately \$140 million and \$210 million in FY25 and FY26 relative to FY24.<sup>108</sup> As discussed in Section 8.3.2 of this report, the Functional Assessments contract in the United Kingdom is also expected to contribute earnings from October 2024. APM’s announcement of 8 April 2024 implied revenue of \$2,500 million in FY25 which aligns with the broker consensus.<sup>109</sup> APM expects further opportunities for future growth from underserved populations within the Employment Services, health, disability and aged care sectors, however on 3 June 2024, APM announced that it expects activity levels experienced in 2H24 are likely to continue into FY25;
- the majority of brokers that have released forecasts for APM have reduced revenue forecasts by factors of up to approximately 10% since November 2023. Consensus revenue growth is forecast to fall to 7.5% in FY25 from APM’s FY24 estimate and 6.3% in FY26, potentially reflecting brokers expectations of ongoing subdued activity and/or more conservative estimates given there is no certainty as to further acquisitions, contract wins, or when labour market conditions may normalise; and
- APM’s revenue will continue to be supported by existing contracts across key programs which currently have a base tenure excluding future options of more than three years across APM largest contracts, and 10.1 years on average for APM’s top 10 contracts, as discussed in Section 8.2.4 of this report.

#### EBITDA

The following chart shows APM’s actual (A), estimated (E) and consensus forecast (F) Underlying EBITDA, Underlying EBITDA margin from FY21 to FY26 (including FY24 Estimate), and Kroll’s selected maintainable Underlying EBITDA range.

**APM Underlying EBITDA (\$ millions) and EBITDA Margin**



Source: Kroll analysis

Note:

- As presented in the APM 2021 Prospectus and FY21 statutory financial statements, FY21 comprises results from incorporation on 9 March 2020 to 30 June 2021.
- FY24 reflects APM’s estimate (\$281 million) and broker consensus (\$280.1 million). The broker consensus for FY24 aligns with APM guidance provided on 8 April and 3 June 2024.
- FY25 and FY26 EBITDA reflects the brokers’ consensus (refer to Section 8.3.3 of this report).
- Underlying EBITDA margin in FY24 reflects APM’s FY24 estimates.

<sup>108</sup> “APM secures new North America Contracts”, APM ASX Announcement, 21 March 2024.

<sup>109</sup> “Receipt of Non-Binding Acquisition Proposal and Business Update”, APM ASX Announcement, 8 April 2024, notes that the first phase of efficiency initiatives implemented during Q4 FY24 is expected to provide cost benefits equivalent to 1% of revenue, contributing approximately \$25 million to EBITDA for the FY25 year.



In relation to APM's Underlying EBITDA and Underlying EBITDA margin we note the following:

- between FY21 and FY22, APM's EBITDA grew by 31.2%, supported by strong performance in Australia, ramp up of the Restart Scheme in the United Kingdom and new acquisitions, maintaining an Underlying EBITDA margin of 23.1% in FY21 and FY22. Unprecedented levels of government support were provided during this period to counter the impact of the COVID-19 pandemic;
- in FY23, Underlying EBITDA grew by 18.5%, supported by the contribution from the acquisitions of Everyday Independence in Australia and Equus in the United States. The Underlying EBITDA margin, however, fell to 19.2% impacted by:
  - APM's diversification into North America, which resulted in a shift in the revenue mix such that a greater proportion of earnings are now derived from Cost Plus or Fixed Fee funding contracts, which are lower margin;
  - lower unemployment levels in 2H23 began to temper caseload volumes in APM's Employment Services programs, particularly in the United Kingdom; and
  - continued investment in the Australian allied health and NDIS businesses through recruitment, implementing systems and improving efficiency. APM's people expenses as a percentage of revenue rose from approximately 60.0% of revenue in FY21 and FY22, to 63.9% in FY23;
- in June 2024, APM provided guidance that it expected Underlying EBITDA for FY24 to be at the lower end of \$280 million to \$290 million. The broker consensus for FY24 concurs with this guidance with a median Underlying EBITDA estimate of \$280.1 million, implying an Underlying EBITDA margin of 12.7%. Key drivers of the reduction in earnings since FY23 include:
  - extended low levels of unemployment, reducing APM's client flows in DES, Workforce Australia and the Restart Scheme in the United Kingdom, combined with increased support being required to achieve sustainable employment for clients. Whilst APM secure new Job Corps and Workforce contract in the United States and the Toronto Catchment in Canada, as discussed earlier these are largely lower margin contracts; and
  - increased investment in the Australian Health and Wellbeing business with a new client management system. The implementation of the system in March 2024 temporarily impacted productivity;
- Section 9.11 of the Scheme Booklet provided that estimated group Underlying EBITDA<sup>110</sup> for FY24 was \$281 million with an Underlying EBITDA margin of 12%, which remains aligned with guidance and the broker consensus for FY24;
- whilst the subdued activity levels of 2H24 are expected to continue into FY25, the outlook for FY25 is underpinned by recent contract awards and recent corporate initiatives:
  - the benefits of the new Australian Health client management system are expected to be realised in FY25. Margins are expected to expand as Health and Wellbeing grows in scale; and
  - management are expecting the first phase of efficiency initiatives implemented during Q4 FY24 to provide productivity and operating cost benefits equivalent to 1% of revenue, contributing approximately \$25 million to EBITDA in FY25. However, brokers do not appear to have factored this into their analysis;
- the current DES program is due to expire in June 2025. FY26 financial performance may be impacted if APM is not awarded new contracts on the same or equivalent terms to its existing contracts under DES; and
- all of the brokers that released forecasts for APM since November 2023 reduced EBITDA forecasts by factors of up to approximately 30%. Only three brokers provided forecasts since APM's trading update of 3 June 2024. Consensus Underlying EBITDA growth is forecast to fall to 12.5% in FY25 (from APM's FY24 estimate) and 9.2% in FY26 (reflecting a CAGR between APM's FY24 estimate and FY26 broker consensus EBITDA of 11.0%), maintaining an EBITDA margin of between 12.6% and 13.0%. The lower and steady margin forecast for APM suggests that brokers may not expect recovery

<sup>110</sup> Underlying EBITDA (earnings before interest, tax, depreciation and amortisation) adjusts for the impact of acquisition and integration related costs including redundancies, impairments and other one-time, non-recurring events.





in higher margin Employment Services or margin growth in the allied health and NDIS businesses in the short to medium-term.

Given the uncertainty in forecasting earnings beyond the short-term, due to current labour market conditions and recent corporate initiatives, we consider FY24 to be the most relevant reference period. As noted in the Scheme Booklet, whilst APM remains confident that client flows will normalise over time and that APM’s other businesses will continue to grow, there is no certainty as to the time frame in which this will occur.

Having regard to these factors and the uncertainty as to APM’s earnings, Kroll has selected a range of maintainable Underlying EBITDA for FY24 of between \$270 million and \$290 million, which straddles APM’s estimated Underlying EBITDA for FY24 of \$281 million. APM’s anticipated future growth in earnings is reflected in the selection of the earnings multiple in Section 9.3.3 of this report.

### 9.3.3 Capitalisation multiples

In determining an appropriate range of capitalisation multiples to apply to APM’s maintainable earnings, we have considered:

- the multiples implied by transactions involving global Employment Services and Health Related Services companies; and
- trading multiples of listed global health and human services companies, and other relevant similar industries.

Kroll has selected a multiple in the range of 8.5 to 9.0 times historical EBITDA. In selecting this range of multiples, Kroll has considered that Employment Services and Health & Wellbeing comprise 73.0% and 27.0% of APM’s revenue, respectively. We have relied on multiples implied by transactions which include a control premium and multiples at which listed companies are trading which reflect trading of minority parcels of shares.

A number of the observed transactions involved strategic acquirers where substantial synergies were anticipated, both quantifiable cost synergies and non-quantifiable revenue synergies as well as various strategic benefits. In the case of APM, Kroll considers that the likely acquirer is a financial buyer (refer to Section 9.2.3 of this report) and as such, synergies are expected to be limited to public company costs. Consequently, the multiples selected for APM are more akin to the multiples at which publicly listed companies are trading. If APM’s earnings are adjusted to include the estimated \$3.1 million of public company costs, the selected multiple reduces by only 1% to 8.4 to 8.9 times EBITDA.<sup>111</sup>

In relation to the observed recent transactions, only seven out of the 18 occurred in the last five years, as the market has become more consolidated over time. Only one Employment Services transaction (the acquisition of Sterling Check Corp) was identified in the last two years, and the company is not particularly comparable to APM. Kroll considers that the most referable companies are those that have a similar business model to APM. Very few listed companies were found to be directly comparable to APM in terms of operational focus and scale. Nevertheless, broadly comparable companies operating to varying degrees across Employment Services and Health Related Services have been considered.

#### Transaction evidence

The following table sets out the EBITDA multiples implied for transactions involving Employment Services and Health Related Services companies for which sufficient financial and transactional data is publicly available.

<sup>111</sup> Adjusted multiples are calculated as Kroll’s value for APM’s operating business (\$2,295 million to \$2,610 million) divided by adjusted maintainable Underlying EBITDA (\$270 million to \$290 million, plus \$3.1 million of synergies).



## Transaction Evidence

Date <sup>1</sup>	Target	Acquirer	Target Country	Enterprise Value (\$ millions) <sup>2</sup>	Historical EBITDA multiple (times)
<b>Employment Services</b>					
29 Feb 24 <sup>3</sup>	Sterling Check Corp	First Advantage Corporation	United States	3,333.5	17.2
28 Sep 22	Equus	APM	United States	225.7	4.8
24 Jun 15	Skilled Group Limited	Programmed Maintenance Services Limited	Australia	568.3	6.1
14 Jan 15	Chandler Macleod Group Limited	RGF Staffing Melbourne Two Pty Ltd.	Australia	390.9	9.7
14 Jan 15	Peoplebank Australia Limited	RGF Staffing Melbourne One Pty Ltd	Australia	98.0	6.9
28 Mar 12	Prompt Holdings Inc	CVC Capital Partners Limited	Japan	209.4	4.5
28 May 12	Talent2 International Ltd	Allegis Group	Australia	127.4	9.8
23 Dec 10	First Advantage Corporation	Symphony Technology Group, LLC	United States	263.5	2.2
<b>Health Related Services</b>					
15 Dec 22	Everyday Independence	Early Start Australia	Australia	130.3	8.6
29 Mar 22	LHC Group Inc	OptumHealth	United States	8,198.7	22.4
03 Dec 21	The Lifecare Group	APM	Australia	84.0	8.4
3 Jan 20	Soliant Health Inc	Olympus Partners	United States	897.0	11.3
08 Oct 19	Konekt	Serendipity (WA) (nka:APM)	Australia	83.1	8.1
18 Dec 18	Civitas Solutions Inc	Centerbridge Partners	United States	1,912.9	8.4
10 Dec 18	Res-Care Inc	PharMerica Corporation	United States	1,836.9	9.8
31 Aug 18	Zenitas Healthcare Pty Ltd	Liverpool Partners, Adamantem Capital	Australia	121.5	8.8
16 Nov 17	Almost Family Inc	LHC Group	United States	1,339.7	26.7
09 Oct 14	Gentiva Health Services Inc	Kindred Healthcare	United States	2,086.1	11.9

Source: S&P Capital IQ, Mergermarket, Company financial statements, SEC company filings, ASIC company filings; Kroll analysis.

Notes:

1. Announcement date.
2. 100% of target’s enterprise value in Australian dollars.
3. Transaction announced but not completed.

A description of these transactions is included in Appendix 5.

Across all these transactions, we note:

- transaction multiples are influenced by the level of available synergies (both quantifiable cost savings and non-quantifiable revenue synergies) or anticipated strategic value. Multiples were markedly higher where targets were expected to yield significant synergies (e.g. by providing access to a competitors’ staffing resources and operations in growth areas) including:
  - the announced acquisition of Sterling Check Corp (**Sterling Check**) by First Advantage Corporation (**First Advantage**) at a multiple of 17.2 times historical EBITDA, inclusive of at least US\$50.0 million in cost synergies. If earnings are adjusted to include cost synergies, the multiple reduces to 12.3 times. This adjustment does not, however, exclude the impact of strategic benefits or any non-quantifiable revenue synergies that were anticipated by First Advantage;
  - the acquisition of Almost Family Inc (**Almost Family**) by LHC Group Inc (**LHC Group**) in 2017 at a multiple of 26.7 times historical EBITDA, inclusive of approximately US\$25.0 million in immediately accretive pre-tax run rate synergies. If earnings are adjusted to include synergies, the multiple reduces to 16.1 times. This adjustment does not, however, exclude the impact of strategic benefits or any non-quantifiable revenue synergies that were anticipated by LHC Group; and
  - acquisition of LHC Group by OptumHealth Inc (**OptumHealth**) in 2022 at a multiple of 22.4 times. OptumHealth sought to leverage LHC Group’s aged care network in an industry characterised by growing aged care demand;
- in comparison, minimal synergies could be expected to be achieved by a hypothetical acquirer of APM;



- in addition, the multiples for Employment Services and Health Related Services companies appear to be influenced by the target company’s growth prospects, scale and service sector (i.e. Employment Services / Health Related Services):

- growth prospects:** companies with greater potential for growth generally attract the highest trading multiples. In the Employment Services sector, growth is often countercyclical in that companies benefit from higher unemployment rates. Companies that transacted in periods of higher growth generally transacted at higher historical multiples, whilst those that were expected to experience lower growth were generally acquired at lower historical multiples.

For example, Sterling Check and Talent2 International Ltd (**Talent2**) were expected to achieve relatively high future growth and their multiples are relatively high (12.3 (including synergies) and 9.8 times, respectively). Kroll considers that current unemployment rates in the regions in which APM operates are increasing, which provides opportunities for longer term growth, suggesting a multiple that is towards the high end of the transaction multiples is appropriate for APM. Kroll notes that Sterling Check is not particularly comparable to APM as it provides technology-enabled background and identity verification services. Furthermore, it is larger than APM and its EBITDA growth outlook for FY24E to FY26 (12.9%) is higher than for APM (11.0%). Consequently, a lower multiple could be expected for APM.

Health Related Services companies are sensitive to different growth drivers, such as ageing populations and changing healthcare needs, which are less cyclical;

- scale:** larger companies have typically transacted at higher multiples. Larger companies are able to generate economies of scale in areas such as by having larger brand pools to compete for contracts, and more efficient staffing capabilities including staff training programs. Due to the higher costs associated with sector regulations, facilities and staffing shortages, larger, or more diversified, Employment Services and Health Related Services companies may be better equipped to navigate the higher barriers to entry and potential cashflow risks during periods of extended downturns or restrictions;
- service sector:** observed transaction multiples for Health Related Services tend to be higher than for Employment Services, possibly reflecting their larger scale, greater fixed asset base, higher barriers to entry and lower cyclicity of earnings;

In relation to the observed Employment Services transactions we note the following:

- the five most comparable target companies are Equus, Skilled Group, Talent2, Peoplebank, and Chandler Macleod. Of these transactions we note:
  - as all five companies were the targets of strategic acquisitions, their multiples were likely influenced by expectations of synergies (both quantifiable cost savings and non-quantifiable revenue synergies) and strategic benefits. As discussed, Kroll considers that the likely acquirer of APM is a financial buyer, which suggests that fewer synergies are available to an acquirer of APM and, therefore, a lower multiple is appropriate for APM (all else equal);
  - Equus generates a substantial proportion of revenue from operating United States Government funded programs making it operationally very similar to APM, however, it is substantially smaller than APM with an enterprise value of \$225.7 million. This transaction occurred in 2022 when unemployment rates were decreasing following the global recovery from the COVID-19 pandemic and thus reduced expected growth potential. As APM is significantly larger than Equus, and current economic conditions suggest that unemployment rates may start to rise, we would expect APM to transact above Equus’ multiple of 4.8 times historical EBITDA;
  - Skilled Group’s transaction occurred in 2015 during a period of stable unemployment rates and Skilled Group is smaller in scale than APM. Given these factors, we would expect APM to attract a multiple above Skilled Group’s 6.1 times EBITDA;
  - Talent2’s transaction occurred at a relatively high multiple of 9.8 times historical EBITDA, reflecting that the transaction occurred during a period of rising unemployment rates and the presence of expected synergies from geographical expansion benefits in the Asia Pacific region for acquirer Allegis Group. On the other hand, Talent2 was substantially smaller than APM (enterprise value of \$127.4 million). Overall, given that Kroll has assumed a likely acquirer of APM is a financial buyer, we would expect APM to transact at a lower multiple than Talent2; and



- Peoplebank and Chandler Macleod were significantly smaller than APM (enterprise values of \$98.0 million and \$390.9 million respectively), and their transactions occurred at the same time in 2015 in an increasing unemployment rate environment with the same parent company acquirer, meaning synergies were likely expected from the combined acquisitions. Whilst anticipated synergies were not disclosed, these entities merged to enhance their service capabilities suggesting substantial synergies were anticipated. The transactions occurred at multiples of 6.9 and 9.7 times EBITDA, respectively;
- the remaining three transactions, Sterling Check, Prompt Holdings Limited (**Prompt Holdings**), and First Advantage, relate to target companies that have a greater focus, and reliance, on technology for the delivery of recruitment support services, such as employee candidate background checks. Whilst the nature of what these companies provide is exposed to slightly different market factors such as differing levels of competition, and revenue mix and margins, they are still impacted by employment industry dynamics including the unemployment rate cycle, although the extent to which they are impacted by the unemployment rate cycle is less clear. As they have less relevance to APM’s operations, we have placed little reliance upon these transactions. These transactions occurred at multiples of 17.2, 4.5, and 2.2 times respectively.

In relation to the observed Health Related Services transactions we note the following trends:

- acquisitions of comparable Health Related Services companies including Soliant Health Inc (**Soliant Health**), Civitas Solutions Inc (**Civitas**), Res-Care Inc (**Res-Care**), Zenitas Healthcare Pty Ltd (**Zenitas**) and Gentiva Health Services Inc (**Gentiva**), transacted at multiples of between 8.4 and 11.9 times historical EBITDA, which indicates that Health Related Services may attract higher multiples than Employment Services;
- Lifecare, Everyday Independence, and Konekt were acquired by APM and as such are highly representative of APM’s operations, and we consider them the most comparable of the health related transactions. However, on one hand they are significantly smaller than APM. On the other hand, their trading multiples included expectations of synergies, operational growth, and service and geographical diversification. These companies were acquired at multiples of 8.4, 8.6, and 8.1 times respectively; and
- the remaining seven transactions relate to target companies that offer Health Related Services that either differ from APM’s to varying degrees, or are entirely focused on operations that form a small part of APM. We note that overall, these transactions tend to occur at higher multiples than Employment Services related transactions. Given the differences in size, and either differing operations or reliance upon operations that form a small part of APM’s business, we have considered their overall context and multiples relevant to the other transactions, but have placed little reliance upon these transactions.

#### Sharemarket evidence

There are currently no directly comparable listed health and human services companies in Australia or globally that are of a similar scale and global footprint as APM. Consequently, we have also considered broader global companies operating to varying degrees across health and human services.

The following table sets out the implied EBITDA multiples for comparable listed companies as at 8 August 2024.



### Comparable Listed Companies

Company Name	Location	Financial Year End	Market Capitalisation (\$ millions)	Enterprise Value / EBITDA (lease adjusted)			EBITDA CAGR (FY to FY+2)
				FY <sup>1</sup>	FY+1	FY+2	
APM <sup>2</sup>	Australia	30 June	761.3	6.0	5.3	4.9	11.0%
<i>Employment related services</i>							
Adecco Group AG	Switzerland	31 December	8,384.0	6.6	6.8	6.0	4.8%
Maximus Inc <sup>3</sup>	United States	30 September	8,003.8	9.4	9.0	8.6	4.1% <sup>2</sup>
ManpowerGroup Inc	United States	31 December	5,136.7	6.3	7.1	6.1	1.0%
Staffline Group Plc	United Kingdom	31 December	100.2	4.1	4.5	4.0	1.2%
<i>Other</i>							
Ramsay Health Care Limited	Australia	30 June	10,078.9	10.1	9.2	8.7	7.9%
Regis Healthcare Limited	Australia	30 June	1,219.2	11.3	10.0	9.4	9.7%
G8 Education Limited	Australia	31 December	1,084.7	8.1	6.9	6.7	10.6%

Source: S&P Capital IQ, Refinitiv, Company financial statements; Kroll analysis.

Notes:

1. FY relates to either 30 June 2024, 31 December 2023, or 30 September 2024 depending on the financial year end.
2. APM market capitalisation and enterprise value have been calculated as at 16 February 2024, the last undisturbed trading day.
3. Maximus completed divestment of its Employment Services businesses in Italy, Singapore, and Canada in November 2023. The cash resulting from this is included in Net Debt for FY, however it includes some results from these divested businesses for the month of October 2023 meaning its multiples are slightly understated.

In relation to the trading multiples of the identified listed comparable companies, we note the following:

- the multiples are based on sharemarket prices and do not typically include a control premium. As discussed previously, the selected multiples for APM reduce marginally to 8.4 to 8.9 times EBITDA after adding back anticipated synergies to maintainable Underlying EBITDA;
- the companies have a variety of year ends. In order to align to APM, earnings for companies with financial years ending 30 June (Ramsay Health Care Limited (**Ramsay Health**) and Regis Healthcare Limited (**Regis**)) and 30 September (Maximus) have been shifted such that the FY24 broker forecast is reflected as the FY24 actual results ('FY'). For other companies, the latest historical financial year ('FY') is the 12 months to 31 December 2023;
- of the seven identified comparable companies, three are considered to be the most comparable: Maximus, Adecco Group AG (**Adecco**) and ManpowerGroup Inc (**Manpower**), as they have similar operating models to APM and are subject to comparable unemployment rate risks. Maximus is included as, despite selling off of its employment services businesses prior to November 2023, it still derives the majority of its revenue from government programs and longer term contracts in a similar manner to APM and therefore remains broadly comparable to APM. The most comparable companies, Adecco and Manpower, are trading at multiples of 6.6 and 6.3 times FY EBITDA. Whilst their growth outlooks (4.8% and 1.0% for FY to FY+2, respectively) are lower than for APM (11.0%), each is significantly larger. Maximus, which is less comparable to APM, is trading at a multiple of 9.4 times FY EBITDA. It also has a lower growth outlook (4.1%) than APM, however, its market capitalisation is 10.3 times greater than APM;
- APM operates in some of the same areas of healthcare as Ramsay Health Care Limited (**Ramsay Health**) (physiotherapy, mental health, and aged and disability care) and Regis Healthcare Limited (**Regis**) (aged care), however, Ramsay Health is more diversified and significantly larger than APM. The proportion of APM's revenue that aligns with Regis' operations is approximately 1.1%. Furthermore, Ramsay Health and Regis each have a significant fixed asset base, whereas employment service providers do not and they have reduced exposure to cyclical trends and as such, could be expected to trade at a higher multiple than an employment services business;
- G8 Education Limited (**G8 Education**), which provides early childhood care services, has a similar growth forecast (10.6%) relative to APM (11.0%), while it has a market capitalisation 1.4 times greater than APM, and is subject to reduced cyclical trends. Additionally, we note that G8 Education has



recently settled a class action lawsuit, centred around earnings forecasts, for \$46.5 million. G8 Educations is trading at a multiple of 8.1 times FY EBITDA;

- the low end of the observed earnings multiple range is represented by Staffline, which is a smaller domestic employment service provider. Relative to APM, lower growth is forecast for Staffline (1.2%). We would expect APM to trade at an earnings multiple above Staffline’s multiples of 4.1 times FY EBITDA; and
- as at the last undisturbed trading date, APM was trading at an FY multiple of 6.0 times, which did not include a control multiple.

#### 9.3.4 Specific attributes of APM

In forming our views as to the value of APM’s operating business we have considered a series of factors. We recognise what has been achieved by APM in recent years, but also consider the challenges APM continues to face in the current operating environment. A summary of the main items we have considered are as follows:

- APM’s market position providing human services globally, supported by multiple long-term customer relationships including government entities. APM has a base contract tenure (excluding future options) of more than three years across its largest contracts, and 10.1 years on average for APM’s top 10 contracts;
- APM has a wide range of brands providing a diverse range of services;
- the nature of the health and human services industry, with relatively high barriers to entry, determined by geographic region and relationships with local government bodies;
- EBITDA growth outlook of 11.0% CAGR for FY24E to FY26, which reflects:
  - opportunities for growth in APM’s other service lines, including Health and Wellbeing and Disability and Aged Care Services, noting that labour market conditions for health professional recruitment remain tight;
  - opportunities for improved productivity and efficiency from FY25 onwards through APM’s current corporate initiatives including the implementation of a client management platform in March 2024 to support APM’s Health and Wellbeing business, and efficiency initiatives implemented from Q4 FY24;
  - reduced prospects for acquisition activity/non-organic growth in the near term due to APM’s rising debt and financing costs. APM’s financial leverage is approaching current covenant ratios; and
- the number of potential strategic acquirers for APM is limited, as APM is one of the largest operators in the global health and human services sector. Consequently, we consider that a limited control premium could reasonably be expected to be paid by a hypothetical acquirer, such as a financial buyer, for savings such as APM’s public company costs.

#### 9.4 Valuation cross-check

The value derived from our primary market approach has been cross-checked utilising a high-level DCF analysis. Kroll has developed a DCF model based on the Model prepared by APM in May 2024 (refer to Section 9.2.2 of this report) which forecasts free cash flows<sup>112</sup> from FY25 through to FY30 (**Forecast Period**). FY25 represents a detailed, board approved budget (**Budget**) for APM, with the following years built on considered assumptions. Kroll has adopted FY30 as the final year. Kroll has not extended the discrete cash flow period beyond FY30 and applied a terminal value from FY30 based on a constant growth rate.

<sup>112</sup> Free cash flows reflect the cash flows available to all investors in the company. Unlevered free cash flows have been calculated as underlying EBITDA adjusted for public cost savings, less tax paid, change in net working capital and capital expenditure.



Nominal, ungeared post-tax cash flows have been discounted using a weighted average cost of capital (**WACC**) of 9.0% to 9.9% (refer to Appendix 6) resulting in a value of APM’s operating business value in the range of \$2,241.1 million to \$2,540.7 million.<sup>113</sup>

Kroll has calculated a blended WACC (based on the WACC for APMs four largest operating countries, which account for more than 90.0% of revenue, and applied the blended WACC to unlevered cash flows. A terminal value is calculated based on the Gordon Growth Model and a terminal growth rate of 2.5% which reflects a normalised terminal growth rate for a mature business. Kroll has normalised the terminal year EBITDA margins to reflect financial performance in line with recent APM historical results.

The key assumptions adopted by Kroll underlying the DCF analysis are as follows:

- **ANZ**
  - Employment Services:
    - DES: outcome fee revenue is forecast on the basis of assumed employment and education placements conversion rates, which vary from month to month, and the estimated number of weeks to complete the placement. Service fee revenue is forecast on the basis of assumed claims. Other income includes ongoing support revenue. Costs are estimated on the basis of cost per full time employee (**FTE**) and client costs. From FY26, the Model assumes that the current DES contract will be replaced by a contract on equivalent terms, with DES revenue grown broadly in line with CPI forecasts as EBITDA margins are forecast to fall from FY24 levels to a more moderated EBITDA margin from FY26;
    - WFA: programs as a function of their forecast services fees, progress fees and outcome fees in the Budget year. Revenues are grown at rates broadly in line with CPI with EBITDA margins falling from FY24 levels to stabilise by FY26; and
    - Other Employment Services: revenue from other Employment Services is forecast to remain flat in line with EBITDA margins achieved in FY24;
  - Health and Wellbeing:
    - Workcare: modelled separately for Konekt, APM and GenHealth to reflect different dynamics for the business units. Workcare earnings in FY25 are a function of employed and subcontractor revenue, consultant FTEs, billable days and hours, and average hourly rates. Workcare revenues are grown above CPI from FY26 with moderate EBITDA margins modelled over the Forecast Period;
    - Early Start Australia: revenue is derived from service income which is a function of the number of consulting and contracted FTE, billable days, daily hours per billable FTE and an average hourly rate. FTE growth over the Forecast Period contributes to strong revenue growth expectations for Early Start Australia. Whilst the daily cost of FTE’s and operating costs are also forecast to grow in FY25, EBITDA margins are expected to increase to levels in line with other Health and Wellbeing business units over the Forecast Period;
    - Everyday Independence: revenue is derived from therapy revenue, habit coach revenue, provider travel and other income. These are modelled as a function of the number of practitioners, billable days/hours per billable FTE and average rates. FTE growth, hourly rates and operational efficiencies are forecast to support EBITDA margin improvements to levels in line with other Health and Wellbeing business units by the end of the Forecast Period;
    - Other: strong revenue growth is forecast for APM’s ANZ Health and Wellbeing businesses, with annual revenue growth rates of around 30% for Early Start Australia, and assumed revenue growth of 5.0% for most other health businesses. Forecast EBITDA margins are also strong for these businesses. The highest EBITDA margins are forecast for Assure, with the majority of the remaining Health and Wellbeing businesses forecast to generate moderate margins over the Forecast Period;

<sup>113</sup> In valuing on a controlling interest basis, we have assumed that synergies are realised in the form of public company cost savings and certain other corporate cost savings.



- Communities and Assessments: revenue from programs including RAS, RACA and LAC are forecast to grow at a median growth rate slightly above CPI over the Forecast Period. EBITDA margins are forecast to remain broadly consistent over the Forecast Period;
- Disability and Aged Care: revenue from MyIntegra is forecast to grow strongly in FY25 before stabilising at a stable, strong growth rate until FY30.
- **North America**
  - Revenue: the majority of Employment Services programs in the United States and Canada are forecast to grow at rates slightly above CPI over the Forecast Period, except for Toronto which is a high growth target market for APM; and
  - EBITDA: margins are forecast to remain broadly constant over the Forecast Period, with APM's North American EBITDA margins generally lower relative to APM's other business units;
- **Rest of World**
  - Revenue: revenue for programs in the United Kingdom and other countries that are expected to continue from FY26 onwards are forecast to grow slightly above inflation forecasts to FY30. The new program for functional assessments in the United Kingdom is forecast to generate revenue from FY25; and
  - EBITDA: margins are forecast to remain broadly constant for each program between FY25 and FY30;
- **Corporate costs:**
  - fixed costs include management, finance and administrative costs for APM globally, however costs are housed within ANZ. These costs are forecast to escalate at rates slightly below CPI over the Forecast Period;
  - variable costs include IT technical support, people and culture, marketing and contact centre costs. Variable costs are forecast at a flat percentage of ANZ revenue;
  - a portion of total corporate costs are recharged to North America; and
  - as discussed in Section 9.2.3 of this report, Kroll has incorporated potential synergies available to potential acquirers of APM, grown at forecast Australian CPI including public company cost savings and certain other corporate costs of \$3.1 million;
- **Efficiency initiatives:** the Model includes \$25 million in operating expense cost reductions as announced by APM on 8 April 2024, refer to Section 8.3.2 of this report. These initiatives are supported by external consultant diligence and are expected to contribute to earnings from FY25 with some cost savings expected from 1Q25;
- **Acquisitions and new markets:** the forecasts exclude potential acquisitions and new market opportunities across all of APM's markets. While APM has an acquisitive history, there is no reasonable basis to include potential acquisitions;
- **Depreciation and amortisation:** depreciation has been forecast on the basis of a 10.0% of closing property, plant and equipment balances for each reporting segment. Amortisation of ANZ customer contracts is assumed to remain constant over the Forecast Period;
- **Capital expenditure:** maintenance and growth capital expenditure for each of the three reporting segments are forecast at a fixed percentage of revenue, respectively;
- **Net working capital:** change in net working capital (**NWC**) has been forecast on the basis of stable NWC days as a percentage of revenue. The assumed number of NWC days for North America is the highest of the three reporting segments, followed by Rest of World and ANZ;
- **Exchange rates:** Kroll has updated the model to reflect current exchange rate forecasts for the United States Dollar (USD), Canadian Dollar (CAD) and Great Britain Pound (GBP) as APM's most material foreign currency exposures. Forward exchange rates are sourced from Bloomberg; and
- **Tax:** Kroll have assumed an effective tax rate of 27.0% which reflects APM's view of its normalised effective tax rate, reflecting the differing tax rates across APM's different operational jurisdictions.

The DCF analysis results in a range of values for APM's operating business value in the range of \$2,241.1 million to \$2,540.7 million, which supports Kroll's valuation based on the primary market approach.





## 9.5 Other assets and liabilities

Other assets and liabilities are those assets and liabilities not required to sustain the adopted level of maintainable earnings. As at 30 June 2024, APM had other liabilities associated with the following:

- \$2.5 million in deferred acquisition payments relating to the acquisition of Mobility;
- earn out provisions relating to Everyday Independence and Human Psychology. The first deferred payment associated with Everyday Independence of \$17.5 million was paid on 1 July 2024; and
- a \$9.1 million put option liability relating to the acquisition of Lifecare.

As at the date of this report, the balance of APM’s other liabilities as at 30 June 2024 has not yet been reviewed by external auditors. In order to reflect the potential outlay associated with APM’s other liabilities, Kroll has reviewed the latest available calculations (as at June 2024 for Everyday Independence, and December 2023 for Lifecare Physiotherapy) and discussed the probability of meeting set hurdles for earn out provisions with APM. On the basis of our discussions, we consider a reasonable estimate of APM’s other liabilities as at 30 June 2024 to be approximately \$36.5 million.

We note that APM have in the normal course of business issued bank guarantees in relation to rental properties. As at 30 June 2024, APM has commitments of \$5.9 million, secured against debt facilities. However, as this amount remains contingent it has not been included in the balance of other liabilities.

## 9.6 Adjusted net debt

In order to arrive at the value of equity, it is necessary to deduct the net debt from the unlevered value of APM. Kroll has assessed APM’s adjusted net debt position for the purpose of this valuation to be \$956.3 million. This amount is based on APM’s estimated balances for external borrowings, lease liabilities and cash balance as at 30 June 2024 less cash to be paid to settle tax on vested APM Performance Rights as a result of the Scheme.

As discussed in Section 8.6.2 of this report, the APM Board has, exercising its discretion under the APM LTIP, resolved that, subject to the Scheme becoming Effective, FY23 and FY24 APM Performance Rights will vest, and that a portion of the proceeds will be used to pay the associated tax. It is estimated that an amount of \$8.4 million in cash will be paid by APM in relation to the associated tax on LTIP. This has been calculated on the basis that a total of 12,364,179 APM Performance Rights will vest at \$1.45, and that tax is payable at a rate of 47%.

### APM’s Adjusted Net Debt (\$ millions)

	30 June 2024 (Unaudited)
Cash and cash equivalents	115.9
Cash to settle tax on APM Performance Rights	(8.4)
Total external borrowings (excluding capitalised borrowing costs)	(915.9)
Lease liabilities	(147.9)
<b>Adjusted net debt</b>	<b>(956.3)</b>

Source: Kroll analysis

## 9.7 Non-controlling interests

APM’s non-controlling interests are comprised of:

- 20% Biosymm Pty Ltd;
- 36% Finafrere Pty Ltd;
- 20% of Ergoworks Physiotherapy and Consulting Pty Ltd;
- 20% of ErgoEquip Pty Ltd;
- 20% APM Work Health Pty Ltd; and
- 19% of Lifecare Physiotherapy.

APM recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net



identifiable assets.<sup>114</sup> At 31 December 2023, non-controlling interests were recognised at approximately \$6.0 million.

The unaudited net asset values of the above entities as at 30 June 2024 range between \$0.4 million and \$11.8 million. We have reviewed the accounts of the most material interests, in Biosymm Pty Ltd and Finafrere Pty Ltd, to establish a reasonable basis for adopting the book values in our valuation.

On the basis of the latest (unaudited) net asset values and profit shares as at 30 June 2024, the balance for the non-controlling interests is approximately \$6.3 million. We have applied this estimate of non-controlling interests as a deduction from the assessed equity value for APM.

## 10 Valuation of Ancora TopCo Shares

### 10.1 Overview

If the Scheme is approved and implemented, as an alternative to the All Cash Consideration, APM Shareholders (other than certain ineligible foreign shareholders) may elect to receive the following scrip consideration alternatives for each APM Share held:

- **Mixed Consideration**, comprising 90% of the consideration as Ancora TopCo Shares and 10% in cash; or
- **All Scrip Consideration**, comprising 100% of the consideration as Ancora TopCo Shares.

The Scrip Consideration will comprise 95% Series A Shares and 5% Series B Shares. APM Shareholders who receive the Scrip Consideration will hold a minority interest in an unlisted and illiquid entity.

The ascribed issue price for the Series A Shares and Series B Shares is \$0.0145. That is, for each APM Share held:

- APM Shareholders who elect to receive the All Scrip Consideration will receive 95 Series A Shares at an ascribed issue price of \$0.045 and 5 Series B Shares at an ascribed issue price of \$0.045; and
- APM Shareholders who elect to receive the Mixed Consideration will receive \$0.145 cash, 85.5 Series A Shares at an ascribed price of \$0.0145 and 4.5 Series B Shares at an ascribed issue price of \$0.0145.

The scrip consideration alternatives are subject to the Maximum Scrip Threshold, such that no more than 65% of Scheme Shares will receive TopCo Shares. A scale back mechanism will be in place and will occur on a pro-rata basis, with APM Shareholders receiving the All Cash Consideration in lieu of unlisted shares in Ancora TopCo.

The Scheme is subject to the Rollover Condition that APM receives valid elections to receive the Scrip Consideration from each Key Rolling Shareholder and their affiliates in respect of 100% of their respective holdings, representing not less than 342,097,703 APM Shares in aggregate. This is equivalent to 54% of Scheme Shares (**Minimum Scrip Threshold**).<sup>115</sup>

### 10.2 Approach

In order to provide APM Shareholders with a theoretical value comparison between the All Cash Consideration, All Scrip Consideration and the Mixed Consideration, Kroll has sought to value Ancora TopCo Shares on the following bases:

- **underlying economic value:**
  - assumes 100% control of Ancora TopCo and no restrictions on the transfer of shares;
  - represents the underlying economic value of a Ancora TopCo Share immediately post implementation of the Scheme. Kroll notes that the underlying economic value of Ancora TopCo Shares will change over time depending on the strategy adopted by MDP and operating structure of Ancora TopCo. Kroll notes that in Section 8 of the Scheme Booklet, Ancora BidCo’s intentions regarding APM are subject to a full review of the APM and its operations following Implementation

<sup>114</sup> APM 2023 Annual Report, Note 3 (e).

<sup>115</sup> Calculated on the basis that all Key Rolling Shareholders elect to receive the Scrip Consideration with respect to 100% of their Scheme Shares.



to determine how best to operate and further develop and grow the company. Consequently, it is not possible to determine the full underlying economic value of Ancora TopCo with the intended strategy and operating structure in place;

- as Ancora TopCo’s initial financial leverage and number of shares outstanding will depend on the level of elections to receive the scrip consideration alternatives, the underlying economic value of Ancora TopCo Shares, immediately post implementation of the Scheme, has been considered on two bases i.e. assuming:
  - **Minimum Scrip Threshold:** only Key Rolling Shareholders who are subject to the Rollover Condition elect to receive the Scrip Consideration; and
  - **Maximum Scrip Threshold:** maximum valid elections for the Scrip Consideration i.e. no more than 65% of Scheme Shares will receive TopCo Shares;
- reduced by the amount of the estimated \$68.0 million (including GST) in total transaction costs (i.e. APM and MDP’s transaction costs);
- **realisable value:**
  - represents the price at which Ancora TopCo Shareholders could theoretically realise for their shares (‘theoretical cash equivalent’);
  - any definitive assessment of the quantum of a minority and marketability discount that would be applied to Ancora TopCo Shares is difficult since:
    - the timing of an exit event is unknown; and
    - the form of an exit event is unknown and could take the form of an initial public offering, share sale or trade sale. An initial public offering would attract a minority discount whereas a control transaction may attract a control premium.

### 10.3 Underlying economic value of the consideration

#### 10.3.1 Underlying economic value of Ancora TopCo equity

Ancora TopCo and its subsidiaries (including Ancora BidCo) are special purpose entities established specifically for the purposes of the acquisition of APM pursuant to the Scheme. If the Scheme is approved and implemented, Ancora TopCo’s primary asset will be its equity interest in APM (held via its wholly owned subsidiaries). It is not expected to have any material other assets and liabilities (other than those reflected in the APM equity).

As set out in Section 10.8(e) of the Scheme Booklet, depending on the number of APM Shareholders who make a valid election to receive the Scrip Consideration, the cash required by Ancora TopCo to fund the acquisition of the APM Shares will come from:

- an equity contribution from MDP in the range of \$210 million (Minimum Scrip Threshold) to \$137.4 million (Maximum Scrip Threshold);
- a \$150 million equity investment from Quadrant Funds; and
- a new senior secured term loan facility of \$1,075 million (Minimum Scrip Threshold) or \$1,055 million (Maximum Scrip Threshold).

The cash proceeds will be used to:

- refinance existing debt of \$915.9 million.
- contribute cash to/from the balance sheet;
- fund the cash payable to APM Shareholders under the Scheme in the range of \$432.5 million (Minimum Scrip Threshold) and \$330.1 million (Maximum Scrip Threshold);
- fund the 47% tax component of the APM Performance Rights;
- fund the \$17.5 million earnout paid on 1 July 2024;
- pay \$68.0 million (including GST) total transaction costs (i.e. APM’s and MDP’s transaction costs) associated with the Scheme.



Pro forma net debt is calculated as follows.

#### Calculation of Pro Forma Net Debt (\$ millions)

	Section Reference	Minimum Scrip Threshold <sup>1</sup>	Maximum Scrip Threshold <sup>2</sup>
Total external borrowings as at 30 June 2024	9.6	915.9	915.9
Cash as at 30 June 2024	9.6	(115.9)	(115.9)
<b>Net debt (excluding lease liabilities)</b>		<b>800.0</b>	<b>800.0</b>
<b>Additional net debt to fund:</b>			
Cash provided by the Funds (new equity)		(210.0)	(137.4)
Cash provided by Quadrant Funds (new equity)		(150.0)	(150.0)
Payment of the Cash Consideration to relevant Scheme Shareholders		432.5 <sup>3</sup>	330.1 <sup>4</sup>
Cash to/(from) balance sheet		(7.3)	2.5
Cash to settle tax on API Performance Rights	9.6	8.4	8.4
1 July 2024 earnout	9.5	17.5	17.5
Transaction costs (including GST)		68.0	68.0
<b>Total additional net debt</b>		<b>159.1</b>	<b>139.1</b>
<b>Pro forma net debt (excluding lease liabilities)</b>		<b>959.1</b>	<b>939.1</b>

Source: Kroll analysis.

Notes:

- Assumes that only shareholders that are subject to the Rollover Condition elect the Scrip Consideration. Calculated on the basis that all Key Rolling Shareholders elect to receive the Scrip Consideration with respect to 100% of their Scheme Shares.
- Assumes maximum valid elections to receive the Scrip Consideration, i.e. Scheme Shareholders (other than MDP) receive Ancora TopCo Shares with respect to 65% of their APM Shares.
- Calculated as \$1.45 times 298,277,665 APM Shares.
- Calculated as \$1.45 times 227,661,786 APM Shares.

Based on the above, the underlying economic value of Ancora TopCo’s equity immediately post implementation of the Scheme is as follows.

#### Underlying Economic Value of Ancora TopCo Equity Immediately Post Implementation (\$ millions)

	Section Reference	Minimum Scrip Threshold <sup>1</sup>		Maximum Scrip Threshold <sup>2</sup>	
		Low	High	Low	High
<b>Assessed value of APM operating business</b>	<b>9.1</b>	<b>2,295.0</b>	<b>2,610.0</b>	<b>2,295.0</b>	<b>2,610.0</b>
Non-operating liabilities (net) <sup>3</sup>	9.5	(19.0)	(19.0)	(19.0)	(19.0)
<b>Enterprise value of APM</b>		<b>\$2,276.0</b>	<b>\$2,591.0</b>	<b>\$2,276.0</b>	<b>\$2,591.0</b>
Pro forma net debt (excluding lease liabilities)	10.3.1	(959.1)	(959.1)	(939.1)	(939.1)
Lease liabilities	9.6	(147.9)	(147.9)	(147.9)	(147.9)
Non-controlling interest	9.7	(6.3)	(6.3)	(6.3)	(6.3)
<b>Underlying economic value of Ancora TopCo equity</b>		<b>1,162.7</b>	<b>1,477.7</b>	<b>1,182.7</b>	<b>1,497.7</b>

Source: Kroll analysis.

Notes:

- Assumes that only shareholders subject to the Rollover Condition elect the Scrip Consideration. Calculated on the basis that all Key Rolling Shareholders elect to receive the Scrip Consideration with respect to 100% of their Scheme Shares.
- Assumes maximum valid elections to receive the Scrip Consideration, i.e. Scheme Shareholders (other than MDP) receive Ancora TopCo Shares with respect to 65% of their APM Shares.
- Calculated as \$36.5 million (refer to Section 9.5) less \$17.5 million 1 July 2024 earnout which is reflected in pro forma net debt.

#### 10.3.2 Number of Ancora TopCo Shares

MDP will acquire the 266.9 million APM Shares owned by MDP Funds in exchange for Ancora TopCo Shares and will also subscribe for new Ancora TopCo Shares. In addition, Quadrant Funds will subscribe for \$150 million of new Ancora TopCo Shares.



The number of new Ancora TopCo Shares subscribed for by MDP and the number of Ancora TopCo Shares held by non-associated APM Shareholders immediately post implementation of the Scheme will differ based upon the number of APM Shareholders who validly elect to receive the Scrip Consideration (albeit in all scenarios, Ancora TopCo will be majority owned by MDP).

The following table sets out the aggregate number of TopCo Shares immediately post implementation of the Scheme, assuming the Minimum Scrip Threshold and Maximum Scrip Threshold are met.

**Number of Ancora TopCo Shares (million)**

	Minimum Scrip Threshold		Maximum Scrip Threshold	
	Number of Shares	Percentage Interest	Number of Shares	Percentage Interest
<b>Total Ancora TopCo Shares</b>				
MDP	41,154.7	47.1%	36,150.3	40.4%
Quadrant Funds	10,344.8	11.8%	10,344.8	11.6%
Rollover Shareholders	35,218.5	40.3%	42,280.0	47.3%
Vested Performance Rights	655.3	0.8%	655.3	0.7%
<b>Total Ancora TopCo Shares</b>	<b>87,373.3</b>	<b>100.0%</b>	<b>89,430.5</b>	<b>100.0%</b>

Source: Kroll analysis.

The Series A Shares and Series B Shares will be issued in the ratio of 95:5 such that APM Shareholders will receive 95 Series A Shares and 5 Series B Shares for each Scheme Share. Ancora TopCo Shares will be issued to MDP, MDP Funds and Quadrant Funds in the same ratio.

The number of Series A Shares and Series B Shares immediately post implementation of the Scheme, assuming the Minimum Scrip Threshold and Maximum Scrip Threshold are met, are as follows.

**Number of Series A Shares and Series B Shares (million)**

	Minimum Scrip Threshold		Maximum Scrip Threshold	
	Number of Shares	Percentage Interest	Number of Shares	Percentage Interest
<b>Series A Shares (95 per APM Share)</b>				
MDP	39,097.0	47.1%	34,342.8	40.4%
Quadrant Funds	9,827.6	11.8%	9,827.6	11.6%
Rollover Shareholders	33,457.5	40.3%	40,166.0	47.3%
Performance Rights	622.5	0.8%	622.5	0.7%
<b>Total Series A Shares</b>	<b>83,004.7</b>	<b>100.0%</b>	<b>84,959.0</b>	<b>100.0%</b>
<b>Series B Shares (5 per APM Share)</b>				
MDP	2,057.7	47.1%	1,807.5	40.4%
Quadrant Funds	517.2	11.8%	517.2	11.6%
Rollover Shareholders	1,760.9	40.3%	2,114.0	47.3%
Performance Rights	32.8	0.8%	32.8	0.7%
<b>Total Series B Shares</b>	<b>4,368.7</b>	<b>100.0%</b>	<b>4,471.5</b>	<b>100.0%</b>

Source: Kroll analysis.

### 10.3.3 Underlying economic value per Ancora TopCo Share

Set out below is our assessment of the underlying economic value of each of the Series A Shares and Series B Shares immediately post implementation of the Scheme.

The Ancora TopCo Shareholders’ Deed and Ancora TopCo Constitution set out the rights and restrictions that attach to Ancora TopCo Shares (refer to Attachment E of the Scheme Booklet and Section 5.5 of this report). The Class A and B Shares have different risk and return profiles:

- Series A Shares are essentially non-voting preference shares. Their returns are fixed at a yield of 8% and distributions accumulate over time. They receive priority distributions and priority in the event of a wind up. The equity interest of the Series A Shares is limited to their unreturned capital and unpaid yield; and



- Series B Shares are ordinary, voting shares and have a higher risk profile and greater variability of returns. They receive distributions after the fixed, cumulative distribution is paid on the Series A Shares and rank behind Series A Shares in the event of a wind up. Their returns are particularly variable since 95% of Ancora TopCo Shares are initially Series A Shares, which receive a fixed return.

As ordinary shares rank behind preference shares in terms of distributions and wind up, they essentially have a residual claim on the equity of a company. Accordingly, the value impact of the preference shares is typically deducted from a company’s equity value in order to determine the underlying economic value of the ordinary shares.. Series A Shares and Series B Shares have an ascribed issue price of \$0.045.

Kroll has not, however, sought to apportion the value of Ancora TopCo Shares between Series A Shares and Series B Shares as separately valuing the Series A Shares and Series B Shares will have no impact on our assessment of the total underlying economic value of the Mixed Consideration or All Scrip Consideration since to the extent that the value of the Series A Shares increases, the value of the Series B Shares will decrease (and vice versa). Furthermore, the Series A Shares and Series B Shares will be held (by MDP, Quadrant Funds, the Key Rolling Shareholders and other APM Shareholders who make a valid election to receive a scrip consideration alternative) in the same proportion (95% of their holding as Series A Shares and 5% as Series B Shares).

Our derivation of the underlying economic value of Ancora TopCo Shares (without apportioning value between classes) immediately post implementation of the Scheme is set out below:

**Underlying Economic Value per Ancora TopCo Share Immediately Post Implementation (\$ millions)**

	Section Reference	Minimum Scrip Threshold		Maximum Scrip Threshold	
		Low	High	Low	High
<b>Underlying economic value of Ancora TopCo equity</b>	<b>10.3.1</b>	<b>1,162.7</b>	<b>1,477.7</b>	<b>1,182.7</b>	<b>1,497.7</b>
Number of Ancora TopCo Shares (million)	10.3.2	87,373.3	87,373.3	89,430.5	89,430.5
<b>Underlying economic value per Ancora TopCo Share</b>		<b>\$0.0133</b>	<b>\$0.0169</b>	<b>\$0.0132</b>	<b>\$0.0167</b>

Source: Kroll analysis.

After adjusting for the ratio of Ancora TopCo Shares received per APM Share (100:1), the range of underlying economic value of Ancora TopCo Shares is lower than Kroll’s assessed range of values of an APM Share of \$1.40 to \$1.74 as a result of the total transaction costs.

#### 10.4 Underlying economic value of the Consideration

Based upon the underlying economic value of an Ancora TopCo Share immediately post implementation of the Scheme of \$0.0133 to \$0.0169 (Minimum Scrip Threshold) and \$0.0132 to \$0.0167 (Maximum Scrip Threshold) (refer to Section 10.3.3 of this report) immediately post implementation of the Scheme, and noting that shareholders will receive 95 Series A Shares and 5 Series B Shares for each APM Share held, we have assessed the total underlying economic value of the Mixed Consideration and All Scrip Consideration, in comparison to the All Cash Consideration, immediately post implementation of the Scheme as follows:



#### Underlying Economic Value of Consideration Immediately Post Implementation – Minimum Scrip Threshold (\$)

	All Cash Consideration	Maximum Scrip Consideration			Mixed Consideration		
		Low	Mid-point	High	Low	Mid-point	High
Cash	1.45	-	-	-	0.15 <sup>3</sup>	0.15	0.15 <sup>3</sup>
Series A Shares	-	1.26 <sup>1</sup>	1.44	1.61 <sup>1</sup>	1.14 <sup>4</sup>	1.29	1.45 <sup>4</sup>
Series B Shares	-	0.07 <sup>2</sup>	0.08	0.08 <sup>2</sup>	0.06 <sup>5</sup>	0.07	0.08 <sup>5</sup>
<b>Underlying economic value of Consideration</b>	<b>\$1.45</b>	<b>\$1.33</b>	<b>\$1.51</b>	<b>\$1.69</b>	<b>\$1.34</b>	<b>\$1.50</b>	<b>\$1.67</b>

Source: Kroll analysis. Note: Numbers may not add due to rounding.

Notes:

- 95 Series A Shares at an underlying economic value of \$0.0133 to \$0.0169 per Series A Share.
- 5 Series B Shares at an underlying economic value of \$0.0133 to \$0.0169 per Series B Share.
- 10% of the \$1.45 All Cash Consideration.
- 90% multiplied by 95 Series A Shares at an underlying economic value of \$0.0133 to \$0.0169 per Series A Share.
- 90% multiplied by 5 Series B Shares at an underlying economic value of \$0.0133 to \$0.0169 per Series B Share.

#### Underlying Economic Value of Consideration Immediately Post Implementation – Maximum Scrip Threshold (\$)

	All Cash Consideration	Maximum Scrip Consideration			Mixed Consideration		
		Low	Mid-point	High	Low	Mid-point	High
Cash	1.45	-	-	-	0.15 <sup>3</sup>	0.15	0.15 <sup>3</sup>
Series A Shares	-	1.26 <sup>1</sup>	1.42	1.59 <sup>1</sup>	1.13 <sup>4</sup>	1.28	1.43 <sup>4</sup>
Series B Shares	-	0.07 <sup>2</sup>	0.07	0.08 <sup>2</sup>	0.06 <sup>5</sup>	0.07	0.08 <sup>5</sup>
<b>Underlying economic value of Consideration</b>	<b>\$1.45</b>	<b>\$1.32</b>	<b>\$1.50</b>	<b>\$1.67</b>	<b>\$1.34</b>	<b>\$1.49</b>	<b>\$1.65</b>

Source: Kroll analysis. Note: Numbers may not add due to rounding.

Notes:

- 95 Series A Shares at an underlying economic value of \$0.0132 to \$0.0167 per Series A Share.
- 5 Series B Shares at an underlying economic value of \$0.0132 to \$0.0167 per Series B Share.
- 10% of the \$1.45 All Cash Consideration.
- 90% multiplied by 95 Series A Shares at an underlying economic value of \$0.0132 to \$0.0167 per Series A Share.
- 90% multiplied by 5 Series B Shares at an underlying economic value of \$0.0132 to \$0.0167 per Series B Share.

In relation to the above, Kroll notes that:

- for each scrip alternative, regardless of the number of elections to receive a scrip consideration alternative, the mid-point of the underlying economic values of the scrip consideration alternatives (in the range of \$1.49 to \$1.51) is slightly greater than the All Cash Consideration of \$1.45. This is despite the recipients of the Scrip Consideration bearing the total transaction costs;
- regardless of the number of elections to receive the scrip consideration alternatives, the mid-point of the range of underlying economic values of the Mixed Consideration immediately post implementation of the Scheme is slightly lower than the Maximum Scrip Consideration; and
- the mid-point of the underlying economic value of the Maximum Scrip Consideration and Mixed Consideration is slightly lower under the Maximum Scrip Threshold than under the Minimum Scrip Threshold.

### 10.5 Realisable value of the consideration

The underlying economic value of Ancora TopCo Shares does not represent the value that may be realised if shareholders theoretically sought to (and were able to) dispose of Ancora TopCo Shares in the immediate or short-term post implementation of the Scheme (i.e. ‘theoretical cash equivalent’) as in our view, any such value would be subject to a minority and marketability discount. In this respect, it is not, however, possible to reliably estimate the quantum of a minority and marketability discount that would be applied to Ancora TopCo Shares since there are limited situations when shares can be disposed outside an exit event and:

- the timing of an exit event is unknown; and



- the form of an exit event is unknown and could take the form of an initial public offering, share sale or trade sale. An initial public offering would attract a minority discount whereas a control transaction may attract a control premium.

As such, it is not possible to also reliability estimate the realisable value of a Ancora TopCo Share.

Although the exact quantum of a discount that would apply to Ancora TopCo Shares relative to the value of APM Shares cannot be reliably determined, Kroll considers that a substantial discount is warranted as a result of the following rights and obligations and risks attaching to Ancora TopCo Shares:

- Ancora TopCo Shareholders will be subject to the provisions of the Ancora TopCo Shareholders' Deed, which is included in Attachment E of the Scheme Booklet, and the Ancora TopCo Constitution, and summarised in Section 10.8(c) of the Scheme Booklet. They will have fewer rights as a shareholder in Ancora TopCo compared to their current investment in APM, as discussed in Section 5.5 of this report;
- **dividends:** a decision to pay dividends will be at the sole discretion of the Ancora TopCo Board (with Major Shareholder Approval) and made on a unanimous basis. Series A Shares are entitled to a preferential distribution of 8% yield per annum on capital contributions and unpaid accrued yield. Distributions are made in the following order and priority: firstly, Series A unpaid yield until reduced to nil, secondly, Series A unreturned capital until reduced to nil and thirdly, distributions on Series B Shares;
- **liquidity:** Ancora TopCo Shares will be highly illiquid. There will be no public market for trading in Ancora TopCo Shares as Ancora TopCo will be an unlisted public company, nor is it expected that there will be any private market facilitated by Ancora BidCo in the future. In addition, we note that under the Ancora TopCo Shareholders' Deed, no disposal of Ancora TopCo Shares is permitted except:
  - in relation to acquisitions by Ancora TopCo of small holdings sale (\$25,000 or less) for Fair Value after 12 months following the Implementation Date;
  - with approval of the Board which requires a unanimous resolution;
  - to a permitted transferee; and<sup>116</sup>
  - pursuant to a drag along process or tag along process, or pursuant to an exit;
- **voting:** Series A Shares and Series C Shares are non-voting, while Series B Shares are voting shares. Each Ancora TopCo Shareholder is entitled to the number of votes equivalent to the number of Series B Shares held by it. An individual Ancora TopCo Shareholder or group of Ancora TopCo Shareholders, acting together (other than MDP and Megan Wynne), will not be able to affect the governance of Ancora TopCo. APM Shareholders who receive Ancora TopCo Shares under the Scheme will, therefore, in most cases be subject to the decisions made by the majority shareholders;
 

Furthermore, under the Ancora TopCo Shareholders' Deed, each Ancora TopCo Shareholder irrevocably grants Ancora TopCo and each of its directors power of attorney in respect of matters relating to their Ancora TopCo shareholding, including matters which, in the context of Ancora TopCo, they would be required to vote, sign, consent to or approve. This may mean that certain actions may occur without any input from APM Shareholders who elect to receive a scrip consideration alternative;
- **appointment of Directors:** under the terms of the Ancora TopCo Shareholders' Deed, any Ancora TopCo Shareholder holding at least 10% of Series B Shares is entitled to appoint, remove and replace one Ancora TopCo Director in respect of each 10% of shares held by that shareholder. MDP may appoint up to a maximum of three MDP Directors and non-MDP Shareholders may appoint a maximum of one non-MDP Director, after which all appointments must be Non-executive Directors. After implementation of the Scheme, MDP, Megan Wynne and Quadrant Funds will likely continue to remain substantial holders of Ancora TopCo. Depending on the level of elections to receive the scrip consideration alternatives, MDP will hold between 40.4% and 47.1% of Series B Shares, Megan Wynne and her affiliates will hold between 2.6% and 36.3% and Quadrant will hold between 11.6% and 11.8%. As a result:

<sup>116</sup> An affiliate of the shareholder or replacement trustee custodian, responsible entity or general partner of the same trust or partnership.



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- MDP will initially be entitled to appoint four Directors. As noted in Section 10.6(b) of the Scheme Booklet, following implementation of the Scheme, MDP’s appointed Non-executive Directors will be Ms Elizabeth Betten and Mr William Ritchie; and
- Megan Wynne and affiliates will be entitled to appoint at least two Directors, including one non-MDP Director and one Non-executive Director; and
- Quadrant Funds will be entitled to appoint one Director.
- Most Board decisions (e.g. dividends, acquisitions, divestments) require unanimous approval of shareholders holding more than 20% of Series B Shares (**Major Shareholder Approval**). Certain key decisions (e.g. issuance of securities, distributions / redemptions, an exit event, winding up / liquidation, related party transactions) require unanimous approval of shareholders holding more than 10% Series B Shares (**Intermediate Shareholder Approval**). MDP and Megan Wynne will, therefore, be in a position to influence the outcome of most decisions relating to Ancora TopCo, including the timing and terms of any exit;
- **shareholder protections:** Ancora TopCo will be an unlisted public company with less than 50 shareholders and neither the ASX Listing Rules nor Australia’s takeover regime under Chapter 6 of the Corporations Act will apply. As such, Ancora TopCo Shareholders will no longer have the protections offered under the ASX Listing Rules and Australian corporate law for listed public companies in relation to takeovers, acquisition of substantial shareholdings, provisions relating to continuous disclosure, approval for changes in capital and share issues, restrictions on transactions with persons of influence and significant transactions and takeover provisions;
- **gearing:** shareholders will have an investment in a company that is more highly geared than APM is currently as increased borrowings will be required to fund the total transaction costs and the shortfall between new MDP equity and cash payments to APM Shareholders. It is estimated that Ancora TopCo’s gearing<sup>117</sup> immediately post implementation will be in the range of 43.1% (Minimum Scrip Threshold) to 42.0% (Maximum Scrip Threshold), compared to APM’s gearing of 37.8%<sup>118</sup> as at 30 June 2024; and
- **restraint:** APM management and their associates are restrained from taking certain competitive actions (e.g. soliciting clients), with certain limited exceptions.

As discussed in Section 3.3.1 of this report, observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances.<sup>119</sup> These premiums are equivalent to a minority discount of 20% to 29%. Marketability discounts are typically in the order of 25%<sup>120</sup> to 40%. These discounts are impacted by the specific facts and circumstances of each transaction including the size of the relevant shareholding. They are also not necessarily additive. Having regard to the rights and obligations and risks associated with Ancora TopCo Shares, we consider that the realisable value of Ancora TopCo Shares post implementation of the Scheme would be expected to incorporate a substantial minority and marketability discount.

The following sensitivity analysis shows the value of the scrip consideration alternatives for a range of discounts, assuming the Minimum Scrip Threshold is met.

<sup>117</sup> Calculated as net debt divided by the sum of net debt and the book value of equity.

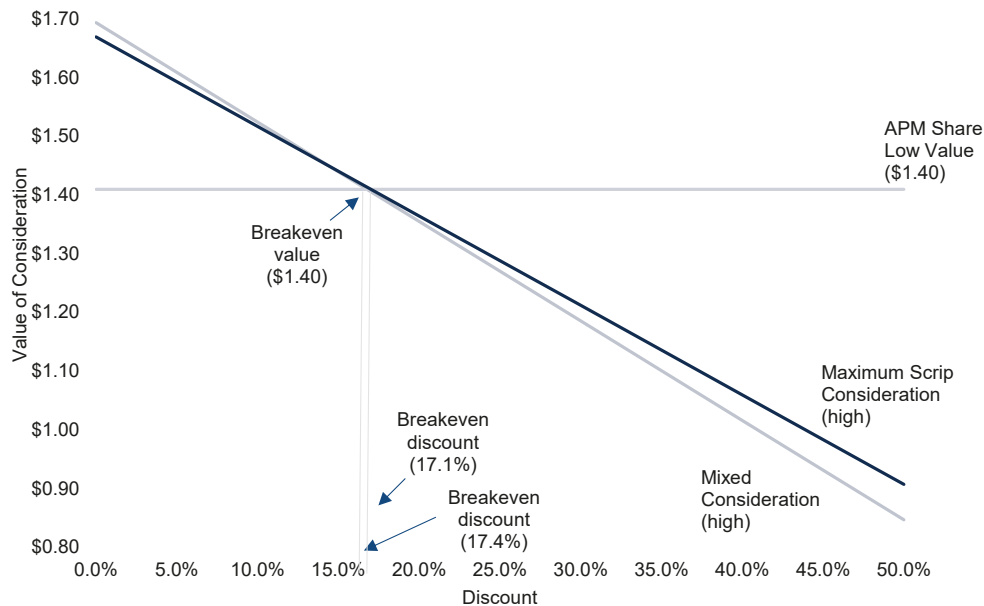
<sup>118</sup> Debt includes the \$17.5 million earnout which was paid on 1 July 2024.

<sup>119</sup> 2023 Mergerstat Review. Range represents median premium from 2013 to 2022. Premiums are calculated based on the seller’s closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

<sup>120</sup> “Case in Point: 20 Years in the Making: A Decision on Marketability Discount”, Kroll, 8 March 2016.



### Sensitivity Analysis – Realisable Value of Scrip Consideration Alternatives for a Range of Discounts – Minimum Scrip Threshold<sup>1</sup>



Source: Kroll analysis.

Note 1: Discount refers to the marketability/minority discount between the low end of Kroll's value range for an APM Share of \$1.40 (Section 9.1 of this report) and the high end of the underlying economic value of Ancora TopCo Shares immediately post implementation of the Scheme of \$1.69 (after allowing for the 1:100 share ratio) (Section 10.3.3 of this report).

The sensitivity analysis (assuming the Minimum Scrip Threshold is met) indicates that:

- the greater the discount applied to Ancora TopCo Shares, the lower the value of the Scrip Consideration; and
- there is a breakeven point above which the scrip consideration alternatives could be considered to be fair. This occurs where the high end of the Maximum Scrip Consideration of \$1.69 and Mixed Consideration of \$1.67 (based on the high end of the underlying economic value of Ancora TopCo Shares immediately post implementation of the Scheme \$0.0169) after deducting a discount on the Scrip Consideration, is equal to the low end of Kroll's assessed value range for an APM Share of \$1.40. The break-even discount below which the Maximum Scrip Consideration could be considered fair is 17.1%<sup>121</sup> and the break-even discount below which the Mixed Consideration could be considered to be fair is 17.4%.<sup>122</sup> **In other words, the Maximum Scrip Consideration will not be fair for any discount above 17.1% and the Mixed Consideration will not be fair for any discount above 17.4%. Noting that whilst the actual discount realised cannot be reliably determined, for the reasons stated above, Kroll considers that a substantial minority and marketability discount is warranted and as such, on the basis of the Maximum Scrip Consideration and Mixed Consideration, the Scheme is unlikely to be fair;**

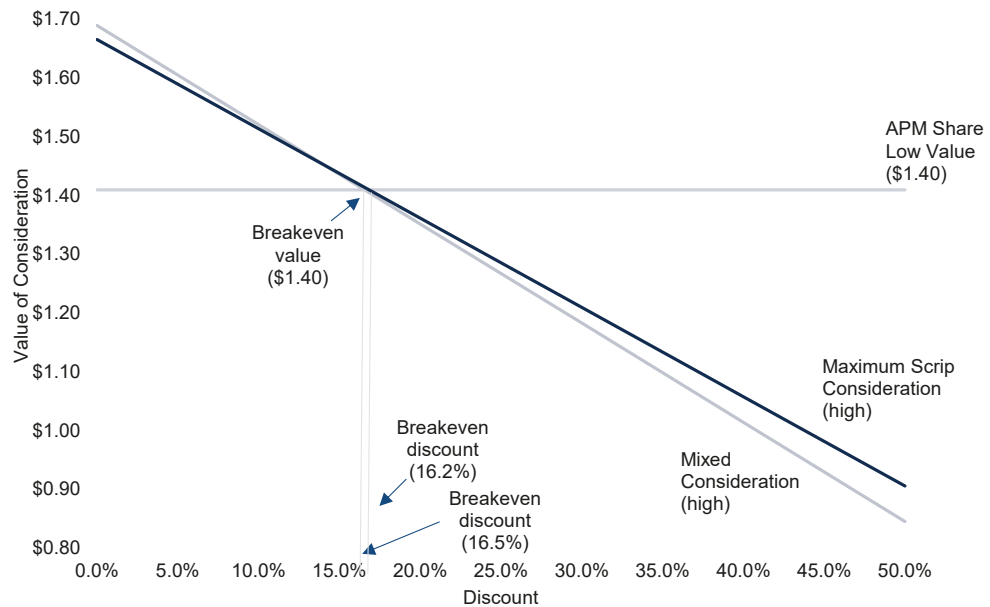
Assuming the Maximum Scrip Threshold is met, the sensitivity analysis is presented as follows.

<sup>121</sup> Calculated as  $100\% \times \$1.69$  (high end of underlying economic value of a MDP Topco Share)  $\times (1-17.1\%) = \$1.40$  (low end of controlling value of an APM Share).

<sup>122</sup> Calculated as  $10\% \times \$1.45$  (cash)  $+ 90\% \times \$1.69$  (high end of underlying economic value of a MDP Topco Share)  $\times (1-17.4\%) = \$1.40$  (low end of controlling value of an APM Share).



### Sensitivity Analysis – Realisable Value of Scrip Consideration Alternatives for a Range of Discounts – Maximum Scrip Threshold<sup>1</sup>



Note 1: Discount refers to the marketability/minority discount between the low end of Kroll’s value range for an APM Share of \$1.40 (Section 9.1 of this report) and the high value of the underlying economic value of Ancora TopCo Shares immediately post implementation of the Scheme of \$1.67 (after allowing for the 1:100 share ratio) (Section 10.3.3 of this report).

The outcomes are almost identical if the Maximum Scrip Threshold is met. The break-even discount below which the Maximum Scrip Consideration could be considered fair is 16.2%<sup>123</sup> and the break-even discount below which the Mixed Consideration could be considered to be fair is 16.5%.<sup>124</sup>

The above analysis is illustrative only as Kroll considers for the reasons set out previously that the realisable value of Ancora TopCo Shares, including, potentially, in the event of a subsequent sale of the business or initial public offering (the timing of which is unknown), is not possible to estimate reliably.

<sup>123</sup> Calculated as  $100\% \times \$1.67$  (high end of underlying economic value of a MDP Topco Share)  $\times$  (1-16.2%) = \$1.40 (low end of controlling value of an APM Share).

<sup>124</sup> Calculated as  $10\% \times \$1.45$  (cash) +  $90\% \times \$1.67$  (high end of underlying economic value of a MDP Topco Share)  $\times$  (1-16.5%) = \$1.40 (low end of controlling value of an APM Share).



## Appendix 1 – Kroll disclosures

### Qualifications

The individuals with overall responsibility for preparing this report on behalf of Kroll are Ian Jedlin and Celeste Oakley. Ian is an Associate and Accredited Business Valuation Specialist of the Institute of Chartered Accountants Australia and New Zealand and holds a Master of Commerce. He is also Vice Chair of the Standards Review Board of the International Valuation Standards Council. Celeste holds a Bachelor of Economics, a Bachelor of Laws and a CFA designation. Both Ian and Celeste have extensive experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of independent expert reports.

### Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Kroll's opinion as to whether the Scheme is in the best interests of APM Shareholders in the absence of a superior proposal and whether, in respect of the Item 7 Resolution, the advantages outweigh the disadvantages for non-associated APM Shareholders. Kroll expressly disclaims any liability to any APM Shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, Kroll has had no involvement in the preparation of the Scheme Booklet or any other document prepared in respect of the Scheme. As such, Kroll takes no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Scheme (other than this report).

### Independence

Kroll considers itself to be independent in accordance with the requirements of Regulatory Guide 112 issued by ASIC on 30 March 2011. In considering independence, it is noted that Kroll does not have, and has not had within the previous two years, any business or professional relationship with APM or Madison Dearborn Partners, LLC or any financial or other interest that could reasonably be regarded as capable of affecting our ability to provide an unbiased opinion in relation to APM. Kroll's only role with respect to the Scheme has been the preparation of this report.

Kroll will receive a fixed fee of \$575,000 (excluding GST and out of pocket expenses) for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme Meetings. Kroll will receive no other benefit for the preparation of this report.

### Declarations

APM has provided an indemnity to us for any claims arising out of any misstatement or omission in any material or information provided to us in the preparation of this report.

During the course of this engagement, Kroll provided draft copies of this report to management of APM for comment as to factual accuracy, as opposed to opinions, which are the responsibility of Kroll alone. Changes made to this report as a result of those reviews have not altered the methodology or opinions of Kroll as stated in this report.

The engagement has been conducted in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (**APESB**).

Kroll is authorised by Millinium Capital Managers Limited, Australian Financial Services Licence no. 284336, to provide the following financial services as their Corporate Authorised Representative:

- provide financial product advice in respect of the following classes of financial products:
- interests in managed investment schemes including investor directed portfolio services; and
- securities;

with respect to retail clients and wholesale clients.

### Consents

Kroll consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet to be issued to APM Shareholders. Neither the whole nor any part of this report or its attachments



or any reference thereto may be included or attached to any other document without the prior written consent of Kroll as to the form and context in which it appears.

For personal use only



## Appendix 2 – Limitations and reliance on information

### Limitations and reliance on information

Kroll's opinion is based on prevailing economic, market, business and other conditions at the date of this report. However, the factors impacting these conditions continue to evolve and can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

Our report is also based on financial and other information provided by APM and its advisers. APM has been responsible for ensuring that information provided by it and its representatives is not false or misleading or incomplete. APM has represented in writing to Kroll that to its knowledge, the information provided is complete and not incorrect or misleading in any material respect. Complete information is deemed to be information which at the time of completing this report should have been made available to Kroll and would have reasonably been expected to have been made available to Kroll to enable us to form our opinion. We have no reason to believe that any material facts have been withheld from us.

In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying such information. Nothing in this report should be taken to imply that Kroll has in any way carried out an audit of the books of account or other records of APM or Ancora TopCo for the purposes of this report. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards, as applicable.

In addition, we have also had discussions with APM in relation to the nature of the business operations, specific risks and opportunities, historical results of APM and prospects for the foreseeable future of APM. This type of information has been evaluated through analysis, inquiry and review to the extent considered necessary or practical as part of the information used in forming our opinion and is comprised of the opinions and judgements of management. Kroll does not warrant that its procedures and inquiries have identified all matters that a more extensive analysis might disclose as they did not include verification work nor an audit or review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. Such information is often not capable of external verification or validation.

The statements and opinions included in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

### Disclosure of information

In preparing this report, Kroll has had access to all financial information considered necessary in order to provide the required opinion.

### Sources of information

In preparing this report we have been provided with and considered the following sources of information:

#### *Publicly available information*

- Scheme Booklet;
- Scheme Implementation Deed;
- results presentations and annual reports for APM for FY21 to 1H24;
- APM Prospectus, November 2021;
- ASX announcements, press releases, media and analyst presentations and other public filings by APM including information available on its website;
- broker reports and press articles regarding APM;



- results presentations, annual reports, press releases and other public filings relating to comparable companies and comparable transactions;
- industry data from the Australian Bureau of Statistics Census data, Australian Bureau of Statistics unemployment reports, Australian Institute of Health and Welfare, Australian Government “Working Future” White Paper, OECD Social Expenditure Database SOCX, Office for National Statistics, Human Services: the next wave of productivity reform Report by the Australian Productivity Commission, 2023 Intergenerational Report, OECD Unemployment Database, Committee for Economic Development of Australia, the World Bank Group, United States Department of Commerce, WIOA Annual Reports, Bureau of Labor Statistics, PWC, Pew Research Center; and
- information sourced from Refinitiv, IRESS and S&P Capital IQ.

*Non-public information*

- Internal briefing papers prepared by APM and advisors;
- APM Model; and
- other confidential documents, presentations and workpapers.

In addition, we have had discussions with, and obtained information from, senior management of APM.



### Appendix 3 – Broker consensus

As far as Kroll is aware, APM is followed by six brokers. One is a financial adviser on the Scheme and, therefore, has been excluded from our analysis. Of the remaining five brokers, only three have released revised forecasts following the release of APM’s trading update of 3 June 2024. Kroll has included the latest forecasts provided by these three brokers as the basis for the broker consensus. A summary of the most recent broker forecasts for APM following the trading update on 3 June 2024 is provided as follows:

Date of report	Total revenue			Underlying EBITDA			Underlying NPATA		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Broker 1 2 Jun 24	2,022.0	2,346.0	2,604.0	279.0	316.0	345.0	90.0	106.0	125.0
Broker 2 9 Jun 24	2,343.3	2,595.7	2,760.1	280.1	279.9	303.3	94.2	69.0	97.3
Broker 3 3 Jun 24	2,205.3	2,506.3	2,663.1	280.5	330.0	348.7	95.0	127.5	133.8
<b>Low</b>	<b>2,022.0</b>	<b>2,346.0</b>	<b>2,604.0</b>	<b>279.0</b>	<b>279.9</b>	<b>303.3</b>	<b>90.0</b>	<b>69.0</b>	<b>97.3</b>
<b>High</b>	<b>2,343.3</b>	<b>2,595.7</b>	<b>2,760.1</b>	<b>280.5</b>	<b>330.0</b>	<b>348.7</b>	<b>95.0</b>	<b>127.5</b>	<b>133.8</b>
<b>Median</b>	<b>2,205.3</b>	<b>2,506.3</b>	<b>2,663.1</b>	<b>280.1</b>	<b>316.0</b>	<b>345.0</b>	<b>94.2</b>	<b>106.0</b>	<b>125.0</b>
<b>Mean</b>	<b>2,190.2</b>	<b>2,482.7</b>	<b>2,675.7</b>	<b>279.9</b>	<b>308.6</b>	<b>332.3</b>	<b>93.1</b>	<b>100.8</b>	<b>118.7</b>

Source: Broker reports; Kroll Analysis.

Date of report	Underlying EPS (cents)			DPS (cents)		
	FY24	FY25	FY26	FY24	FY25	FY26
Broker 1 2 Jun 24	9.8	11.6	13.6	na	na	na
Broker 2 9 Jun 24	10.3	7.5	10.6	11.0	11.0	11.0
Broker 3 3 Jun 24	10.4	13.9	14.6	5.2	6.9	7.3
<b>Low</b>	<b>9.8</b>	<b>7.5</b>	<b>10.6</b>	<b>5.2</b>	<b>6.9</b>	<b>7.3</b>
<b>High</b>	<b>10.4</b>	<b>13.9</b>	<b>14.6</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>
<b>Median</b>	<b>10.3</b>	<b>11.6</b>	<b>13.6</b>	<b>8.1</b>	<b>8.9</b>	<b>9.2</b>
<b>Mean</b>	<b>10.1</b>	<b>11.0</b>	<b>12.9</b>	<b>8.1</b>	<b>8.9</b>	<b>9.2</b>

Source: Broker reports; Kroll Analysis.





## Appendix 4 – Valuation methodologies

The purpose of the valuation methodology adopted is, in the absence of direct market evidence, to provide an estimate of value using methodologies that rely on other sources of evidence. Consistent with International Valuation Standards, valuation methodologies applicable to assets or businesses can be categorised under three approaches: market approach, income approach and cost approach.

These approaches have application in different circumstances. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved.

### Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);
- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

The market comparable methodology indicates the value of a business by comparing it to publicly traded companies in similar lines of business. An analysis of the trading multiples of comparable companies yields insight into investor perceptions and, therefore, the value of the subject company. The multiples are evaluated and compared based on the relative growth potential and risk profile of the subject company vis-a-vis the publicly traded comparable companies. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands.

The comparable transaction methodology indicates value based on exchange prices in actual transactions. This process essentially involves the comparison and correlation of the subject company with other similar businesses recently sold or currently offered for sale. Considerations such as timeframe of transaction, premiums, and conditions of sale are analysed, and the observed transaction multiples are subjectively adjusted to indicate a value for the subject company.

A key step in both methods is determining the appropriate unit of comparison. In a business valuation common units of comparison include, revenue, EBITDA, EBIT, net profit after tax and book values. The choice will typically depend on the industry and characteristics of the subject asset.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them.

### Income approach

Under an income approach the value of an asset is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history or there is a variable pattern of cash flow or the asset has a finite life.

The most common methodology adopted is the discounted cash flow (**DCF**) methodology. It has a strong theoretical basis and benefits by explicitly estimating future cash flows, allowing it to be used in a variety of circumstances, whether that be a start-up or an established business. It also allows for various scenarios and/or sensitivities to be modelled. Under a DCF methodology, forecast cash flows are discounted back to the valuation date resulting in a present value for the asset. Where there is an explicit forecast period a terminal value will typically be included, representing the value of the asset at the end of this period, which is also discounted back to the valuation date to give an overall value for the business. The rate at which the future cash flows are discounted (the discount rate) should reflect not only the time value of money, but also



the risk associated with the asset or business’ future operations. Whilst discount rates are generally determined from observable data, substantial judgement is required in their determination. Further, the cash flows themselves also require considerable judgement in their preparation, placing significant importance on the quality of the underlying cash flow forecasts and the determination of an appropriate discount rate in order for a DCF methodology to produce a sensible valuation figure.

DCF’s can also be extremely sensitive to what may be considered small changes in various assumptions and the longer the forecast period the more difficult it is in general to forecast cash flows with sufficient reliability. As such, it is important to adequately understand the basis and risks associated with the various assumptions used to derive the cash flow forecasts and recognise the impact it can have on resulting values including the value range. Notwithstanding, DCF methodologies are widely used and benefit from the rigour associated with the preparation of future cash flows.

#### **Cost approach**

Under a cost approach the value of an asset is determined having regard to the cost to replace or reproduce the asset. The most common methodologies include:

- the replacement cost;
- the reproduction cost method; and
- the summation method.

A cost based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies).

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the ‘book’ net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).



## Appendix 5 – Market evidence

### Comparable transactions

The following table sets out the key comparable transactions within the health and human services industry.

#### Comparable Transactions

Date	Target	Acquirer	Target Country	Acquired Percentage	Enterprise Value (\$ millions)	Historical EBITDA multiple (times)
<b>Employment Services</b>						
29 Feb 24	Sterling Check	First Advantage	United States	100%	3,333.5	17.2
28 Sep 22	Equus	APM	United States	100%	225.7	4.8
24 Jun 15	Skilled Group	Programmed Maintenance Services Limited	Australia	100%	568.3	6.1
14 Jan 15	Chandler Macleod	RGF Staffing Melbourne two Pty Ltd.	Australia	100%	390.9	9.7
14 Jan 15	Peoplebank	RGF Staffing Melbourne One Pty Ltd	Australia	100%	98.0	6.9
28 Mar 12	Prompt Holdings	CVC Capital Partners Limited	Japan	100%	209.4	4.5
28 May 12	Talent2	Allegis Group	Australia	78.2%	127.4	9.8
23 Dec 10	First Advantage	Symphony Technology Group, LLC	United States	100%	263.5	2.2
<b>Health Related Services</b>						
15 Dec 22	Everyday Independence	Early Start Australia	Australia	100%	130.3	8.6
29 Mar 22	LHC Group	OptumHealth	United States	100%	8,198.7	22.4
03 Dec 21	The Lifecare Group	APM	Australia	100%	84.0	8.4
3 Jan 20	Soliant Health	Olympus Partners	United States	100%	897.0	11.3
08 Oct 19	Konekt	Serendipity (WA) (nka:APM)	Australia	100%	83.1	8.1
18 Dec 18	Civitas	Centerbridge Partners	United States	100%	1,912.9	8.4
10 Dec 18	Res-Care	PharMerica Corporation	United States	100%	1,836.9	9.8
31 Aug 18	Zenitas	Liverpool Partners, Adamantem Capital	Australia	100%	121.5	8.8
16 Nov 17	Almost Family	LHC Group	United States	100%	1,339.7	26.7
09 Oct 14	Gentiva	Kindred Healthcare	United States	100%	2,086.1	11.9

Source: S&P Capital IQ, Mergermarket, Company financial statements, SEC company filings, ASIC company filings; Kroll analysis.

#### Employment Services

##### *Sterling Check*

On 24 February 2024, First Advantage announced it had entered into an agreement to acquire Sterling Check for a transaction consideration comprised of approximately US\$1.2 billion in cash and 27.15 million shares of First Advantage, representing an implied enterprise value of approximately US\$2.2 billion. Sterling Check provides technology-enabled background and identity verification services globally, including device verification, identity document verification, facial recognition with biometric matching and live video chat identification proofing. The transaction occurred at an implied historical EBITDA multiple of 17.2 times. The relatively high transaction multiple likely reflects Sterling Check’s size, high degree of focus on technology, and highly levels of available synergies, with First Advantage sighting that the acquisition would unlock cross-selling opportunities and improved customer experiences.

##### *Equus*

On 28 September 2022, APM announced it had entered into an agreement to acquire Equus for approximately US\$150 million. Equus assists individuals and families with employment, support and childcare services and operates in North America. The transaction occurred at an implied historical EBITDA multiple of 4.8 times.

##### *Skilled Group*

On 24 June 2015, Programmed Maintenance Services Limited announced it had entered into an agreement to acquire Skilled Group for approximately \$360 million, with the consideration consisting of a mix of



Programmed Maintenance Limited shares and cash. Skilled Group provided staffing and related solutions for individuals and corporations, linking employers with prospective employees. The transaction occurred at an implied historical EBITDA multiple of 6.1 times.

#### *Chandler Macleod*

On 14 January 2015, RGF Staffing Melbourne Two Pty Ltd. announced it had entered into an agreement to acquire Chandler Macleod for approximately \$390.9 million. Chandler Macleod provided temporary, contract and permanent recruitment services in Australia and Internationally, including psychometric assessment, HR consulting, outsourcing, managed workforces, payroll and HR technology services, and had a relatively large focus on technology for the delivery of its services. The transaction occurred at an implied historical EBITDA multiple of 9.7 times.

#### *Peoplebank*

On 14 January 2015, RGF Staffing Melbourne One Pty Ltd. announced it had agreed to acquire Peoplebank for approximately \$68.6 million. Peoplebank was a digital recruitment agency focused on finding relevant roles for candidates within the information technology industry. The transaction occurred at an implied historical EBITDA multiple of 6.9 times. At the time of the transaction, the unemployment rate in Australia was increasing, likely improving the growth prospects of the business.

#### *Prompt Holdings*

On 28 March 2012, CVC Capital Partners Limited agreed to acquire Prompt Holdings for approximately ¥18 billion. Prompt Holdings was a temporary staffing and contract work company operating primarily in Japan. It had a focus on providing engineering dispatch and contract services in technical fields such as electronics, embedded control, IT networks, business applications and system maintenance and operations. The transaction occurred at an implied historical EBITDA multiple of 4.5 times.

#### *Talent2*

On 28 March 2012, Allegis Group agreed to acquire a 78.2% stake in Talent2 for approximately \$80.1 million, representing an implied enterprise value of approximately \$127.4 million. Talent2 provides human resource outsourcing services, operating across the Asia Pacific region. The transaction occurred at an implied historical EBITDA multiple of 9.8 times. At the time of the transaction, the unemployment rate in Australia was increasing, likely increasing the growth prospects of the business.

#### *First Advantage*

On 23 December 2010, Symphony Technology Group, LLC agreed to acquire First Advantage for approximately US\$270 million. First Advantage provides employment background screening, identity and verification solutions worldwide. The transaction occurred at an implied historical EBITDA multiple of 2.2 times.

### **Health Related Services**

#### *Everyday Independence*

On 15 December 2022, Early Start Australia Pty Ltd (a subsidiary of APM) agreed to acquire Everyday Independence for approximately \$52.5 million. Everyday Independence is an NDIS provider which at the time of the transaction delivered evidence-based therapy services to more than 10,000 participants in Australia. The transaction occurred at an implied historical EBITDA multiple of 8.6 times.

#### *LHC Group*

On 29 March 2022, OptumHealth entered into an agreement to acquire LHC Group, at an implied enterprise value of approximately US\$6.2 billion. LHC Group is a health care provider specialising in the post-acute continuum of care primarily for Medicare beneficiaries in the U.S., including home health services such as skilled nursing and hospice services. The transaction occurred at an implied historical EBITDA of 22.4 times. The relatively high implied EBITDA multiple likely reflects the view of the acquirer that LHC Group had significant growth potential.

#### *Lifecare*

On 3 December 2021, APM entered into an agreement to acquire Lifecare for approximately \$68 million. Lifecare is a physiotherapy and homecare group which at the time of the transaction employed 430 allied



health professionals, operating across Western Australia, Victoria, New South Wales and Queensland. The transaction occurred at an implied historical EBITDA multiple of 8.4 times.

#### *Soliant Health*

On 3 January 2020, Olympus Partners acquired Soliant Health for approximately US\$620.0 million. Soliant Health is a provider of staffing and staff resourcing services for the Health Related Services industry in the United States. The transaction occurred at an implied historical EBITDA multiple of 11.3 times.

#### *Konekt*

On 8 October 2019, Serendipity (WA) Pty Ltd, a subsidiary of APM, entered into a Scheme Implementation Deed to acquire Konekt, for a consideration of approximately \$51.8 million. Konekt provides organisational health and risk management solutions in Australia, including injury prevention solutions and return to work injury management solutions. The transaction occurred at an implied historical EBITDA multiple of 8.1 times.

#### *Civitas*

On 18 December 2018, Centerbridge Partners LP entered into an agreement to acquire Civitas. Civitas operates in the aged and disability care services industries. Civitas is a provider of home- and community-based health and human services to individuals with special needs, operating in the United States. The transaction occurred at an implied historical EBITDA multiple of 8.4 times.

#### *Res-Care*

On 10 December 2018, PharMerica Corporation agreed to acquire Res-Care. Res-Care is a leading provider of comprehensive home and community-based health services to complex populations in need of specialised care in the United States. The transaction occurred at an implied historical EBITDA multiple of 9.8 times.

#### *Zenitas*

On 31 August 2018, a consortium of funds advised by Adamentum Capital Management Pty Limited and Liverpool Partners Pty Limited announced an agreement to acquire Zenitas for an implied enterprise value of approximately \$122 million. Zenitas is a community-based healthcare company operating in Australia, which operates primary and allied health clinics that provide services including general practice medicine, preventative healthcare, physiotherapy, sports medicine and podiatry. The transaction occurred at an implied historical EBITDA multiple of 8.8 times.

#### *Almost Family*

On 16 November 2017, LHC Group entered into a merger agreement to acquire Almost Family for approximately \$850 million in a merger of equals transaction. The consideration for the transaction consisted of 0.915 shares of LHC Group shares. Almost Family provides home healthcare services in the United States, including Medicare-certified home health nursing services. The transaction occurred at a relatively high implied EBITDA multiple of 26.7 times, likely reflecting expectations of significant synergies and service growth.

#### *Gentiva*

On 9 October 2014, Kindred Healthcare Inc. entered into an agreement to acquire Gentiva for approximately \$760 million in cash and stock, with consideration including a payment of \$14.50 per share in cash and 0.257 shares of Kindred Healthcare Inc. for each share of Gentiva. Gentiva offers homecare, hospice and community care services in the United States, including skilled nursing, cardiac and pulmonary care, disease and pain management, medication management and education services. The transaction occurred at an implied EBITDA multiple of 11.9 times

### **Comparable companies**

The following table sets out trading multiples for companies that broadly comparable to APM. It presents the forecast EV to EBITDA multiples for the three financial years (FY, FY+1, and FY+2), taking actual results for 31 December 2023, and forecast results for 30 June 2024 and 30 September 2024. These forecast multiples are based on brokers consensus.



### Comparable Companies

Company Name	Location	Financial Year End	Market Capitalisation (\$ millions)	Enterprise Value / EBITDA (lease adjusted)			EBITDA CAGR (FY to FY+2)
				FY1	FY+1	FY+2	
APM <sup>2</sup>	Australia	30 June	761.3	6.0	5.3	4.9	11.0%
<b>Employment related services</b>							
Adecco	Switzerland	31 December	8,384.0	6.6	6.8	6.0	4.8%
Maximus <sup>3</sup>	United States	30 September	8,003.8	9.4	9.0	8.6	4.1%
Manpower	United States	31 December	5,136.7	6.3	7.1	6.1	1.0%
Staffline	United Kingdom	31 December	100.2	4.1	4.5	4.0	1.2%
<b>Other</b>							
Ramsay Health	Australia	30 June	10,078.9	10.1	9.2	8.7	7.9%
Regis	Australia	30 June	1,219.2	11.3	10.0	9.4	9.7%
G8 Education	Australia	31 December	1,084.7	8.1	6.9	6.7	10.6%

Source: S&P Capital IQ, Bloomberg, Refinitiv, Company financial statements; Kroll analysis.

Notes:

- FY relates to either 30 June 2024, 31 December 2023, or 30 September 2024 depending on the financial year end.
- APM market capitalisation and enterprise value have been calculated as at 16 February 2024, the last undisturbed trading day.
- Maximus completed divestment of its Employment Services businesses in Italy, Singapore, and Canada in November 2023. The cash resulting from this is included in Net Debt for FY, however it includes some results from these divested businesses for the month of October 2023 meaning its multiples are slightly understated.

### Comparable Companies

#### Adecco

Adecco was founded in 1957 in Zurich, Switzerland and provides human resource services to businesses and organisations in Europe, North America, Asia Pacific, South America, and North Africa. It offers a wide range of services from flexible and permanent placements, outsourcing, and training, to workforce transformation, and digital staffing solutions.

#### Maximus

Maximus is a provider of government services in the United States and internationally, operating through three segments: U.S. Federal Services, U.S. Services, and Outside the U.S. The U.S. Services segment offers services such as program eligibility support and enrolment, education, person-centred independent disability, and employment services. The U.S. Federal Services segment offers business process services, outreach, and other services for federal health and human services programs. The Outside the U.S. segment offers solutions for international governments, including health and disability assessments, and wellbeing solutions. They are largely successful when reapplying for contracts which are nearing their end, and have a weighted average contract life of more than seven years which provides a degree of certainty and stability with regards to future revenue.

#### Manpower

Manpower is a multinational company providing workforce solutions through its network of 2,100 office in 75 countries and territories. The company offer services which include recruitment, assessment, upskilling, reskilling, training and development, career management, outsourcing and workforce consulting. Manpower offer training courses and leadership development solutions that help clients optimise performance. The company assist individuals to find meaningful work and manage their career journey through outplacement services and targeted skills development. Manpower’s portfolio of recruitment services includes permanent, temporary and contract recruitment of professionals, as well as administrative, industrial and IT professional positions. Manpower’s business segment includes Americas (representing 23% of total revenue in FY23), Southern Europe (representing 45% of total revenue in FY23), Northern Europe and APME.

#### Staffline

Staffline provides recruitment and outsourced human resource services, and skills and employment training. It operates through three segments: Recruitment GB, Recruitment Ireland, and PeoplePlus. Staffline provides solutions to a range of industries, including agriculture, supermarkets, drinks, food

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processing, manufacturing, e-retail, driving, and logistics sectors. Stafflines core services include prison education, skills-based employability programmes, recruitment process outsourcing, managed service provider, temporary and permanent employment solutions, general recruitment services, and specialist engineering recruitment services.

### *Ramsay Health*

Ramsay Health is an owner and operator of hospitals and other health care facilities providing services in acute care, mental health care, imaging & diagnostics, out-of-hospital, pharmacy and primary care. As at 30 June 2023, Ramsay operated over 530 locations across Australia, Asia, the United Kingdom and Europe under various brands including Elysium, Ramsay Australia, Ramsay UK, Ramsay Sante, and Ramsay Sime Darby.

### *Regis*

Regis Healthcare is one of Australia’s leading aged care service providers. Regis Healthcare provides residential care (FY23 average occupancy rate of 91.5%), retirement living, home care and short-term care facilities. As at 30 June 2023, Regis Healthcare owned and operated 63 residential aged care homes and provided residential aged care services in six States and the Northern Territory with 6,960 residential places.

### *G8 Education*

G8 Education provides early childhood education and care services across Australia. Operating under a number of different brands, such as Headstart, Pelican Childcare, Early Learning Services, and Kindy Patch Kids, across Australia G8 Education provides education and care services from early learning to kindergarten.



## Appendix 6 – Discount rate

Kroll has selected a WACC in the range of 9.0% to 9.9% for APM. To arrive at this WACC for the entire APM operation, individual WACCs have been calculated for each of the main markets that APM operates in, which have then been weighted based on the market's relative contribution to the Company's underlying EBITDA and combined to represent a blended WACC. To calculate the WACC for each market, a cost of equity has been calculated using the capital asset pricing model (CAPM), and the cost of debt is based on long-term estimates based on market observations. We have had regard to the individual risk-free rates, market risk premiums, country risk premiums, and costs of debt for each market that APM has operations in.

The WACC is commonly employed as the basis for determining an appropriate discount rate where cash flow forecasts consist of free cash flows to both debt and equity holders. Whilst we have utilised the WACC, we recognise that market participants often use less precise methods for determining a discount rate, including target internal rates of return or hurdle rates. They also often do not distinguish between investment types or regions.

We have utilised the following parameters in deriving our blended discount rate for APM.

### Selected WACC Parameters for APM's Blended WACC

Parameter	Symbol	Australia		United States		United Kingdom		Canada	
		Low	High	Low	High	Low	High	Low	High
Risk free rate	Rf	4.1%	4.1%	4.5%	4.5%	4.5%	4.5%	3.5%	3.5%
Equity risk premium	ERP	6.0%	6.0%	5.0%	5.0%	6.0%	6.0%	6.0%	6.0%
Unlevered Beta		0.9	1.0	0.9	1.0	0.9	1.0	0.9	1.0
Tax rate	t	30.0%	30.0%	21.0%	21.0%	25.0%	25.0%	15.0%	15.0%
Debt/ Capital	D/(D+E)	25.0%	15.0%	25.0%	15.0%	25.0%	15.0%	25.0%	15.0%
Debt/ Equity	D/E	33.3%	17.6%	33.3%	17.6%	33.3%	17.6%	33.3%	17.6%
Levered Beta	β	1.11	1.12	1.14	1.14	1.13	1.13	1.16	1.15
Cost of Equity (Post-Tax)	Ke	10.8%	10.8%	10.2%	10.2%	11.3%	11.4%	10.4%	10.4%
Post-tax cost of debt	Kd	4.4%	4.4%	4.4%	4.4%	3.9%	3.9%	4.6%	4.6%
<b>Market WACC</b>		<b>9.2%</b>	<b>9.9%</b>	<b>8.8%</b>	<b>9.3%</b>	<b>9.4%</b>	<b>10.2%</b>	<b>8.7%</b>	<b>9.6%</b>
<b>Weighting by Underlying Revenue<sup>1</sup></b>		<b>37.7%</b>		<b>39.3%</b>		<b>16.0%</b>		<b>7.0%</b>	
<b>Blended average WACC</b>		<b>9.0% - 9.9%</b>							

Source: Kroll analysis

Note 1: Weighting has been estimated based on analysis of historical revenue by country.

Each of the representative WACCs for the Australian, United States, United Kingdom, and Canadian markets have been calculated on the same basis and the weighting was assessed on the basis of analysis of historical revenue. We have concluded that our selected WACC range of 9.0% to 9.9% is appropriate for APM.

The objective of the discount rate is to appropriately reflect the expected return of a hypothetical prudent purchaser, based upon the perceived risks associated with APM. In this respect, it is relevant to recognise that the selection of an appropriate discount rate to apply to the forecast cash flows of any asset or business operation is a matter of judgement and that the individual components should not be considered in isolation but rather as components of an overall discount rate. As a result of this subjectivity, the calculated discount rate should be treated as guidance rather than objective truth.

Furthermore, our discount rate reflects an assessment at a point in time as to both current market conditions and future expectations. To the extent that there are any changes in conditions and expectations over time, it is likely that an adjustment to the discount rate may be warranted.





### Cost of equity

The cost of equity has been derived from the application of a modified CAPM.<sup>125</sup> The CAPM has been empirically tested and is widely accepted for the purpose of estimating a company’s required return on equity. In applying the CAPM, the rate of return on equity is estimated as the current risk-free rate of return on a long-term government bond plus a market risk premium, multiplied by the “beta” for the shares. Beta is defined as a risk measure that reflects the sensitivity of a company’s share price to the movements of the stock market as a whole and is a measure of systematic risk.

The modified CAPM rate of return on equity capital is calculated using the formula:

$$K_e = R_f + \beta * (R_m - R_f) + \alpha$$

Where:

**$K_e$**  = Rate of return on equity capital;

**$R_f$**  = Risk-free rate of return (normalised long-term Australian sovereign risk);

**$\beta$**  = Beta or systematic risk for this type of equity investment, re-levered to reflect the debt-to-equity profile of the Investment;

**$R_m - R_f$**  = Market risk premium (**MRP**); the expected return on a broad portfolio of stocks in the market ( **$R_m$** ) less the risk-free rate ( **$R_f$** ); and

**$\alpha$**  = Alpha including where relevant, size or other company specific risk.

### Risk-free rate

The risk-free rate is a key input in the CAPM. It is the return available, as of a valuation date, on a security that the market generally regards as free of the risk of default. When valuing a going-concern business, the risk-free rate is typically measured over a long-term period. In practice, long-dated bonds issued by governments considered to be generally safe have traditionally been accepted as a proxy for a risk-free security. As APM’s forecast cash flows are denominated in Australian dollars, we have used the 10-year Australia Government Treasury yield as a proxy for the risk-free security. As at 7 August 2024, the most recent available data at the time of this report, the spot 10-year yield was 4.1%.

Sovereign yields in many developed countries, including Australia, have been at or near historical lows in recent years. Periods of high uncertainty are often accompanied by flights to quality, which means investors shift significant capital to liquid assets considered “safe”, such as government securities of major advanced economies, lowering yields on these securities. Australia is one of the very few countries in the world carrying a AAA sovereign debt rating and is therefore considered a safe haven by global investors.

More recently, continued high inflation globally and in Australia prompted central banks to repeatedly increase interest rates from 2022 until late 2023. This has caused an increase in the spot 10-year Australian Commonwealth Government bond yield from 2.98% on 2 August 2022 to reach a peak of 4.94% on 1 November 2023, before declining throughout the remainder of 2023. So far in 2024, we have seen the 10-year bond yield fluctuate between 3.95% and 4.52%.

Kroll’s normalised risk-free rates for the United States, the United Kingdom, and Canada are 3.5%, 4.0%, and 3.5% respectively.

Kroll’s approach is to apply the higher of the normalised risk-free rate and the spot yield. We have calculated the risk-free rates of other markets based on the yields of applicable long-term government bonds, and also considered whether these yields require a normalisation adjustment.

The following table summarises the selected risk-free rates for the assessed markets.

<sup>125</sup> CAPM is modified by the inclusion of an alpha.



#### Risk-Free Rates up to 8 August 2024<sup>1</sup>

Market	Proxy for the Risk-Free Rate	Kroll Normalised	Spot Yield	Selected Rf
Australia	Australian Government Bonds - 10 Year	3.5%	4.1%	4.1%
United States	United States Treasury Bonds - 20 Year	3.5%	4.4%	4.4%
United Kingdom	United Kingdom Government Debt - 20 Year	4.0%	4.5%	4.5%
Canada	Canada Government Debt – 10 Year	3.5%	3.2%	3.5%

Source: S&P Capital IQ; Kroll analysis.

Note 1: Whilst the Australian data is as 7 August 2024, the bond rates for the United States, Canada and United Kingdom are as at 8 August 2024.

#### Equity risk premium

The equity risk premium (**ERP**) represents the required return for bearing the incremental risk of investing in a diversified portfolio of equities rather than investing in a risk-free asset (such as a government bond of a government considered safe of default). A forward-looking ERP is not directly observable in the market. Accordingly, valuation practitioners typically utilise historical data to estimate ERP. However, it is important to understand the level of risk-free rates used to measure the historical ERP and whether the resulting combination of risk-free rate and ERP result in a reasonable proxy for a forward-looking base cost of equity.

To the extent that the realised (i.e., historical) ERP equates on average to expected premiums in prior periods, the historical average ERP may be a useful starting point in developing a current forward-looking ERP estimate. A reason one might look to the historical ERP is that the expectations of investors will be framed from their experiences, and the average historical ERP might be expected to have an influence on investors’ expectations about the future. Hence there is usually at least some reliance on average historical ERPs when developing current forward-looking ERP estimates.

However, this does not mean that the ERP estimate should be static over time. Periods of market stability (low volatility) likely indicate that the current forward-looking ERP estimate is below the historical average, and periods of heightened volatility likely indicate that the current forward-looking ERP estimate is above the historical average.

The historical MRP has been estimated for the Australian WACC from an Australian investor perspective over different periods by various researchers and regulatory authorities. In forming our view we have had particular regard to the work of Dr Bishop,<sup>126</sup> as summarised and updated in “Appendix 3B: Additional Sources of Market Risk Premium Data – Australia” in the *2021 Valuation Handbook – International Guide to the Cost of Capital*, published by Duff & Phelps (a Kroll business).<sup>127</sup> Dr. Bishop estimated the historical Australian MRP for the period of 1900–2020 under different investor perspectives: (i) an Australian investor (in Australian Dollars, or AUD) with access to (i.e. eligible to receive) imputation tax benefits; (ii) an investor in AUD without access to imputation tax benefits.

The geometric average and the arithmetic average realised ERP were both calculated relative to Australian long-term government bonds. Both the geometric and arithmetic average ERP indications were estimated directly from the underlying data. We consider the arithmetic average to be more relevant for the valuation of businesses. The analysis indicated an arithmetic average ERP of 6.8% for an investor with access to imputation benefits and 6.4% for an investor without access to imputation benefits.

In order to be consistent with the approach we adopted to estimate the risk-free rate (based on a normalised estimate), we have applied a long-term view in determining the ERP. On this basis we consider an ERP of 6.0% as appropriate for the long-term investment climate in Australia. Furthermore, an ERP of 6.0% is also within the range determined in various other academic studies and adopted by independent experts in comparable independent expert reports.

Kroll’s recommended MRP for the United States, Canada and the United Kingdom are based on publicly available cost of capital data.

<sup>126</sup> “Market Risk Premium; Australian Evidence” Research Paper for the CAANZ Business Valuation Specialist Conference, Bishop, S., T. Carlton and T. Pan, 13- 14 August, 2018.

<sup>127</sup> “2021 Valuation Handbook – International Guide to the Cost of Capital”, available in the Cost of Capital Navigator online platform.



## Beta

In selecting an appropriate beta to apply to APM, Kroll has considered betas for global Employment Service providers as well as global health related service providers up to 8 August 2024.<sup>128</sup> Beta analysis

Company	Market Cap (\$ millions) <sup>1</sup>	Unlevered Betas		Levered Betas	
		2 Year Weekly	5 Year Monthly	2 Year Weekly	5 Year Monthly
<b>APM</b>	<b>761.3</b>	<b>0.32</b>	<b>na</b>	<b>0.37</b>	<b>na</b>
<b>Employment Services</b>					
Adecco	8,383.9	0.81	1.04	1.19	1.31
Maximus	8,037.1	0.72	0.67	0.89	0.80
Manpower	5,136.7	0.85	1.45	0.98	1.51
Staffline	100.2	(0.12)	1.58	(0.12)	1.84
<b>Other</b>					
Ramsay Health	10,078.9	0.44	0.40	0.69	0.59
Regis	1,219.2	0.60	1.20	0.62	1.42
G8 Education	1,084.7	0.26	0.58	0.41	0.94
<b>All Companies Median excl. outliers</b>		<b>0.72</b>	<b>1.04</b>	<b>0.79</b>	<b>1.31</b>
<b>All Companies Average excl. outliers</b>		<b>0.68</b>	<b>0.99</b>	<b>0.80</b>	<b>1.20</b>

Source: S&P Capital IQ, Kroll analysis.

Notes:

- The presented market capitalisations have been sourced from S&P Capital IQ using their recorded shares on issue, except for APM which has been recalculated based on the total shares on issue of 917,181,946 multiplied by the closing price of \$0.83 on 16 February 2024.

This table shows a wide variation in betas across the selected companies, suggesting that determining a reliable beta for APM is difficult:

- unlevered betas for the most comparable companies to APM, Adecco, Maximus and Manpower, are 0.81, 0.72 and 0.85 when calculated over a two-year period and 1.31, 0.80 and 1.84 when calculated over a five-year period. Two-year weekly betas were generally lower than five-year monthly betas, likely reflecting the lowered and low volatility in returns of health and human services related firms post the COVID-19 pandemic, low unemployment rates, rising inflation, and heightened uncertainty impacting all equity markets; and
- healthcare services companies are less comparable than employment services companies. They are likely to have lower risk as a result of their greater fixed asset base, reduced cyclical nature of earnings and barriers to entry. Their betas are significantly lower than for employment services companies.

Intuitively, we would expect a relatively low beta for employment services companies since a portion of their earnings are counter cyclical with unemployment. On balance, having regard to the factors above, Kroll has selected an unlevered beta in the range of 0.9 to 1.0.

## Gearing

In selecting an appropriate gearing ratio for APM for the purpose of re-leveraging our selected asset beta, we have considered the gearing levels of comparable companies.

The gearing ratios, calculated as at 8 August 2024, for the selected comparable companies are set out as follows.

<sup>128</sup> The market capitalisations and betas are calculated using share prices as at 9 July 2024 for the remaining companies.



### Gearing analysis

Company	Market Cap (\$ million)	Average gearing	
		2 Year	5 Year
<b>APM</b>	<b>761.3</b>	<b>30.4%</b>	<b>na</b>
<b>Employment Services</b>			
Adecco	8,383.9	37.3%	21.0%
Maximus	8,037.1	22.8%	17.7%
ManpowerGroup	5,136.7	15.8%	3.2%
Staffline	100.2	2.5%	3.9%
<b>Other</b>			
Ramsay Health	10,078.9	45.1%	39.4%
Regis	1,219.2	3.8%	17.1%
G8 Education	1,084.7	44.4%	46.3%
<b>All Companies Median</b>		<b>22.8%</b>	<b>17.7%</b>
<b>All Companies Average</b>		<b>24.5%</b>	<b>21.2%</b>

Source: S&P Capital IQ, Kroll Analysis.

Note: The presented market capitalisations have been sourced from S&P Capital IQ using their recorded shares on issue, except for APM which has been recalculated based on the total shares on issue of 917,181,946 multiplied by the closing price of \$0.83 on 16 February 2024.

For any company, there is likely to be a level of gearing that represents the optimal capital structure for that company. In estimating a discount rate, the gearing assumption should reflect this optimal or target capital structure, however, “optimal” as opposed to “actual” capital structures are not readily observable. In practice, both the existing capital structure and those of comparable businesses are used as a guide taking into account the specific circumstances of the relevant entity.

Earnings for employment services companies is cyclical and these companies do not have a substantial fixed asset base. Consequently, they are likely to be able to support lower gearing than the healthcare service providers, which have more stable cash flows and a higher fixed asset base.

APM’s two-year average market gearing is 30.4%, however, it is close to its debt covenant ratios. The most comparable companies, Adecco, Maximus, and ManpowerGroup, have net debt positions which have been higher in the short term as compared to the longer term, which is a reflection of factors such as the low unemployment rates and security of cash flows. Over a five-year period, their gearing is 21.0%, 17.7% and 3.2%.

Having regard to these factors, we have selected a gearing ratio of 25.0% to 15.0% for APM.

### Pre-tax cost of debt

For the purposes of assessing fair value however, we estimated a cost of debt from the perspective of the likely debt rate that would apply to APM if acquired by an external market participant. We have approximated the long-term, pre-tax cost of debt for each market with the following methodology, illustrated with Australian parameters:

- using our risk-free rate (4.1%) as a base;
- adding the credit risk spread between the five-year BBB rated Australian corporate bonds and five-year Australian Government bonds (1.8%); and
- adding the yield differential between five- and 10-year bonds (0.3%).

Based on the above, a long-term pre-tax cost of debt of 6.3%,<sup>129</sup> which is considered to be appropriate for the Australian market. The long-term pre-tax cost of debt in the United States, Canadian and United Kingdom were estimated with reference to S&P Investment Grade Corporate Bond Indices.

<sup>129</sup> Greater than the sum of shown parameters due to rounding.

**Tax rate**

We have adopted an effective tax rate of 27.0% for APM on a consolidated basis, reflecting that earnings will be taxed globally and predominantly in the United States. We have not ascribed any value to accrued tax losses in the discount rate.

**Company specific risk premium (alpha)**

Under CAPM theory, it is assumed that diversified investors require no additional returns to compensate for specific risks because across a diversified portfolio the net effect of specific risks will on average, be zero. In practice, many investors include an additional risk premium to reflect company specific factors or risks which may not otherwise be captured in financial forecasts and it is common for companies to set hurdle rates for investments above their own estimates of the cost of capital to deal with these issues. Such adjustments are, however, not able to be observed and are inherently subjective.

We have not applied an alpha factor in the current valuation as APM currently as we consider that other company specific risks are sufficiently reflected in the forecast cash flows.

**Post-tax cost of debt**

For the purposes of assessing fair value, a cost of debt is estimated from the perspective of the likely debt rate that would apply to APM if acquired by an external market participant.

**Cross-check**

In determining the concluded WACC, we have also given consideration to comparable company discount rates as reported in public Independent Expert Reports and broker reports. The WACC for comparable health and human services companies sourced from recent IERs have ranged between 11.3% and 11.8%. Broker discount rates for APM have ranged between 7.5% and 12.0%.



## Part Two – Financial Services Guide

### What is an FSG?

This Financial Services Guide (“FSG”) is an important document that provides you with information to help you decide whether to use our financial services.

This FSG contains information on:

- who we are;
- who our authorised representatives are;
- how we can be contacted;
- certain financial services that we can offer you;
- how we, our authorised representatives and other parties involved in providing the financial services are paid in relation to the financial services we offer; and
- details of how you can make a complaint about us or the financial services we provide.

### Who we are?

Kroll Australia Pty Ltd (ACN 116 738 535), (“We”, “us” and “Kroll”) is authorised to provide retail financial services on behalf of Millinium Capital Managers Limited (ACN 111 283 357) (“Millinium”), Australian Financial Services License (“AFSL”) no. 284336, as a Corporate Authorised Representative (“CAR”). We have also appointed Mr. Ian Jedlin as an authorised representative to Millinium’s AFSL (our “Authorised Representative”). All authorised representatives of Kroll are authorised representatives of Millinium. We aim to provide quality financial products and services to investors. Kroll acts on its own behalf when providing financial services.

Kroll has been engaged by APM Human Services International Limited (“Client”) to prepare an independent expert report (“Report”) in connection with the proposed acquisition by Madison Dearborn Partners, LLC of Client. Client will provide our Report to you.

### Our details

Kroll Australia Pty Ltd  
Level 32, 85 Castlereagh St  
SYDNEY  
NSW 2000  
www.kroll.com  
Ph: 02 8286 7200

### Our Authorised Representatives

Ian Jedlin  
ASIC authorised representative: No. 000404117  
Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

Celeste Oakley  
ASIC authorised representative: No. 001309836

Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

### Authorised Financial Services

Kroll is authorised by Millinium to provide the following financial services as their CAR:

- provide financial product advice in respect of the following classes of financial products:
  - interests in managed investment schemes including investor directed portfolio services; and
  - securities,
 with respect to retail clients and wholesale clients.

This FSG only relates to the provision of general advice by Kroll.

### Personal Advice

Neither we nor our authorised representatives can provide you with personal advice. Personal advice is advice that takes into account your objectives, financial situation and needs. Where you are referred to a financial planner for personal advice, they will make reasonable enquiries to understand your personal objectives, financial situation and needs. Their personal advice, and any relevant warnings, will be provided to you in their Statement of Advice (“SOA”).

### Remuneration

Kroll charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay Kroll \$575,000 (excluding GST and out of pocket expenses) for preparing the Report. Kroll and its officers, representatives, related entities and associates (“Personnel”) will not receive any other fee or benefit in connection with the provision of the Report. All Personnel that provide general advice on our behalf in providing services are on contract to us and receive a salary or payments in accordance with their respective contracts. They may also receive a bonus, but it is not related to the general advice provided in the Report.

Kroll may provide professional services, including consultancy, business intelligence, transfer pricing and financial advisory services, to the person who engaged us and receive fees for those services Kroll and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.



### Complaint Redressal

If you have a complaint, please let either Kroll or the Authorised Representative know. Formal complaints should be sent in writing to Complaints Officer, Kroll, Level 32, 85 Castlereagh St, SYDNEY, NSW 2000. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 8286 7227 and they will assist you in documenting your complaint. If the complaint cannot be settled in the first instance by Kroll, you should contact Millinium via the contact details set out below:

In writing:

Dispute Resolution Officer  
Millinium Capital Managers Limited  
GPO Box 615  
Sydney, NSW, 2000

When your complaint is received by Millinium it will be entered onto Millinium’s complaints register. All details of the complaint will be sent to the Disputes Resolution Officer who will investigate the circumstances of the complaint. If the Disputes Resolution Officer is unable to reach a satisfactory resolution of the complaint within thirty (30) business days of receipt, you should contact Australian Financial Complaints Authority (“AFCA”). The details are:

In writing:  
<https://www.afca.org.au/make-a-complaint>  
Telephone  
1300 56 55 62 (local call rate)  
Email  
[info@afca.org.au](mailto:info@afca.org.au)  
Website  
[www.afca.org.au](http://www.afca.org.au)

Please note that AFCA can currently only deal with claims for compensation up to \$1,085,000. Monetary limits and the AFCA terms of reference do change from time to time. Current details can be obtained from the AFCA website listed above.

representative to Millinium’s AFSL (our “Authorised Representative”). All authorised representatives of Kroll are authorised representatives of Millinium. We aim to provide quality financial products and services to investors. Kroll acts on its own behalf when providing financial services.

Kroll has been engaged by APM Human Services International Limited (“Client”) to prepare an independent expert report (“Report”) in connection with the proposed acquisition by Madison Dearborn Partners, LLC of Client. Client will provide our Report to you.

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Kroll may provide professional services, including consultancy, business intelligence, transfer pricing and financial advisory services, to the person who engaged us and receive fees for those services Kroll and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.



No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

**Complaint Redressal**

If you have a complaint, please let either Kroll or the Authorised Representative know. Formal complaints should be sent in writing to Complaints Officer, Kroll, Level 32, 85 Castlereagh St, SYDNEY, NSW 2000. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 8286 7227 and they will assist you in documenting your complaint. If the complaint cannot be settled in the first instance by Kroll, you should contact Millinium via the contact details set out below:

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Sydney, NSW, 2000

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In writing:

<https://www.afca.org.au/make-a-complaint>

Telephone

1300 56 55 62 (local call rate)

Email

[info@afca.org.au](mailto:info@afca.org.au)

Website

[www.afca.org.au](http://www.afca.org.au)

Please note that AFCA can currently only deal with claims for compensation up to \$1,085,000. Monetary limits and the AFCA terms of reference do change from time to time. Current details can be obtained from the AFCA website listed above.



# Attachment B – Scheme



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## **Scheme of arrangement** (proposed by APM under section 411 of the Corporations Act)

APM Human Services International Limited (**APM**)

Each Scheme Shareholder

**Agreed form**

SYDNEY | MELBOURNE | PERTH

For personal use only

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Date:

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## Parties

- 1 **APM Human Services International Limited (ACN 639 621 766)** of 58 Ord Street, West Perth, WA 6005 (**APM**)
- 2 **Each Scheme Shareholder**

**The parties agree**

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## 1 Defined terms, interpretation and Scheme components

### 1.1 Defined terms

Term or expressions have the meanings given to them below unless the contrary intention appears.

**Advisor** means, in relation to an entity, a professional advisor engaged (directly or indirectly) by the entity in connection with the Transaction or the subject matter in which the reference arises (as the case may be).

**Affiliate** has the meaning given to that term in the Scheme Implementation Deed.

**Aggregate Cash Consideration** means the aggregate of the Cash Consideration payable to all Scheme Shareholders under this Scheme (and in accordance with the terms of this Scheme), taking into account all valid Elections made before the Election Time and the terms of the Scheme.

**Aggregate MDP TopCo Elected Shares** means the aggregate number of MDP TopCo Shares the subject of all valid Elections made on or before the Election Time and the terms of the Scheme.

**Aggregate Scrip Consideration** means the aggregate number of MDP TopCo Shares issued to Scheme Shareholders under the Scheme (taking into account all valid Elections made on or before the Election Time and the terms of the Scheme, including the Scaleback Mechanism).

**All Cash Consideration** means the Cash Consideration for each Scheme Share held by a Scheme Shareholder.

**All Cash Election Option** means an election by a Scheme Shareholder to receive the All Cash Consideration for the Scheme Shares held by that Scheme Shareholder.

**All Scrip Consideration** means the Scrip Consideration for each Scheme Share held by a Scheme Shareholder.

**All Scrip Election Option** means an election by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) to receive the All Scrip Consideration for the Scheme Shares held by that Scheme Shareholder.

**APM Constitution** means the constitution of APM.

**APM Equity Incentive** means:

- (a) APM Performance Rights; and

(b) any other rights to APM Shares issued under an APM Group employee incentive.

**APM Group** means, collectively, APM and each of its Subsidiaries (and **APM Group Member** means any one of them).

**APM Performance Rights** means a performance or other right in respect of an APM Share granted under the APM Rights Plan.

**APM Rights Plan** means the rights plan governed by the plan rules entitled "APM Human Services International Limited Rights Plan Rules" disclosed to the ASX on 12 November 2021.

**APM Share** means a fully paid ordinary share in the capital of APM.

**APM Share Register** means the register of APM Shareholders maintained in accordance with the Corporations Act.

**APM Share Registry** means Computershare Investor Services Pty Limited (ACN 078 279 277) of Level 17, 221 St Georges Terrace, Perth, WA 6000, in its capacity as provider of registry services in respect of the APM Share Register.

**APM Shareholder** means a person or entity that is registered in the APM Share Register as the holder of an APM Share (other than an Excluded Shareholder).

**APRA** mean the Australian Prudential Regulation Authority.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it known as the "Australian Securities Exchange".

**ASX Listing Rules** or **Listing Rules** means the official listing rules of ASX from time to time, as modified by any express written waiver or exemption given by ASX.

**ASX Operating Rules** means the market operating rules of ASX Settlement, as amended, varied or waived from time to time.

**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532) as the holder of a licence to operate a clearing and settlement facility.

**Business Day** has the meaning given to that term in the ASX Listing Rules.

**Cash Consideration** means A\$1.45 per Scheme Share held by a Scheme Shareholder.

**CHESS** means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia and is operated by ASX Settlement.

**CHESS Holding** means a holding of APM Shares that is registered on the APM Share Register, which is administered by ASX Settlement and that records uncertificated holdings of APM Shares.

**Claim** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

**Condition** means each condition precedent specified in clause 3.1 of the Scheme Implementation Deed.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act as agreed in writing between APM and MDP BidCo.

**Custodian** has the meaning given to it in the Scheme Implementation Deed.

**Deed Poll** means the deed poll to be entered into by MDP BidCo and MDP TopCo in the form of Attachment A to this Scheme (or such other form as agreed in writing between MDP BidCo, MDP TopCo and APM), under which MDP BidCo and MDP TopCo each covenant in favour of, and undertake to, each Scheme Shareholder to perform their respective obligations under this Scheme.

**Delivery Time** means, 8:00 am on the Second Court Date (or, if the commencement of the Second Court Hearing is adjourned, 2 hours before the commencement of the adjourned Second Court Hearing).

**Duty** means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

**Effective** means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

**Effective Date** means the date on which this Scheme becomes Effective.

**Election** means an election by a Scheme Shareholder to receive the Scheme Consideration to which they are entitled under the Scheme in the form of:

- (c) All Cash Consideration;
- (d) All Scrip Consideration; or
- (e) Mixed Consideration,

made in accordance with clause 5.5 (*Scheme Consideration Election mechanism*) of this Scheme and otherwise in accordance with this Scheme.

**Election Form** means the form of election under which a Scheme Shareholder (other than an Ineligible Foreign Shareholder) is offered the opportunity to make an Election.

**Election Time** means 5:00 pm (Sydney time) on the date which is five Business Days before the date of the Scheme Meeting or such other date as agreed in writing by APM and MDP BidCo.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**End Date** means eight months from the date of the Scheme Implementation Deed or such later date as MDP BidCo and APM agree in writing.

**Excluded Shareholder** means any person or entity that is registered in the APM Share Register as the holder of an APM Share who is a MDP Group Member (including the MDP Funds) or any person or entity that is registered in the APM Share Register who holds any

APM Shares on behalf of, or for the benefit of, any MDP Group Member (including the MDP Funds) and does not hold APM Shares on behalf of, or for the benefit of, any other person.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. It also includes any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC, the Takeovers Panel and APRA).

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolutions to approve the Scheme at the relevant Scheme Meeting is passed by a majority in number of APM Shareholders that are members of the relevant class present and voting, either in person or by proxy.

**Immediately Available Funds** means by immediate electronic funds transfer or other form of cleared funds acceptable to APM.

**Implementation Date** means the date on which the Scheme is implemented in accordance with its terms, being the date that is five Business Days after the Scheme Record Date, or such other date as:

- (a) APM and MDP BidCo may agree in writing;
- (b) ordered by the Court; or
- (c) may be required by ASX.

**Ineligible Foreign Shareholder** means a Scheme Shareholder whose address shown in the APM Share Register as at 7:00 pm on the Scheme Record Date is a place outside Australia and its external territories, unless MDP BidCo determines that it is lawful and, after having consulted with APM, not unduly onerous or impractical to provide that Scheme Shareholder with MDP TopCo Shares when the Scheme becomes Effective.

**Issuer Sponsored Holding** has the meaning given to that term in the ASX Operating Rules.

**Marketable Parcel** has the meaning given to that term in the ASX Operating Rules.

**Maximum Cash Consideration** means a cash amount equal to the value of the Cash Consideration multiplied by the total number of Scheme Shares.

**Maximum Scrip Threshold** means such number of MDP TopCo Shares that would be issued to APM Shareholders where the Scrip Consideration is provided for an aggregate of 65% of the Scheme Shares.

**MDP BidCo** means Ancora BidCo Pty Ltd (ACN 677 569 514).

**MDP Funds** means collectively, Madison Dearborn Capital Partners VIII-A, L.P., Madison Dearborn Capital, Partners VIII-C, L.P., Madison Dearborn Capital Partners VIII Executive-A, L.P., Madison Dearborn Capital Partners VIII Executive-A2, L.P., and any other investment fund or vehicle advised or managed, directly or indirectly, by Madison Dearborn Partners, LLC or its Affiliates.

**MDP TopCo** means Ancora TopCo Ltd (ACN 677 564 662).

**MDP TopCo Constitution** means the constitution of MDP TopCo.

**MDP TopCo Shareholders' Deed** means the shareholders' deed in relation to MDP TopCo to be entered into by the shareholders of MDP TopCo (including the Scheme Shareholders that are issued Scrip Consideration under the Scheme) in the form set out in Attachment C to the Scheme Implementation Deed.

**MDP TopCo Shares** means fully paid Series A Shares and Series B Shares in the capital of MDP TopCo, having the rights and obligations set out in the MDP TopCo Constitution and the MDP TopCo Shareholders' Deed.

**Mixed Consideration** means:

- (a) the Cash Consideration in respect of 10% of the Scheme Shares; *plus*
- (b) the Scrip Consideration in respect of 90% of the Scheme Shares.

**Mixed Consideration Election Option** means an election by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) to receive the Mixed Consideration for the Scheme Shares held by that Scheme Shareholder.

**Nominee Deed** means the nominee deed to be entered into between MDP TopCo and the Custodian.

**Official List** means the official list of the ASX.

**Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act.

**Registered Address** means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in the APM Share Register as at the Scheme Record Date.

**Representative** means, in respect of a party, an employee, agent, officer, director or Advisor of that party (or of, in the case of APM, an APM Group Member, or, in the case of MDP BidCo, its Related Bodies Corporate, their respective controlling Affiliates and their respective employees, agents, officers, directors or Advisors), and, in the case of Advisors, includes employees, officers and partners of the Advisor. **Scaleback Mechanism** means the scaleback mechanism set out in clause 5.11.

**Scheme** means this scheme of arrangement, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by APM and MDP BidCo (including in accordance with clause 4.1(b) of the Scheme Implementation Deed).

**Scheme Booklet** means the explanatory statement in respect of the Scheme to be prepared by APM pursuant to section 411 of the Corporations Act and in accordance with the terms of the Scheme Implementation Deed, and to be despatched by APM to APM Shareholders, which will contain (amongst other things) the Scheme, the Independent Expert's Report, a copy or summary of the Scheme Implementation Deed, a copy of the executed Deed Poll, a notice of meeting in respect of the Scheme Meeting, proxy form(s) and an Election Form.

**Scheme Consideration** means:

- (a) the All Cash Consideration;

(b) the All Scrip Consideration; or

(c) the Mixed Consideration,

in respect of each Scheme Share, the Election or combination of which is determined in accordance with clause 5.5 (*Scheme Consideration Election mechanism*) and otherwise in accordance with the terms of this Scheme.

**Scheme Implementation Deed** means the scheme implementation deed, dated 31 May 2024, between APM and MDP BidCo relating to (among other things) the implementation of this Scheme.

**Scheme Meeting** means the meeting of APM Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider the Scheme Resolution and includes any meeting convened following an adjournment or postponement of any such meeting.

**Scheme Record Date** means the time and date for determining entitlements to receive the Scheme Consideration, being 7:00 pm on the second Business Day after the Effective Date, or such other date after the Effective Date as APM and MDP BidCo may agree in writing.

**Scheme Resolution** means the resolution to approve this Scheme to be considered by APM Shareholders at the Scheme Meeting.

**Scheme Share** means an APM Share held by a Scheme Shareholder as at the Scheme Record Date.

**Scheme Shareholder** means an APM Shareholder as at the Scheme Record Date.

**Scheme Transfer** means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of MDP BidCo as transferee, which may be or include a master transfer of all or part of the Scheme Shares.

**Scrip Consideration** means such number of MDP TopCo Shares for each Scheme Share as determined by MDP BidCo at least 5 Business Days prior to the First Court Date (provided that in respect of each such Scheme Share, 95% of the MDP TopCo Shares issued are Series A Shares and 5% of the MDP TopCo Shares issued are Series B Shares) in respect of those Scheme Shares for which a valid Election is made to receive such Scheme Consideration.

**Share Splitting** means the splitting by an APM Shareholder of a holding of APM Shares into two or more parcels of APM Shares whether or not it results in any change in beneficial ownership of the APM Shares.

**Second Court Date** means the first day on which an application made to the Court by APM for an order under section 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 is heard), with such hearing being the **Second Court Hearing**.

**Security Interest** has the meaning given in section 12 of the *Personal Property Securities Act 2009* (Cth).

**Series A Shares** means the Series A Shares in MDP TopCo having the rights and obligations set out in the MDP TopCo Constitution and the MDP TopCo Shareholders' Deed.



**Series B Shares** means the Series B Shares in MDP TopCo having the rights and obligations set out in the MDP TopCo Constitution and the MDP TopCo Shareholders' Deed.

**Subsidiary** has the meaning given to that term in the Corporations Act.

**Transaction** means the acquisition of the Scheme Shares by MDP BidCo through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.

**Trust Account** means an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the *Banking Act 1959* (Cth)) which attracts interest at a commercial rate and is operated by or on behalf of APM as trustee for the Scheme Shareholders (except that any interest on the amount deposited, less bank fees and other charges, will accrue for the benefit of MDP BidCo), details of which APM must notify to MDP BidCo no later than five Business Days before the Implementation Date.

**Unclaimed Money Act** means the *Unclaimed Money Act 1990* (WA).

## 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;
- (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, trust, 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 re-enactments 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 Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1 (*Defined terms*), 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 by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) 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;
- (p) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) 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;
- (q) 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;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (s) a reference to the ASX Listing Rules or ASX Operating 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;
- (t) specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included; and
- (u) 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.

### 1.3 Scheme components

This Scheme includes any schedule to it.

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## 2 Preliminary matters

### 2.1 APM

- (a) APM is a public company limited by shares, incorporated under the Corporations Act and registered in New South Wales.
- (b) APM is admitted to the Official List and APM Shares are quoted on the Official List.
- (c) As at the date of the Scheme Implementation Deed, APM had the following equity securities on issue:

- (i) 917,181,946 APM Shares; and
- (ii) 15,412,706 APM Performance Rights.

## 2.2 MDP BidCo

MDP BidCo is a proprietary company limited by shares, incorporated under the Corporations Act and registered in New South Wales.

## 2.3 MDP TopCo

MDP TopCo is an unlisted public company limited by shares, incorporated under the Corporations Act and registered in New South Wales.

## 2.4 Scheme Implementation Deed

- (a) APM and MDP BidCo have entered into the Scheme Implementation Deed pursuant to which, amongst other things:
  - (i) APM agreed to propose this Scheme to APM Shareholders; and
  - (ii) APM and MDP BidCo each agreed to take certain steps to implement the Scheme.
- (b) If this Scheme becomes Effective, then:
  - (i) all of the Scheme Shares and the rights and entitlements attaching to them on the Implementation Date will be transferred to MDP BidCo;
  - (ii) MDP BidCo and MDP TopCo will each provide (or procure the provision of) the Scheme Consideration to each Scheme Shareholder in respect of each Scheme Share accordance with the terms of this Scheme and the Deed Poll; and
  - (iii) APM will enter the name and address of MDP BidCo in the APM Share Register as the holder of all of the Scheme Shares.

## 2.5 Deed Poll

- (a) The Scheme attributes actions to MDP BidCo and MDP TopCo but does not itself impose an obligation on MDP BidCo or MDP TopCo to perform those actions as MDP BidCo and MDP TopCo are not parties to the Scheme.
- (b) MDP BidCo and MDP TopCo have each executed the Deed Poll under which they each covenant in favour of, and undertake to, each Scheme Shareholder to observe and perform their respective obligations under the Scheme, including to provide (or procure the provision of) the Scheme Consideration to the Scheme Shareholders.

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## 3 Conditions precedent

### 3.1 Conditions precedent to this Scheme

This Scheme is conditional on, and will have no force or effect (and will not become Effective) unless and until each of the following conditions precedent is satisfied:

- (a) **(Scheme Implementation Deed – Conditions)** all of the Conditions in clause 3.1 (*Conditions Precedent*) of the Scheme Implementation Deed (other than the Condition in clause 3.1(g) (*Court approval*) of the Scheme Implementation Deed) are satisfied or, if applicable, waived in accordance with the terms of the Scheme Implementation Deed by the Delivery Time;
- (b) **(no termination of Scheme Implementation Deed or Deed Poll)** neither the Scheme Implementation Deed nor the Deed Poll is terminated in accordance with its terms before the Delivery Time;
- (c) **(Court approval)** the Court makes orders approving this Scheme under section 411(4)(b) of the Corporations Act (either unconditionally and without modification or with such modifications or conditions made or required by the Court under section 411(6) of the Corporations Act that are agreed to by APM and MDP BidCo having been satisfied or waived); and
- (d) **(Court orders become effective)** the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme coming into effect pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date that APM and MDP BidCo agree in writing).

### 3.2 Certificates

- (a) APM and MDP BidCo must provide to the Court on the Second Court Date a certificate (signed for and on behalf of APM and MDP BidCo respectively), or such other evidence as the Court may require or request, confirming (in respect of matters within their knowledge) whether or not, as at the Delivery Time:
  - (i) the condition precedent in clause 3.1(a) (*Scheme Implementation Deed – Conditions*); and
  - (ii) the condition precedent in clause 3.1(b) (*no termination*),
 have each been satisfied or waived in accordance with the Scheme Implementation Deed.
- (b) The certificate given by APM and MDP BidCo to the Court under clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

### 3.3 End Date

Without limiting any rights of MDP BidCo and APM under the Scheme Implementation Deed, 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 Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless APM and MDP BidCo otherwise agree in writing (and, if required, as approved by the Court).

### 3.4 Scheme becoming Effective

Subject to this clause 3 (*Conditions precedent*), this Scheme will take effect (and become Effective) pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

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## 4 Implementation of this Scheme

### 4.1 Lodgement of Court orders with ASIC

If the conditions in clauses 3.1(a) to 3.1(d) are satisfied or waived, for the purposes of section 411(10) of the Corporations Act, APM must lodge with ASIC an office copy of the orders made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme before 5:00 pm on the first Business Day following the day on which such office copy is received by APM (or such later date as APM and MDP BidCo agree in writing).

### 4.2 Transfer of Scheme Shares

On the Implementation Date, subject to, and after, the provision of the Scheme Consideration to Scheme Shareholders in the manner contemplated by this Scheme:

- (a) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, must be transferred to MDP BidCo without the need for any further act by any Scheme Shareholder (other than acts performed by APM or any of its directors, secretaries and officers as agent and attorney of the Scheme Shareholders under clause 9.6 (*Authority given to APM*), or otherwise) by:
  - (i) APM delivering to MDP BidCo a duly completed and executed Scheme Transfer to transfer all of the Scheme Shares to MDP BidCo, executed on behalf of the Scheme Shareholders (as transferors) as their agent and attorney; and
  - (ii) MDP BidCo duly executing such Scheme Transfer (as transferee) and delivering the executed, and, if necessary, stamped, Scheme Transfer to APM for registration; and
- (b) as soon as reasonably practicable following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), but subject to the stamping of the Scheme Transfer (if required), APM must enter, or procure the entry of, the name of MDP BidCo in the APM Share Register as the registered holder of all of the Scheme Shares transferred to MDP BidCo in accordance with this Scheme.

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## 5 Scheme Consideration

### 5.1 Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:
  - (i) the All Cash Consideration;
  - (ii) the All Scrip Consideration; or
  - (iii) the Mixed Consideration.

- (b) Each Scheme Shareholder is entitled to receive either the All Cash Consideration, the All Scrip Consideration or the Mixed Consideration in respect of each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme.

## 5.2 Entitlement to Scheme Consideration

- (a) Subject to the Scheme becoming Effective, in consideration for the transfer to MDP BidCo of each Scheme Share held by a Scheme Shareholder, MDP BidCo must provide on the Implementation Date the Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it.
- (b) The obligation of MDP BidCo to provide or procure the provision of the Scheme Consideration to Scheme Shareholders will be satisfied in accordance with clauses 6.1 (*Provision of Aggregate Cash Consideration*) and / or 6.2 (*Provision of Aggregate Scrip Consideration*).

## 5.3 MDP BidCo undertakings in relation to the Scheme Consideration

Subject to the terms of this Scheme (including clauses 5.4 (*MDP TopCo Shares*) and 5.10 (*Ineligible Foreign Shareholders*), MDP BidCo undertakes and warrants to APM (in APM's own right and separately as trustee for each Scheme Shareholder) that, in consideration for the transfer to MDP BidCo of each APM Share held by a Scheme Shareholder under the terms of this Scheme, MDP BidCo will:

- (a) accept that transfer;
- (b) pay, or procure the payment of, an amount in cleared funds equal to the Aggregate Cash Consideration into the Trust Account to be held on trust for the Scheme Shareholders; and
- (c) procure the issuance and allotment of the Aggregate Scrip Consideration to the applicable Scheme Shareholders (either directly or, in the case of Scheme Shareholders other than the Key Rolling Shareholders and any other Scheme Shareholders as agreed between MDP BidCo and APM, indirectly through the Custodian to be held as bare trustee for those Scheme Shareholders, at the absolute election of MDP BidCo but subject to the terms of the MDP TopCo Shareholders' Deed) on the terms and with the rights attached to the MDP TopCo Shares as set out in the MDP TopCo Constitution and the MDP TopCo Shareholders' Deed and ensure that on issue each MDP TopCo Share will be fully paid and free from any Encumbrance, subject to any applicable scaleback in accordance with the Scaleback Mechanism,

in each case, in accordance with the terms of this Scheme and the Deed Poll.

## 5.4 MDP TopCo Shares

Notwithstanding anything to the contrary in this Scheme, the issue of MDP TopCo Shares as Scheme Consideration under the Scheme is subject to the Scaleback Mechanism.

## 5.5 Scheme Consideration Election mechanism

- (a) Each APM Shareholder (other than Ineligible Foreign Shareholders) will be entitled to make an Election. All Elections take effect in accordance with the Scheme to the extent any APM Shareholder (other than Ineligible Foreign Shareholders) who makes an Election qualifies as a Scheme Shareholder.
- (b) APM must ensure that:

- (i) the Scheme Booklet is accompanied by an Election Form. The Election Form must include the relevant matters set out in the Scheme and must otherwise be in a form agreed between the parties in writing and APM must not finalise the Election Form without the prior written consent of MDP BidCo (acting reasonably); and
- (ii) the Election Form contains:
- (A) a section which requires an APM Shareholder to provide details of bank accounts into which any future dividends on and other payments relating to MDP TopCo Shares are to be paid; and
- (B) wording to the effect that an APM Shareholder, by signing and submitting an Election Form, consents to APM providing to MDP TopCo such bank account details and tax file numbers or bank account details or tax file numbers previously notified by the APM Shareholder to APM;
- (c) The Election Form must include the relevant matters set out in the Scheme and include the following terms and conditions:
- (i) subject to clause 5.5(c)(iv), an Election must be made in accordance with the terms and conditions stated on the Election Form for it to be valid and must be completed and returned in writing to the address specified on the Election Form on or before the Election Time (provided that MDP BidCo may, with the agreement of APM in writing, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Election, and any such decision will be conclusive and binding on APM, MDP BidCo and the relevant APM Shareholder, with MDP BidCo having no obligation to communicate with any APM Shareholder prior to making this determination);
- (ii) an Election will apply to all of the APM Shares of the APM Shareholder (other than an Ineligible Foreign Shareholder) as at the Election Time;
- (iii) once made, an Election may be varied, waived or revoked before the Election Time by notice in writing to APM; and
- (iv) in the manner considered appropriate by MDP BidCo and APM (acting reasonably), an APM Shareholder (other than an Ineligible Foreign Shareholder) who holds one or more parcels of APM Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of APM Shares (subject to providing to MDP BidCo and APM any substantiating information they reasonably require). If an APM Shareholder (other than an Ineligible Foreign Shareholder) does so, it will be treated as a separate APM Shareholder for each such parcel in respect of which a separate Election is made (and for any balance of its holding), provided that if, at the Election Time, it holds fewer APM Shares than it held at the time it made the Election, then, unless it has at the time of any sale of APM Shares notified APM whether the APM Shares sold relate to, any such separate Election (and if so, which separate Election the APM Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its APM Shares or otherwise be treated in any other manner that MDP BidCo and APM agree is fair and appropriate.
- (d) APM must ensure that, to the extent reasonably practicable, persons who acquire APM Shares after the date of the dispatch of the Scheme Booklet and up until the

Election Time are sent Election Forms upon those persons requesting one from APM.

- (e) In order to facilitate the issue of the Scrip Consideration, APM must provide, or procure the provision, to MDP BidCo:
- (i) reasonable written updates of the Elections that have been received from APM Shareholders up to the Election Time;
  - (ii) written details of any final Elections made by an APM Shareholder, on the Business Day after the Election Time, including the name and address of each APM Shareholder (other than an Ineligible Foreign Shareholder) who has made an Election on or before the Election Time and the number of MDP TopCo Shares that MDP TopCo must issue to that APM Shareholder to meet its obligations under the Scheme in accordance with that APM Shareholder's Election and subject to the Scaleback Mechanism.
- (f) The parties agree that the terms and conditions that will be stated on the Election Form will include the following:
- (i) Ineligible Foreign Shareholders may not make an Election and that any purported Election by such persons will be of no effect. Clause 5.10 will apply to any APM Shareholder who makes an Election but who qualifies as an Ineligible Foreign Shareholder;
  - (ii) Excluded Shareholders may not make an Election and that any purported Election by such persons will be of no effect;
  - (iii) if an APM Shareholder does not make an Election on or before the Election Time, that APM Shareholder will receive All Cash Consideration in respect of the Scheme Shares held by that APM Shareholder;
  - (iv) APM Shareholders who make a valid Election on or before the Election Time agree to become members of MDP TopCo from the Implementation Date and become bound by the MDP TopCo Constitution and MDP TopCo Shareholders' Deed from the Implementation Date, pursuant to the Scheme;
  - (v) APM Shareholders who make an Election on or before the Election Time agree that their Scrip Consideration will be issued to that Scheme Shareholder (either directly or, in the case of Scheme Shareholders excluding the Key Rollover Shareholders and any other Scheme Shareholders agreed between MDP BidCo and APM, indirectly through the Custodian to be held as bare trustee for those Scheme Shareholders, at the absolute discretion of Bidder), pursuant to and in accordance with the terms of the MDP TopCo Shareholders' Deed; and
  - (vi) APM Shareholders (other than Ineligible Foreign Shareholders) who make a valid Election on or before the Election Time must provide, before the Election Time, the information and documents described in the Election Form as being required by MDP BidCo or APM; and
  - (vii) the Scaleback Mechanism applies to the issue of the All Scrip Consideration or the Mixed Consideration,

and such other terms and conditions as MDP BidCo reasonably requires to be stated on the Election Form.



**5.6 All Cash Consideration**

- (a) If an APM Shareholder:
- (i) makes a valid Election to receive the All Cash Election Option on or before the Election Time;
  - (ii) is an Ineligible Foreign Shareholder; or
  - (iii) does not make a valid Election on or before the Election Time,
- that APM Shareholder will receive the All Cash Consideration for the Scheme Shares held by them.
- (b) If a calculation of Scheme Consideration would result in a Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

**5.7 All Scrip Consideration**

If an APM Shareholder (other than an Ineligible Foreign Shareholder) makes a valid Election to receive the All Scrip Election Option on or before the Election Time:

- (a) the APM Shareholder (other than an Ineligible Foreign Shareholder) will be entitled to receive the All Scrip Consideration for the Scheme Shares held by them (subject to the Scaleback Mechanism and the terms of the Scheme);
- (b) if the number of MDP TopCo Shares to which that APM Shareholder (other than an Ineligible Foreign Shareholder) is entitled is not a whole number, the number of MDP TopCo Shares will be rounded down to the nearest whole number;
- (c) the Scrip Consideration in respect of which the APM Shareholder (other than an Ineligible Foreign Shareholder) is entitled to will either be issued directly to that Scheme Shareholder (such that the Scheme Shareholder will be the legal holder of the relevant Scrip Consideration) or to the Custodian to be held as bare trustee for that Scheme Shareholder (subject to the terms of the MDP TopCo Shareholders' Deed, at the sole and absolute discretion of MDP BidCo) (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scrip Consideration), pursuant to and in accordance with the terms of the MDP TopCo Shareholders' Deed and MDP TopCo Constitution; and
- (d) to the extent that an APM Shareholder elects to receive the All Scrip Election Option, the MDP TopCo Shares to be issued to each such APM Shareholder will be allotted in the following proportions:
  - (i) as to Series A Shares, 95% of that APM Shareholder's aggregate shareholding in MDP TopCo; and
  - (ii) as to Series B Shares, 5% of that APM Shareholder's aggregate shareholding in MDP TopCo.

**5.8 Mixed Consideration**

If an APM Shareholder (other than an Ineligible Foreign Shareholder) makes a valid Election to receive the Mixed Consideration Election Option on or before the Election Time:

- (a) the APM Shareholder (other than an Ineligible Foreign Shareholder) will be entitled to receive the Scheme Consideration relevant to their Election for the Scheme Shares held by them (subject to the Scaleback Mechanism and the terms of the Scheme);
- (b) if the number of MDP TopCo Shares to which that APM Shareholder (other than an Ineligible Foreign Shareholder) is entitled is not a whole number, the number of MDP TopCo Shares will be rounded down to the nearest whole number; and
- (c) the Scrip Consideration in respect of which the APM Shareholder (other than an Ineligible Foreign Shareholder) is entitled to will either be issued directly to that Scheme Shareholder (such that the Scheme Shareholder will be the legal holder of the relevant Scrip Consideration) or to the Custodian to be held as bare trustee for that Scheme Shareholder (subject to the terms of the MDP TopCo Shareholders' Deed, at the sole and absolute election of MDP BidCo) (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scrip Consideration), pursuant to and in accordance with the terms of the MDP TopCo Shareholders' Deed and MDP TopCo Constitution; and
- (d) to the extent that an APM Shareholder elects to receive the Mixed Consideration Election Option, the MDP TopCo Shares to be issued to each such APM Shareholder will be allotted in the following proportions:
  - (i) as to Series A Shares, 95% of that APM Shareholder's aggregate shareholding in MDP TopCo; and
  - (ii) as to Series B Shares, 5% of that APM Shareholder's aggregate shareholding in MDP TopCo.

### 5.9 Share Splitting

If APM and MDP BidCo are of the opinion that a number of Scheme Shareholders and / or other persons (which, for the avoidance of doubt, may include other Scheme Shareholders) have, on or before the Election Time, been party to a shareholding splitting or division or an acquisition of Scheme Shares in an attempt to obtain, or that provides, an advantage by reference to the rounding as contemplated by clauses 5.7(b), or 5.8(b) (as applicable), MDP BidCo may direct APM to give notice to those Scheme Shareholders prior to the Implementation Date:

- (a) setting out the names and registered address of all of those Scheme Shareholders;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

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

### 5.10 Ineligible Foreign Shareholders

MDP BidCo has no obligation to provide, and will not provide, under the Scheme any Scrip Consideration to Ineligible Foreign Shareholders, regardless of any Election made by those persons, but must pay the All Cash Consideration to each Ineligible Foreign Shareholder for the Scheme Shares they hold in accordance with the Scheme.

**5.11 Scaleback Mechanism**

If:

- (a) the:
- (i) Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election on or before the Election Time; and
  - (ii) the Aggregate TopCo Elected Shares exceeds the Maximum Scrip Threshold,

then:

- (b) that Scheme Shareholder is entitled to receive:
- (i) Scrip Consideration as calculated in accordance with the following formula:

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

where:

<b>A</b>	= the number of MDP TopCo Shares to be received by the Scheme Shareholder pursuant to the Scheme
<b>B</b>	= the number of the Scheme Shareholder's Scheme Shares the subject of the Scheme Shareholder's valid Election, such that where the Scheme Shareholder has elected to receive the: <ul style="list-style-type: none"> <li>▪ All Cash Election Option, a number equal to 0% of the Scheme Shares held by the Scheme Shareholder;</li> <li>▪ All Scrip Election Option, a number equal to 100% of the Scheme Shares held by the Scheme Shareholder; or</li> <li>▪ Mixed Consideration Election Option, a number equal to 90% of the Scheme Shares held by the Scheme Shareholder</li> </ul>
<b>C</b>	= the number of MDP TopCo Shares equal to the Maximum Scrip Threshold
<b>D</b>	= Aggregate MDP TopCo Elected Shares

*plus:*

- (ii) the All Cash Consideration for:
  - (A) each Scheme Share they hold; *less*
  - (B) the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive Scrip Consideration as calculated in accordance with clause 5.11(b)(i) above.

## 6 Provision of Scheme Consideration

### 6.1 Provision of Aggregate Cash Consideration

- (a) The obligation of MDP BidCo to provide, or procure the provision of, the Aggregate Cash Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll will be satisfied by MDP BidCo by:
- (i) depositing or procuring the deposit, into the Trust Account, of an Australian dollar amount in Immediately Available Funds equal to the Aggregate Cash Consideration by no later than 5:00 pm on the Business Day before the Implementation Date to be held by or on behalf of APM on trust for the Scheme Shareholders; and
  - (ii) providing APM with written confirmation that payment has been made in accordance with clause 6.1(a)(i) above.
- (b) Subject to MDP BidCo complying with its obligations under clause 6.1(a), APM must on the Implementation Date pay, or procure the payment, of the Aggregate Cash Consideration from the Trust Account, by paying or procuring the payment to each Scheme Shareholder who:
- (i) does not make an Election;
  - (ii) does not make a valid Election;
  - (iii) is an Ineligible Foreign Shareholder;
  - (iv) makes or is deemed to make a valid Election to receive the All Cash Election Option in respect of all (or, if permitted pursuant to clause 5.5(c), some) of that Scheme Shareholders' Scheme Shares (including Ineligible Foreign Shareholders in accordance with clause 5.6(a)(i)); or
  - (v) makes a valid Election to receive the Mixed Consideration, to the extent that Scheme Shareholder's Mixed Consideration relates to the cash component or was scaled back under the Scaleback Mechanism, determined in accordance with the terms of this Scheme,

such amount equal to the Cash Consideration due to that Scheme Shareholder in respect of each Scheme Share held by that Scheme Shareholder in accordance with clauses 5.1 (*Scheme Consideration*) and 5.5 (Scheme Consideration Election mechanism).

- (c) MDP BidCo's obligations under clause 6.1(b) will be satisfied by APM (in its absolute discretion, and despite any election referred to in clause 6.1(c)(i) or authority referred to in clause 6.1(c)(iii) made or given by the Scheme Shareholder):
- (i) where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the APM Share Registry to receive dividend payments from APM by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election;
  - (ii) where a Scheme Shareholder has, before the Scheme Record Date, made an election in accordance with the requirements of the APM Share Registry to

receive payments electronically in their local currency using the APM Share Registry's Global Wire Payment Service, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder by the APM Share Registry's Global Wire Payment Service;

- (iii) 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 APM; or
  - (iv) despatching, or procuring the despatch of, a cheque in Australian currency for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder (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 clause 6.3 (*Joint holders*)).
- (d) If:
- (i) a Scheme Shareholder does not have a Registered Address and no account has been notified in accordance with clause 6.1(c)(i) or a deposit into such account is rejected or refunded; or
  - (ii) a cheque issued under clause 6.1(c)(iv) has been cancelled in accordance with clause 6.4(a),

APM, as the trustee for the Scheme Shareholders, may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of APM (**Separate Account**) to be held until the Scheme Shareholder claims the amount, or the amount is dealt with under the Unclaimed Money Act. To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the Unclaimed Money Act.

## 6.2 Provision of Aggregate Scrip Consideration

- (a) Subject to clauses 5.5 (*Scheme Consideration Election mechanism*) 5.9 (*Share Splitting*), 5.10 (*Ineligible Foreign Shareholders*) and 6.2(b) and the Scaleback Mechanism, MDP TopCo must, and MDP BidCo must procure that MDP TopCo does, before 12:00 pm on the Implementation Date (or such other time as APM and MDP BidCo may agree in writing):
  - (i) issue and allot the Scrip Consideration to each Scheme Shareholder who has made a valid Election, or is otherwise deemed to have validly Elected, to receive Scrip Consideration in accordance with the Scheme and Deed Poll in respect of that Scheme Shareholder's Scheme Shares; and
  - (ii) procure that the name and address of each such Scheme Shareholder is entered into the MDP TopCo Register in respect of the Scrip Consideration to which it is entitled under the Scheme (either directly or indirectly through the Custodian to hold as bare trustee for the relevant Scheme Shareholders pursuant to and in accordance with the terms of this Scheme and the MDP TopCo Shareholders' Deed).
- (b) Within 5 Business Days after the Implementation Date, MDP TopCo must send, or procure the sending of, a certificate or other holding statement to each Scheme Shareholder and / or the Custodian (if applicable) who received Scrip Consideration under this Scheme, reflecting the issue of such Scrip Consideration, to their

Registered Address or as otherwise validly directed by the relevant Scheme Shareholder or the Custodian (as applicable).

### 6.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 6.3(c), any Scheme Consideration payable in cash in respect of those Scheme Shares is payable to the joint holders of those Scheme Shares 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 APM, the holder whose name appears first in the APM Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account under clause 6.1(c)(iii), in which case the amount must be deposited directly to the nominated bank account of the joint holders);
- (b) any Scrip Consideration to be issued under this Scheme must be issued to and registered in the names of the joint holders or, if Scrip Consideration is issued to the Custodian to hold as bare trustee for the joint holders, the joint holders will have joint beneficial ownership of that Scrip Consideration; and
- (c) any other document required to be sent under this Scheme will be forwarded to either, at the sole discretion of APM (or, in the case of clause 6.2(b), MDP BidCo), the holder whose name appears first in the APM Share Register as at the Scheme Record Date or to the joint holders.

### 6.4 Unclaimed moneys

- (a) APM may cancel a cheque issued under clause 6.1(c)(iv) if the cheque:
  - (i) is returned to APM; or
  - (ii) 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 APM or the APM Share Registry (which request may not be made until the date which is 20 Business Days after the Implementation Date), a cheque that was previously cancelled under clause 6.4(a) must be reissued.
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration that becomes "unclaimed money" (as defined in section 3 of the Act).

### 6.5 Treatment of surplus amounts

To the extent that, following satisfaction of APM's obligations under this clause 6 (*Provision of Scheme Consideration*), there is a surplus in the amount held by APM as the trustee for the Scheme Shareholders in the Trust Account, then the surplus must be paid by APM (or the APM Registry on APM's behalf) to MDP BidCo.

### 6.6 Order of a court or Government Agency

- (a) If written notice is given to APM (or the APM Share Registry) or MDP BidCo of an order or direction made by a court of competent jurisdiction or another Government Agency that:

- (i) 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 amount would otherwise be payable to that Scheme Shareholder by APM in accordance with this clause 6, then APM will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
  - (ii) prevents APM from providing consideration to any particular Scheme Shareholder in accordance with clause 6, or the payment or issuance of such consideration is otherwise prohibited by applicable law, APM will be entitled to (as applicable) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Cash Consideration until such time as provision of the Scheme Consideration in accordance with this clause 6 is permitted by that (or another) order or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 6.6(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

#### **6.7 Status of MDP TopCo Shares**

Subject to this Scheme becoming Effective, MDP TopCo must:

- (a) issue (or procure the issue of) the MDP TopCo Shares required to be issued under this Scheme on terms such that each MDP TopCo Share will rank equally in all respects with each other MDP TopCo Share; and
- (b) ensure that each MDP TopCo Share required to be issued under this Scheme is duly issued and is fully paid and free from any Encumbrance or other security interests or arrangements (including any "security interests" within the meaning of section 12 of the PPSA.
- (c) On or before the date that is 10 Business Days after the Implementation Date, MDP BidCo must send, or procure the sending of, a certificate to each Scheme Shareholder or the Custodian (as the case requires) entitled to receive MDP TopCo Shares under this Scheme, reflecting the issue of such MDP TopCo Shares.

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## **7 Dealings in APM Shares**

### **7.1 Determination of Scheme Shareholders**

To establish the identity of the Scheme Shareholders, dealings in APM Shares or other alterations to the APM Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the APM Share Register as the holder of the relevant APM Shares at or before the Scheme Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received by the Scheme Record Date at the place where the APM Share Register is kept,

and, for the purpose of establishing the identity of the Scheme Shareholders, APM will not accept for registration, nor recognise for any purpose (except a transfer to MDP BidCo pursuant to this Scheme and any subsequent transfer by MDP BidCo or its successors in title), any transfer or transmission application or other request in respect of the APM Shares received after the Scheme Record Date or received at or prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).

## **7.2 Maintenance of APM Share Register**

- (a) For the purposes of determining entitlements to the Scheme Consideration, APM must maintain the APM Share Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been provided to the Scheme Shareholders in accordance with this Scheme and the name and address of MDP BidCo has been entered into the APM Share Register as the holder of all the Scheme Shares. The APM Share Register in this form will solely determine entitlements to the Scheme Consideration, and each entry on the APM Share Register as at the Scheme Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- (b) APM must register, or cause to be registered, valid registrable transmission applications or transfers of the Scheme Shares of the kind referred to in clause 7.1(b) by no later than the Scheme Record Date (provided that, for the avoidance of doubt, nothing in this clause 7.2(b) requires APM to register a transfer that would result in an APM Shareholder holding a parcel of APM Shares that is less than a Marketable Parcel).
- (c) APM will not accept for registration or recognise for any purpose any transmission application or transfer in respect of APM Shares received after the Scheme Record Date or received at or prior to the Scheme Record Date but not in registrable or actionable form (as appropriate).
- (d) From the Scheme Record Date until the earlier of registration of MDP BidCo in respect of all Scheme Shares under clause 4.2(b) or the End Date, no Scheme Shareholder (or any person claiming through that Scheme Shareholder) may deal with, or purport to agree to deal with, any APM Shares or any interest in them in any way except as set out in this Scheme, and any attempt to do so will be void and of no effect whatsoever and APM will disregard any such actual or purported dealing.

## **7.3 Information to be made available to MDP BidCo**

As soon as possible after the Scheme Record Date and in any event, within three Business Days after the Scheme Record Date, APM must provide, or procure the provision, to MDP BidCo a complete copy of the APM Share Register (which must include the name, Registered Addresses and registered holding of each Scheme Shareholder) as at the Scheme Record Date.

## **7.4 Effect of share certificates and holding statements**

- (a) Each entry that is current on the APM Share Register as at the Scheme Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the APM Shares relating to that entry.
- (b) All statements of holding for APM Shares (other than statements of holding in favour of MDP BidCo, MDP TopCo, their successors in title or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title (or evidence thereof) in respect of those shares and, as from that date, each entry current at that date on the APM Share Register (other than entries on the APM Share



Register in respect of MDP BidCo or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the APM Shares relating to that entry.

## 8 Quotation of APM Shares

### 8.1 Suspension of trading

Subject to the Scheme becoming Effective, APM will apply to the ASX to suspend trading in APM Shares with effect on and from the close of trading on the Effective Date.

### 8.2 Removal of APM from the Official List of the ASX

On a Business Day following the Implementation Date, APM will apply:

- (a) for termination of the official quotation of APM Shares on the ASX; and
- (b) to have itself removed from the Official List of the ASX.

## 9 General Scheme provisions

### 9.1 Consent to amendments to this Scheme

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

- (a) APM may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which MDP BidCo has consented (whether in writing or by its counsel or solicitors); and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel or solicitors for APM has consented to under clause 9.1(a).

### 9.2 Binding effect of this Scheme

This Scheme:

- (a) binds APM and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting); and
- (b) to the extent of any inconsistency between this Scheme and the APM Constitution, overrides the APM Constitution.

### 9.3 Agreement of Scheme Shareholders

Each Scheme Shareholder (by operation of this Scheme and without the need for any further act by the Scheme Shareholder):

- (a) irrevocably agrees to the transfer of their Scheme Shares (together with all rights and entitlements attaching to those Scheme Shares) in accordance with terms of this Scheme;
- (b) irrevocably agrees to the variation, cancellation or modification of the rights attached to their APM Shares constituted by or resulting from this Scheme;

- (c) irrevocably agrees that after the transfer of their Scheme Shares to MDP BidCo in accordance with this Scheme, any share certificate or holding statement relating to the Scheme Shares will not constitute evidence of title to those Scheme Shares;
- (d) to the extent they are to receive Scrip Consideration to which they are entitled, irrevocably agrees to become a shareholder of MDP TopCo, to have their name entered into the MDP TopCo members register, to be bound by the MDP TopCo Constitution, to be bound by the MDP TopCo Shareholders' Deed and to be bound by the Nominee Deed;
- (e) who holds their APM Shares in a CHES Holding agrees to the conversion of those APM Shares to an Issuer Sponsored Holding and irrevocably authorises APM to do anything necessary or expedient (whether required by the ASX Operating Rules or otherwise) to effect or facilitate such conversion; and
- (f) acknowledges and agrees that this Scheme binds APM and all Scheme Shareholders (including those who did not attend the Scheme Meeting or 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.

#### 9.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is taken (by operation of this Scheme and without the need for any further act by the Scheme Shareholder) to have warranted to APM and MDP BidCo on the Implementation Date, and appointed and authorised APM as its attorney and agent to warrant to MDP BidCo, that:
  - (i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) that are transferred to MDP BidCo under this Scheme will, on the date they are transferred to MDP BidCo, be:
    - (A) fully paid; and
    - (B) free from all (i) Encumbrances and third party rights or interests of any kind; and (ii) restrictions on transfer of any kind;
  - (ii) the Scheme Shareholder has full power and capacity to transfer their Scheme Shares (including, and together with, any rights and entitlements attaching to those Scheme Shares) to MDP BidCo; and
  - (iii) the Scheme Shareholder has no existing right to be issued any APM Shares, APM Equity Incentives or any other APM equity securities.
- (b) APM undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to MDP BidCo on behalf of that Scheme Shareholder.

#### 9.5 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 to MDP BidCo under this Scheme will, at the time of transfer of them to MDP BidCo, vest in MDP BidCo free from all:
  - (i) Encumbrances and interests of third parties of any kind, whether legal or otherwise; and

- (ii) restrictions on transfer of any kind.
- (b) Upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 6 (*Provision of Scheme Consideration*), MDP BidCo will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by APM of MDP BidCo in the APM Share Register as the holder of the Scheme Shares.

#### 9.6 Authority given to APM

- (a) Upon this Scheme becoming Effective, each Scheme Shareholder, by operation of this Scheme and without the need for any further act:
  - (i) irrevocably appoints APM and each of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
    - (A) enforcing the Deed Poll against MDP BidCo and MDP TopCo; and
    - (B) executing any document, or doing or taking any other act, matter, things and documents required by law or that is otherwise necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including (but not limited to) executing and delivering the Scheme Transfer,

and APM accepts such appointment; and
  - (ii) will be deemed to have authorised APM to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder required by law or that is otherwise necessary, desirable, incidental or expedient to give full effect to this Scheme, including (but not limited to) executing, as agent and attorney of each Scheme Shareholder, the Scheme Transfer.
- (b) APM, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.6 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

#### 9.7 Appointment of MDP BidCo as sole proxy

Immediately upon the provision of all of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 6.1 (*Provision of Aggregate Cash Consideration*), 6.2 (*Provision of Aggregate Scrip Consideration*) and the Scaleback Mechanism, and until APM registers MDP BidCo as the holder of all Scheme Shares in the APM Share Register, each Scheme Shareholder:

- (a) without the need for any further act by that Scheme Shareholder, is deemed to have irrevocably appointed MDP BidCo as its attorney and agent (and directed MDP BidCo in such capacity) to appoint any director, officer, secretary or agent nominated by MDP BidCo as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings of APM, exercise the votes attaching to the APM Shares registered in their name and sign any APM Shareholders' resolutions;
- (b) undertakes to MDP BidCo not to otherwise attend or vote at any of those meetings or sign or vote on any such resolutions, other than pursuant to clause 9.7(a);
- (c) must take all other actions in the capacity of a registered holder of APM Shares as MDP BidCo reasonably directs; and

- (d) acknowledges and agrees that, in exercising the powers referred to in clause 9.7(a), MDP BidCo and any director, officer, secretary or agent nominated by MDP BidCo under clause 9.7(a) may act in the best interests of MDP BidCo as the intended registered holder of the Scheme Shares.

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## 10 General

### 10.1 Duty

MDP BidCo:

- (a) must pay all Duties (and any fines and penalties with respect to Duties) in respect of this Scheme and:
  - (i) any transaction effected under this Scheme or the Deed Poll; and
  - (ii) steps to be taken under this Scheme or the Deed Poll; and
- (b) indemnifies APM (in its own right and separately as trustee or nominee for each Scheme Shareholder) and each Scheme Shareholder against any liability arising from or in connection with any failure by it to comply with clause 10.1(a).

### 10.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to APM, 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 the place where the APM Share Register is kept.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any APM Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### 10.3 Further acts and documents

APM must do all further acts (on its own behalf and on behalf of each Scheme Shareholder) and execute and deliver all further documents required by law or necessary to give full effect to this Scheme and the transactions contemplated by it.

### 10.4 Consent

Each Scheme Shareholder (by operation of this Scheme and without the need for any further act by the Scheme Shareholder) consents to APM doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it, whether on behalf of the Scheme Shareholders, the APM or otherwise.

### 10.5 No liability when acting in good faith

Each Scheme Shareholder agrees (by operation of this Scheme and without the need for any further act by the Scheme Shareholder) that none of APM, any other APM Group Member or any of their respective Representatives will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

**10.6 Governing law and jurisdiction**

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this Scheme. Each of APM, MDP BidCo, MDP TopCo and each Scheme Shareholder 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 if that venue falls within clause 10.6(a).

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**Attachment A Deed Poll**

*[Attached separately overleaf]*

# Attachment C – Deed Poll



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## **Scheme deed poll** (relating to the Scheme proposed by APM Human Services International Limited)

Ancora BidCo Pty Ltd (**MDP BidCo**)

Ancora TopCo Ltd (**MDP TopCo**)

Scheme Shareholders

**Execution version**

SYDNEY | MELBOURNE | PERTH

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Date: 12 August 2024

## Parties

### Made by

- 1 **Ancora BidCo Pty Ltd (ACN 677 569 514)** of Level 12, 680 George Street, Sydney NSW 2000 (**MDP BidCo**)
- 2 **Ancora TopCo Ltd (ACN 677 564 662)** of Level 12, 680 George Street, Sydney NSW 2000 (**MDP TopCo**)

### in favour of

- 3 **Each Scheme Shareholder**

## Background

- A APM and MDP BidCo have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, MDP BidCo:
- (i) is to provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder and acquire all of the Scheme Shares held by Scheme Shareholders held by Scheme Shareholders under the Scheme; and
  - (ii) agreed to enter into this deed poll.
- B MDP BidCo and MDP TopCo are making this deed poll for the purposes of covenanting in favour of, and undertaking to, each Scheme Shareholder to perform the actions and obligations attributed to each of them under the Scheme Implementation Deed and the Scheme.

### This deed poll provides as follows

## 1 Defined terms and interpretation

### 1.1 Defined terms

Unless the contrary intention appears, terms defined in the Scheme have the same meaning when used in this deed poll. In addition, in this deed poll, the following defined terms have the meaning set out below:

**APM** means APM Human Services International Limited (ACN 639 621 766).

**First Court Date** means the first day of the hearing of an application made to the Court by APM for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting (or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing).

**Scheme** means a members' scheme of arrangement under Part 5.1 of the Corporations Act between APM and the Scheme Shareholders under which all of the Scheme Shares will be transferred to MDP BidCo and the Scheme Shareholders will be entitled to receive the Scheme Consideration, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by APM and MDP BidCo in accordance with clause 4.1(b) of the Scheme Implementation Deed.

**Scheme Implementation Deed** means the scheme implementation deed, dated 31 May 2024, between APM and MDP BidCo relating to (among other things) the implementation of the Scheme.

**Scheme Record Date** means the time and date for determining entitlements to receive the Scheme Consideration, being 7:00 pm on the second Business Day after the Effective Date, or such other date after the Effective Date as APM and MDP BidCo may agree in writing.

**Scheme Shareholder** means an APM Shareholder as at the Scheme Record Date.

## 1.2 Interpretation

Section 1.2 (*Interpretation*) of the Scheme applies 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

MDP BidCo and MDP TopCo acknowledge and agree that:

- (a) this deed poll may be relied upon, 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 APM and each of its directors, secretaries and officers (jointly and each of them severally) as its agent and attorney for the purpose of enforcing this deed poll against MDP BidCo and MDP TopCo (and APM accepts such appointment).

---

## 2 Condition to obligations

### 2.1 Condition precedent

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

### 2.2 Termination of this deed poll

Subject to clause 2.3 (*Consequences of termination of this deed poll*), and unless APM and MDP BidCo otherwise agree in writing, the obligations of MDP BidCo and MDP TopCo under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

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

unless APM and MDP BidCo otherwise agree in writing (and, if required, as approved by the Court).

### 2.3 Consequences of termination of this deed poll

If this deed poll is terminated under clause 2.2 (*Termination of this deed poll*), then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) MDP BidCo and MDP TopCo are each released from their obligations to further perform this deed poll (except those obligations under clause 6.1 (*Duty*)); and
- (b) each Scheme Shareholder retains the rights, powers and remedies it has against MDP BidCo and / or MDP TopCo in respect of any breach of this deed poll that occurred before this deed poll is terminated.

---

### 3 Scheme Consideration

#### 3.1 Undertaking to provide the Scheme Consideration

Subject to clause 2 (*Condition to obligations*), each of MDP BidCo and MDP TopCo covenant in favour of, and undertake to, 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:
  - (i) in relation to the Aggregate Cash Consideration, by no later than 5:00 pm on the Business Day before the Implementation Date, depositing, or procuring the deposit of, in Immediately Available Funds, an amount equal to the Aggregate Cash Consideration payable to all Scheme Shareholders in accordance with the Scheme into the Trust Account;
  - (ii) in relation to the Aggregate Scrip Consideration, on the Implementation Date and subject to the Scaleback Mechanism, issuing, or procuring the issue of, the Scrip Consideration to each Scheme Shareholder (or the Nominee, as the case may be) entitled to receive the Scrip Consideration; and
- (b) perform, or procure the performance of, all other actions and obligations, and give each acknowledgement, representation and warranty (if any) attributed to, contemplated, and / or required of them under the Scheme,

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

#### 3.2 Status of MDP TopCo Shares

Each of MDP BidCo and MDP TopCo covenant in favour of, and undertake to, each Scheme Shareholder that the MDP TopCo Shares that are provided to Scheme Shareholders in accordance with the Scheme will:

- (a) be duly issued, fully paid and free from:
  - (i) any Encumbrance and interests of third parties of any kind, whether legal or otherwise; and
  - (ii) restrictions on transfer of any kind;
- (b) have all of the rights attaching to them as set out in the MDP TopCo Shareholders' Deed and MDP TopCo Constitution; and
- (c) rank equally in all respects with each existing MDP TopCo Shares issued prior to the Implementation Date.

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## 4 Representations and warranties

MDP BidCo and MDP TopCo each represent and warrant in favour of each Scheme Shareholder that:

- (a) **(status)** it is a corporation, properly incorporated and validly existing under the laws of its place of incorporation;
- (b) **(power)** it has the lawful right and authority, full capacity and 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) **(authorisation)** 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 by it of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **(validity of obligations)** its obligations under this deed poll are valid and binding on it and are enforceable against it in accordance with its terms;
- (e) **(solvency)** it is not Insolvent; and
- (f) **(no contravention)** the entry by it into, its compliance with its obligations, and the exercise of its rights under, this deed poll does not, and will not, conflict with, or result in the breach of or default under:
  - (i) any provision of its constituent documents, or cause a limitation on its powers or the powers of its directors to be exceeded;
  - (ii) any law, rule, regulation, judgement, writ, order, decree or injunction, to which it is a party or subject or by which it is bound; or
  - (iii) any Encumbrance or material document binding on, or applicable to, it.

---

## 5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2 (*Condition to obligations*), remains in full force and effect until:

- (a) MDP BidCo and MDP TopCo have each fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2 (*Termination of this deed poll*).

---

## 6 General

### 6.1 Duty

MDP BidCo:

- (a) must pay all Duties (and any fines and penalties with respect to Duties) in respect of this deed poll or the Scheme and any transaction effected under the Scheme or this deed poll; and

- (b) indemnifies each Scheme Shareholder against any liability arising from or in connection with any failure by it to comply with clause 6.1(a).

## 6.2 Notices

- (a) A notice, consent, approval, waiver or other communication sent by a party under this deed poll (**Notice**) must be:
- (i) in writing;
  - (ii) sent by an authorised representative of the sender; and
  - (iii) marked for the attention of the person named below, and must be:
- (iv) left at, or sent by commercial courier to, the address set out below; or
  - (v) sent by email to the address set out below.

### MDP BidCo

Address: 70 West Madison Street  
Suite 4600  
Chicago, Illinois 60602

Attention: Elizabeth Betten and William Ritchie

Position: Director and Director

Email: ebetten@mdcp.com and writchie@mdcp.com

with a copy (which will not constitute notice) to:

Address: Allens  
Level 28, Deutsche Bank Place  
126 Phillip Street, Sydney NSW 2000

Attention: Tom Story and James Nguyen

Position: Partner and Managing Associate, Allens

Email: tom.story@allens.com.au and james.nguyen@allens.com.au

- (b) Subject to clause 6.2(c), a Notice is taken to be received:
- (i) if sent by delivery, when it is delivered;
  - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
  - (iii) if sent by email:
    - (A) when the sender receives an automated message confirming delivery; or
    - (B) one hour after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,

whichever happens first.

- (c) If a Notice is taken to be received under clause 6.2(b):
  - (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
  - (ii) after 5:00pm on a Business Day or on a non-Business Day, it will be taken to be received at 9:00am on the next Business Day.

### 6.3 Governing law and jurisdiction

- (a) This deed poll is governed by the laws in force in New South Wales, Australia.
- (b) MDP BidCo and MDP TopCo irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this deed poll. MDP BidCo and MDP TopCo 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.

### 6.4 Further acts and documents

MDP BidCo and MDP TopCo must, at their own expense, do all further acts and execute and deliver all deeds, instruments, transfers or other documents as may be required by law or the Court or are otherwise necessary to give full effect to the terms of this deed poll and the transactions contemplated by it.

### 6.5 Waiver

- (a) MDP BidCo and MDP TopCo may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right under or in connection with this deed poll unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on the words or conduct of MDP BidCo or MDP TopCo as a waiver of any right under or in connection with this deed poll unless the waiver is in writing and signed by MDP BidCo or MDP TopCo (as applicable).
- (c) A single or partial exercise of a right under or in connection with this deed poll does not preclude a further exercise of that right or the exercise of another right under or in connection with this deed poll.
- (d) A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (e) The meanings of the terms used in this clause 6.5 are set out below.

**conduct** includes delay in the exercise of a right.

**right** means 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.

**6.6 Variation, alteration or amendment of this deed poll**

A provision of this deed poll may not be varied, altered or otherwise amended unless:

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

in which event MDP BidCo and MDP TopCo must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

**6.7 Cumulative rights, powers and remedies**

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

**6.8 Assignment and other dealings**

- (a) The rights and obligations of MDP BidCo, MDP TopCo and each Scheme Shareholder created by this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity without the prior written consent of MDP BidCo, MDP TopCo and APM.
- (b) Any purported assignment, encumbrance, charge or other dealing in contravention of clause 6.8(a) is invalid.

**6.9 Joint and several obligations**


MDP BidCo and MDP TopCo are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

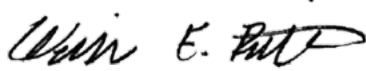
For personal use only

**Execution page**

Executed as a deed poll in favour of each Scheme Shareholder.

**Signed, sealed and delivered** for and on behalf of  
**Ancora BidCo Pty Ltd (ACN 677 569 514)**  
in accordance with section 127 of the *Corporations Act 2001* (Cth) by:


  
\_\_\_\_\_  
Signature of director

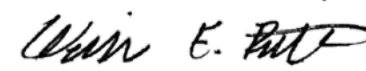
  
\_\_\_\_\_  
Signature of director

Elizabeth Betten  
Name of director (print)

William Ritchie  
Name of director (print)

**Signed, sealed and delivered** for and on behalf of  
**Ancora TopCo Ltd (ACN 677 564 662)** in  
accordance with section 127 of the *Corporations Act 2001* (Cth) by:

  
\_\_\_\_\_  
Signature of director

  
\_\_\_\_\_  
Signature of director

Elizabeth Betten  
Name of director (print)

William Ritchie  
Name of director (print)



# Attachment D – Ancora TopCo Shareholders’ Deed



Ancora Topco Ltd ACN 677 564 662 (**Company**)

The persons listed in Schedule 1  
(**Initial MDP Shareholders**)

and

Each person who has acceded to this Deed from time to time

## Shareholders Deed

Allens  
Deutsche Bank Place  
Corner Hunter and Phillip Streets  
Sydney NSW 2000  
T +61 2 9230 4000  
F +61 2 9230 5333  
[www.allens.com.au](http://www.allens.com.au)

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**Linklaters**

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## Shareholders Deed

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Shareholders Deed



**This Deed** is made on 2024

### Parties

- 1 **Ancora Topco Ltd** (ACN 677 564 662) of Level 12, 680 George Street, Sydney NSW 2000 (the **Company**);
- 2 **The persons listed in Schedule 1** (each an **Initial MDP Shareholder** and together the **Initial MDP Shareholders**); and
- 3 Each person who has acceded to this deed from time to time.

### Recitals

- A As at the date of this deed, the Initial MDP Shareholders together hold 100% of all of the issued shares in the Company.
- B On 31 May 2024, BidCo, an indirect subsidiary of the Company, entered into the SID with the Target to effect the Scheme.
- C The consideration offered by BidCo to Target shareholders in the Scheme is either all cash, all scrip or a combination of cash and scrip, at the election of Target shareholders.
- D If the Scheme becomes effective, prior to the Implementation Date the Initial MDP Shareholders will subscribe for additional shares in the Company pursuant to Clause 9.3(b).
- E Immediately following Implementation, the only securities on issue in the capital of the Company will be Series A Shares and Series B Shares.
- F Following implementation of the Scheme, managers of the Company and its Subsidiaries may be invited to subscribe for Series C Shares, which will be non-voting shares, issued by the Company.
- G This deed sets out provisions which regulate the rights and obligations of the Shareholders in relation to the Group.

**It is agreed** as follows.

## 1 Definitions and interpretation

### 1.1 Definitions

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 2, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

### 1.2 Interpretation

The interpretation clause in Schedule 2 sets out rules of interpretation for this deed.



## Shareholders Deed

**1.3 Effectiveness of deed**

In accordance with Clause 24.1, this deed is conditional on Implementation occurring and will not have any force or effect unless Implementation occurs and until the Implementation Date.

**1.4 Precedence of this deed**

Where this deed and the Constitution deal with the same or a similar topic differently:

- (a) this deed prevails in relation to that topic; and
- (b) if a Shareholder gives the Company a notice specifying the difference and requesting an amendment to the Constitution that will remove that difference, each other Shareholder must take all necessary steps to amend the Constitution to make the Constitution consistent with this deed.

**1.5 Securities**

The ownership by a Shareholder of Securities shall entitle such Shareholder to distributions of cash and other property as set forth in Clause 8. Unless otherwise determined by the Board, none of the Securities issued hereunder, other than those Securities issued to the MDP Shareholders, will be certificated.

**1.6 Objectives**

The primary objectives of the Company are to:

- (a) deliver the highest-quality services globally for the Group's clients and stakeholders;
- (b) operate, carry on and grow the business of the Group, in a proper and efficient manner in accordance with sound business practice and so as to give effect to the Business Plan; and
- (c) maximise the sustainable value of the Group in line with the direction and strategy of the Group as determined by the Board from time to time in accordance with this deed.

**2 Business and management of the Company****2.1 Function of the Board**

The function of the Board is to govern the management of the Group. Subject to Clause 2.9 and the Corporations Act, the Board may do all things necessary or desirable in connection with this function including:

- (a) determining the overall business strategy and direction for the Group;
- (b) reviewing and approving annual Business Plans and Budgets; and
- (c) determining any other matter in relation to the Group.

**2.2 Delegation and management**

- (a) The Board will be responsible for the day-to-day management and operation of the Business.
- (b) Subject to Clauses 2.9 and 6, the Board will be responsible for the appointment or removal of the CEO. The CEO will be responsible for the appointment of the CFO and other senior management (including jurisdictional line management heads), subject to the approval of the Board by Simple Majority Resolution.
- (c) Subject to Clause 2.2(f) and Clause 2.3:



## Shareholders Deed



- (i) the Board may establish one or more committees whose composition shall be determined by the Board;
  - (ii) the Board may delegate to a committee or to members of senior management of a Group Company matters which are part of the day-to-day management of the Group; and
  - (iii) the Board may, in its absolute discretion and at any time, amend, revoke or replace any delegation made to a committee or to senior management.
- (d) The Board will, in respect of each Group Company, as soon as practicable after Implementation, revoke all existing delegations to committees and management of a Group Company and must adopt the Initial Delegation of Authority.
- (e) Subject to Clause 2.2(f) and Clause 2.3, the Board will, as soon as practicable after Implementation, establish and maintain:
- (i) an audit committee;
  - (ii) a remuneration and nomination committee; and
  - (iii) a finance and investment committee,
- and adopt an appropriate charter to govern the role and operation of each of those committees.
- (f) Each committee established by the Board pursuant to this Clause 2.2 must comprise of at least one representative of each Shareholder, or collection of Shareholders, that is entitled to appoint and has appointed a Director pursuant to Clause 3.1, in each case, unless such Shareholder or collection of Shareholders declines to appoint such representative, and such representative must be a Director).

**2.3 Delegated Matters**

- (a) No committee may be established nor any matter delegated pursuant to Clause 2.2(c) unless approved by the Board.
- (b) No matter requiring Major Shareholder Approval or Intermediate Shareholder Approval may be delegated pursuant to Clause 2.2(c) unless approved by Major Shareholder Approval or Intermediate Shareholder Approval (as applicable).

**2.4 Business Plan and Budget**

The Company must ensure that the Group conducts its Business in each Financial Year in accordance with the Business Plan and Budget approved and adopted by the Board (and by Major Shareholder Approval) for that Financial Year, or as may be amended by the Board (and by Major Shareholder Approval) from time to time. Any amendment to or deviation from the Business Plan and Budget must have prior Major Shareholder Approval.

**2.5 Initial Business Plan and Budget**

The Board will, as soon as practicable after Implementation, adopt the Business Plan and Budget.

**2.6 New Business Plans and Budgets**

Each Major Shareholder must exercise its rights as a Major Shareholder to ensure:

- (a) at least one month before the beginning of each Financial Year, the management of the Company submits to the Board a draft Business Plan and Budget; and

## Shareholders Deed



- (b) the Board considers the draft Business Plan and Budget and, if considered appropriate, approves that Business Plan and Budget before the start of the next Financial Year (provided that Major Shareholder Approval has been obtained in respect of such Business Plan and Budget).

## 2.7 Board fails to adopt Business Plan or Budget

If a Business Plan or Budget is not endorsed and approved under Clause 2.6, then until such time as a new Business Plan or Budget has been so endorsed and approved, the Board and the Company must conduct (and each Shareholder must, to the extent within its control, procure that the Company conducts) the Business in accordance with the existing Business Plan and Budget, except that:

- (a) any one off item in the Business Plan or Budget which was, at the time of the development of the relevant Business Plan or Budget, intended to apply only to the previous Financial Year is excluded; and
- (b) any item in the existing Business Plan or Budget which is a recurring cost or is a target will be varied in accordance with the following formula;

$$P = A \times B$$

where:

- P = the relevant amount for the following Business Plan or Budget;
- A = the relevant amount for the existing Business Plan or Budget; and
- B = 110%.

## 2.8 Shareholders' resolutions

Subject to applicable law and the terms of this deed (including Clause 2.9), all resolutions by Shareholders will be made by Simple Majority Resolution.

## 2.9 Reserved matters

In addition to any shareholder approvals that may be required in respect of any action under applicable law, the Company must not do nor commit to do, and must procure that no Group Company does or commits to do, and the parties must use all voting rights and any other powers of control available to them (whether as a Shareholder, through a Director appointed by them or otherwise) to procure that no Group Company does, or commits to do:

- (a) a thing listed in Part A of Schedule 3 without Major Shareholder Approval; or
- (b) a thing listed in Part B of Schedule 3 without Intermediate Shareholder Approval.

## 3 Board

### 3.1 Number and appointment of Directors

- (a) Subject to Clause 3.1(e), the MDP Shareholders are collectively entitled to appoint, remove and replace one Director to the Board for every whole 10% Adjusted Series B Shareholding held by the MDP Shareholders by providing written notice to the Company (each such Director being a MDP Director), provided that where MDP Shareholders have appointed three MDP Directors to the Board, and for so long as three MDP Directors are appointed, each additional appointment by MDP Shareholders must be of a Non-executive Director.
- (b) Each MDP Director which is not a Non-executive Director must be:

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- (i) the MDP Shareholder that appoints that MDP Director (or the person that ultimately Controls the MDP Shareholder that appoints that MDP Director, or an employee or officer of the MDP Shareholder that appoints that Director or of any of its Affiliates); or
  - (ii) in respect of a collection of MDP Shareholders who are Associates of one another and who have each given to the Company a notice contemplated in Clause 3.2, the MDP Shareholder among that collection of MDP Shareholders with the largest Adjusted Series B Shareholding (or the person that ultimately Controls that MDP Shareholder, or an employee or officer of that MDP Shareholder or of any of its Affiliates).
- (c) Subject to Clause 3.1(e), a Non-MDP Shareholder is entitled to appoint, remove and replace one Director to the Board for every whole 10% Adjusted Series B Shareholding held by that Non-MDP Shareholder by providing written notice to the Company (each such Director being a **Non-MDP Director**), provided that where a Non-Investor Shareholder has appointed one Non-MDP Director to the Board, and for so long as one Non-MDP Director is appointed by a Non-Investor Shareholder (and, for the avoidance of doubt, such Non-MDP Director must satisfy the criteria in Clause 3.1(d)), each additional appointment by the Non-Investor Shareholders must be a Non-executive Director.
- (d) Each Non-MDP Director which is not a Non-executive Director must be:
- (i) the Non-MDP Shareholder that appoints that Non-MDP Director (or the person that ultimately Controls the Non-MDP Shareholder that appoints that Non-MDP Director, or an employee of the Non-MDP Shareholder that appoints that Director or of any of its Affiliates or where that person is an individual, that person, so long as they are able to act or where they are unable to act for any reason (determined reasonably), any other person that individual considers appropriate (excluding an executive of a Group Company); or
  - (ii) in respect of a collection of Shareholders who are Associates of one another and who have each given to the Company a notice contemplated in Clause 3.2, the Shareholder among that collection of Shareholders with the largest Adjusted Series B Shareholding (or the person that ultimately Controls that Shareholder, or an employee of that Shareholder or of any of its Affiliates, or where that person is an individual, that person, so long as they are able to act or where they are unable to act for any reason (determined reasonably), any other person that individual considers appropriate (excluding an executive of a Group Company)).
- (e) The Board shall consist of no more than eight Directors (including any Non-executive Directors), which shall be appointed under Clauses 3.1(a) and 3.1(c), provided that where the CEO is appointed as a Director under Clause 3.1(i), the maximum number of Directors (including any Non-executive Directors and the CEO) on the Board shall not exceed nine.
- (f) The relevant Shareholders must give the Company notice of appointment or removal of a MDP Director under Clauses 3.1(a) or a Non-MDP Director under Clause 3.1(c) (as applicable) and, subject to applicable laws, any appointment or removal of the Director takes effect when such notice is given.
- (g) If the MDP Shareholders have appointed a MDP Director pursuant to Clause 3.1(a) and subsequently cease to be entitled to appoint a MDP Director under Clause 3.1(a), the MDP Shareholders must promptly remove the excess MDP Director and promptly procure the resignation of such MDP Director, unless otherwise agreed between the MDP Shareholder and the Initial Non-Investor Shareholder.

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- (h) If relevant Shareholders have appointed a Non-MDP Director pursuant to Clause 3.1(c) and subsequently cease to be entitled to appoint a Non-MDP Director under Clause 3.1(c), such Shareholders must promptly remove the excess Non-MDP Director and promptly procure the resignation of such Non-MDP Director, unless otherwise agreed between the MDP Shareholder, Initial Non-Investor Shareholder and the Non-MDP Shareholder which appointed that Non-MDP Director.
- (i) The Board may appoint, remove and replace the CEO as a Director by Simple Majority Resolution.

**3.2 Shareholder notice of collective Shareholding**

- (a) At any time on and from Implementation, Shareholders who are Associates of one another may give notice to the Board that, for the purposes of this Deed, including the definitions of 'Non-MDP Shareholder(s)', 'Non-Investor Shareholder(s)', 'Intermediate Shareholder Approval', 'Major Shareholder Approval', they wish to elect for their Shareholdings to be aggregated together (and the Board shall make the good faith determination if such Shareholders qualify as Associates).
- (b) A Shareholder may only give a notice under this Clause 3.2 once.
- (c) A notice given under this Clause 3.2 is irrevocable for so long as such Shareholders are Associates.
- (d) Where a group of Shareholders have given a notice under this Clause 3.2, the Shareholder with the largest Adjusted Series B Shareholding within that group has the authority to make determinations for the purposes of this Deed for all of the Shareholders within that group and each and every other Shareholder of the Company may rely on the determination as binding on each Shareholder within the group.

**3.3 Chairperson**

- (a) The Chairperson of the Board may be appointed, removed and replaced by the Board by Simple Majority Resolution, provided that, if (and only for so long as) the Initial Non-Investor Shareholder(s) has (or have) the right to appoint a Non-MDP Director under Clause 3.1(c) and has (or have) appointed such Non-MDP Director, then a Non-MDP Director appointed by the Initial Non-Investor Shareholder(s) will be the Chairperson.
- (b) If the Initial Non-Investor Shareholder(s) ceases to be entitled to appoint a Non-MDP Director under Clause 3.1(c), the Initial Non-Investor Shareholder(s) must promptly remove the Chairperson and promptly procure the resignation of the Chairperson (in each case as Chairperson) unless otherwise agreed by the Board.

**3.4 Eligibility and vacation of office**

A Director must (and his or her appointing Shareholder must procure that he or she) immediately vacate their office and shall be automatically removed if (i) he or she is disqualified from acting as a Director or managing a corporation, or (ii) has been or is convicted of an indictable offence, unless, in the case of paragraph (ii) only, resolved otherwise by the Board by Unanimous Board Resolution.

**3.5 Directors' interest**

- (a) A Director is not disqualified (solely by virtue of being a Director) from holding any office or place of profit, including any office or place of profit with a Shareholder or any of their Affiliates or Related Parties. For the avoidance of doubt, a Director may:

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- (i) be or become a director of or otherwise hold office or a place of profit in any entity promoted by a Shareholder, its Affiliates or its Related Parties or in which a Shareholder, its Affiliates or its Related Parties may be interested; and
  - (ii) contract or make any arrangement with a Shareholder, its Affiliates or its Related Parties.
- (b) If the Board is required to consider any:
- (i) Related Party Transaction involving a Director or Shareholder (or their respective Affiliates or Related Parties);
  - (ii) matter related to the enforcement of the rights of the Company or any other Group Company against, or litigation involving, a Director or Shareholder (or their respective Affiliates or Related Parties); or
  - (iii) matter in which a Director has a material personal interest,
- but excluding any matter in respect of which all Shareholders are affected in substantially the same way and excluding any matter described in this Deed, then the relevant Director or the Director nominated by that Shareholder (as the case may be):
- (iv) must, prior to or at the Board Meeting at which the relevant matter is to be considered and / or voted on, disclose to the Board:
    - (A) that this Clause 3.5(b) applies; and
    - (B) to the extent that such disclosure would not breach any duty of confidence or similar obligation that the Director or Shareholder (as the case may be) is subject to, the nature and extent of the interest of the Director or Shareholder (or their respective Affiliates or Related Parties) in the relevant matter and its relation to the affairs of the Company or any other Group Company;
  - (v) is entitled to receive information regarding, and participate in discussions and deliberations of the Board in relation to, the relevant matter, to the extent that doing so does not unfairly or unreasonably prejudice the interests of the Company or any other Group Company; and
  - (vi) is not entitled to vote on any resolution of the Board in relation to the relevant matter to the extent such voting gives rise to a conflict of interest for those Directors.
- (c) To avoid doubt, any Disclosed Related Party Transaction will continue after Implementation, provided that any amendments or disputes in relation the Disclosed Related Party Transaction will be regulated by this Clause 3.5.

### 3.6 Directors acting in interests or at direction of nominating Shareholder

Subject to applicable law:

- (a) a Director:
  - (i) may disclose to their nominating Shareholder(s) and its Affiliates and their respective employees, officers and advisors, any information obtained in the Director's capacity as a Director (and any information disclosed under this Clause 3.6(a)(i) is Confidential Information that is given subject to Clause 20); and
  - (ii) may have regard (including exclusive regard) to, represent and/or act in the interests of their nominating Shareholder(s), the funds managed or advised by their nominating Shareholder(s), its Affiliates or its Related Parties and their direct

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and indirect investors, if any, in priority to the interests of the other Shareholders and/or any Group Company, in performing their duties or exercising any power, right or discretion as a Director in relation to any Group Company;

- (iii) may act on the directions and in the interests of their nominating Shareholder(s), its Affiliates or its Related Parties and their direct and indirect investors (if any) in performing their duties or exercising any power, right or discretion as a Director in relation to any Group Company,

and a Director who does any of the things described in this Clause 3.6 will not, for that reason alone, be in breach of their duties to the Company or any Group Company; and

- (b) where a Shareholder gives directions to its nominated Director and as a result that Shareholder is considered to be involved in the management of any Group Company or to be a de facto Director, the Shareholders agree that the appointing Shareholder will not, in giving such directions, have any obligation to represent or take into consideration the interests of any other Shareholder and/or any Group Company and may act solely in its own interests.

### 3.7 Voting entitlements of Directors

- (a) Subject to Clause 3.7(b), each Director is entitled to one vote.
- (b) Where:
  - (i) a Shareholder is entitled to appoint Directors under Clauses 3.1(a) or 3.1(c), but does not appoint the full number of Directors that Shareholder is entitled to appoint; and/or
  - (ii) not all Directors that the Shareholder has appointed attend a relevant meeting, the Director(s) appointed by that Shareholder and attending the relevant meeting are entitled to (collectively and jointly, where more than one) exercise the votes of any Director(s) not attending or which the Shareholder was entitled to (but did not) appoint.
- (c) The Chairperson will not have a casting vote.

### 3.8 Alternate Directors

- (a) Each Director may appoint an alternate to represent him or her at Board Meetings.
- (b) An alternate director of a MDP Director or Non-MDP Director must be one that the relevant Director's appointing Shareholder (or the person that ultimately Controls an appointing Shareholder, or an employee or officer of an appointing Shareholder or of any of its Affiliates, or where the appointing Shareholder is an individual, any person the appointing Shareholder) considers appropriate, that is not an executive of a Group Company.
- (c) That person may be appointed by notice in writing to the Company by the appointor and that person need not be approved by resolution of the Directors, provided that any alternate may not be a person (i) who is disqualified from acting as a Director or managing a corporation, or (ii) has been or is convicted of with an indictable offence, unless, in the case of paragraph (ii) only, resolved otherwise by the Board by Unanimous Board Resolution.
- (d) An alternate director will be entitled to attend and vote at Board Meetings, and to be counted in determining whether a quorum is present, without the need for such alternate to be approved by the Board.

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### 3.9 Observer

- (a) If the MDP Shareholders have a collective Adjusted Series B Shareholding of no less than 10% of the Series B Shares, the MDP Shareholders are entitled to appoint, remove and replace one person as an observer to the Board by providing written notice to the Company.
- (b) Subject to Clause 3.9(c), if a Non-MDP Shareholder has an Adjusted Series B Shareholding of no less than 10% of the Series B Shares, or a collection of Non-MDP Shareholders who are Associates of one another and who have each given to the Company a notice contemplated in Clause 3.2 (excluding any Non-MDP Shareholder that has, individually or as part of a collective of Shareholders, separately appointed an Observer pursuant to this Clause 3.9(b)) have a collective Adjusted Series B Shareholding of no less than 10% of the Series B Shares, then such Non-MDP Shareholder (or collection of Non-MDP Shareholders) is (or are) entitled to appoint, remove and replace one person as an observer to the Board by providing written notice to the Company; provided that such person must be any person the appointing Shareholder considers appropriate that is not an executive of a Group Company and is not or does not represent a competitor of a Group Company in any capacity.
- (c) An observer has the right to be notified of and attend Board Meetings (and receive copies of all Board papers); provided that the Board may exclude an observer from participating in any portion (but only that portion) of any meeting of the Board or committee thereof, if the Board determines that the subject matter of such meeting includes information subject to attorney-client privilege or that such attendance or participation would be likely to result in a loss of any legal privilege (including attorney client privilege).
- (d) An observer does not have the right to vote nor the right to be counted in a quorum.
- (e) Each MDP Shareholder that appoints an observer pursuant to Clause 3.9(a) must procure that such observer complies with the same confidentiality obligations that apply to the MDP Shareholders under this deed.
- (f) Each Non-MDP Shareholder that appoints an observer pursuant to Clause 3.9(b) must procure that such observer complies with the same confidentiality obligations that apply to the Non-MDP Shareholders under this deed.
- (g) The Board may, at any time and from time to time, invite one or more members of the Group's senior management team to attend all or any part of a Board Meeting.

### 3.10 Directors' expenses and MDP Shareholder re-imburement

- (a) Any Non-executive Director appointed under Clause 3.1 is entitled to a Director's fee as determined by the Board by Unanimous Board Resolution from time to time.
- (b) Other than as set out in Clause 3.10(a), a Director is not entitled to any Director's fees.
- (c) The Company will reimburse all reasonable and substantiated travel, accommodation or similar third party costs and expenses incurred by Directors in attending to the Business of the Group, including attending Board Meetings, site visits and major meetings with clients, customers and suppliers, if incurred in accordance with the Company's relevant policies and procedures as approved by the Board from time to time.

### 3.11 Directors' and officers' insurance

- (a) The Company must, to the fullest extent permitted by law, purchase and maintain insurance for each Director against any liability incurred by the Director as an officer of any Group Company including liability for negligence, and for reasonable costs and

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expenses incurred in defending proceedings, whether civil or criminal, on policy terms approved by the Board and on terms reasonably available in the market and appropriate for the operation of the Group and its Business.

- (b) The Company must procure that each Group Company enters into a deed of access and indemnity with each of its directors under which the relevant Group Company indemnifies the relevant director to the maximum extent permitted by law and gives the relevant director a right to have access to and make copies of all board papers, records and minutes of the Group Company in respect of the period during which the relevant director is or was a director of the Group Company and for seven years after ceasing to be a director of the Group Company.

### 3.12 Shareholder obligations

Each Shareholder must, and must exercise its rights as a Shareholder to, ensure the Board is composed, and its meetings are conducted, in accordance with this Clause 3.

### 3.13 Subsidiaries

- (a) The provisions of Clause 2 and this Clause 3 apply equally to each Subsidiary of the Company so that, among other things, the MDP Shareholders and the Non-MDP Shareholders have the same rights of appointment to the board of directors of a Subsidiary of the Company as it has to the Board.
- (b) The Company must procure that the full effect is given to any such appointment, substitution or removal under this Clause 3.13.
- (c) Each Shareholder must, and must exercise its rights as a Shareholder to, ensure the board of directors, and operation, of each Subsidiary of the Company acts in accordance with the decisions of the Board.

## 4 Board Meetings

### 4.1 Meetings

- (a) Subject to Clause 4.1(b), the Board must meet at least four times per year at times determined by the Board by Simple Majority Resolution.
- (b) Unless otherwise agreed by the majority of Directors, any MDP Director or Non-MDP Director may convene a meeting of the Board (**Board Meeting**) at any time by reasonable notice to the other Directors. Where resolutions are being proposed in the Board Meeting, such notice must include details of any proposed resolutions if that detail is known by the convening Director.
- (c) A Board Meeting may be held by the Directors communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion. The Directors need not be all physically present in the same place. A Director who participates in a meeting in accordance with this paragraph is treated as being present and entitled to vote at the meeting.

### 4.2 Quorum

For so long as the MDP Shareholders have a right to appoint at least one MDP Director:

- (a) Subject to Clause 4.2(b), the presence of Directors entitled to a majority of the votes of the Directors then in office shall constitute a quorum sufficient for making decisions; provided that at least one MDP Director and one Non-MDP Director must be present at



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any meeting of the Board or any committee thereof in order to constitute a quorum for the transaction of business of the Board or such committee, and except as otherwise provided in this deed, the act of the Directors that have a majority of the total votes present at a meeting of the Board or such committee (which in each case must also include at least one MDP Director and one Non-MDP Director) at which a quorum is present shall be the act of the Board or such committee. For the avoidance of doubt, at least one MDP Director and one Non-MDP Director must be present at any meeting of the Board or any committee thereof in order to constitute a quorum, regardless of whether decisions are made in that meeting. Notwithstanding anything to the contrary in this clause 4.2 (including this clause (a)):

- (i) if a Non-MDP Director does not attend two consecutive meetings of the Board or any committee thereof (as applicable), then the presence of a Non-MDP Director shall not be required to establish a quorum at any subsequent meeting of the Board or such committee (as applicable) until such time as a Non-MDP Director attends any subsequent meeting of the Board or such committee (as applicable); and
  - (ii) if an MDP Director does not attend two consecutive meetings of the Board or any committee thereof (as applicable), then the presence of an MDP Director shall not be required to establish a quorum at any subsequent meeting of the Board or such committee (as applicable) until such time as an MDP Director attends any subsequent meeting of the Board or such committee (as applicable).
- (b) If a quorum is not present at a Board Meeting within 30 minutes from the time stated in the notice of meeting, the meeting may be adjourned on one or more occasions.
  - (c) Once a quorum is present to commence a meeting of the Board or any committee thereof, such quorum shall be broken as soon as no MDP Directors or (other than as provided for in Clause 4.2(b)) Non-MDP Directors remain present at such meeting and no further business may be transacted at such meeting until such time as a quorum shall again be present.

#### 4.3 Board decisions

Subject to applicable law and the terms of this deed (including Clause 2.9), all actions or resolutions of the Board will be made by Simple Majority Resolution.

#### 4.4 Circulating resolutions of Directors

- (a) The Directors may pass a resolution without a Board Meeting being held if a majority of the Directors entitled to vote on the resolution sign a written document containing a statement that they are in favour of the resolution set out in the document, provided that the proposed resolution is circulated to all Directors, provided that no such written resolution is passed until the date that is two Business Days after the date that the proposed written resolutions were provided to each Director (except or where each Director has agreed in writing to waive this requirement).
- (b) The resolution is passed when the last Director signs the document.
- (c) Two or more separate documents in identical terms, each of which is signed by one or more Directors, are treated as one document.
- (d) An emailed 'portable document format' (PDF) document containing the text of the document expressed to have been signed by a Director and sent to the other Directors is a document signed by that Director at the time of its receipt by the last of the other Directors.

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## 5 Audit and reporting obligations

### 5.1 Information to the Intermediate Shareholders

- (a) The Company must (and the Shareholders must exercise their rights to procure that the Company), and must procure that each relevant Group Company and the CEO and CFO from time to time, promptly deliver to, or as directed by, each Intermediate Shareholder that is not a competitor or an Affiliate of a competitor to the Company, and each MDP Shareholder:
- (i) within 5 Business Days after they have been finalised, a copy of the audited statement of financial position, statement of financial performance and a statement of cash flows for the Company and each other relevant Group Company that prepares them for each Financial Year, including details of accounting policies applied and any deviation from the applicable Accounting Standards;
  - (ii) within 20 calendar days after the end of the relevant half-year period, half-early accounts for the Company and each other relevant Group Company that prepares them;
  - (iii) within 10 calendar days after the end of the relevant month, monthly management accounts for the Company and each other relevant Group Company that prepares them;
  - (iv) within 10 calendar days after the end of the relevant month, monthly operational reports for the Company and each other relevant Group Company that prepares them;
  - (v) within 60 Business Days after any Shareholder has become entitled to a distribution, a copy of a distribution statement which sets out the distribution paid or owing to the Shareholder; and
- (b) The Company must (and the Shareholders must exercise their rights to procure that the Company) provide to each Intermediate Shareholder, upon request in good faith and for a proper purpose, reasonable access to:
- (i) visit and inspect the assets and property of the Company or any other Group Company during normal business hours (unless such assets are situated on a Company customer's site in which case the Company will use its reasonable endeavours to procure such access);
  - (ii) inspect and take copies of documents relating to the Business or the Company or any other Group Company; and
  - (iii) discuss the client relationships, affairs, finances and accounts of the Company and any other Group Company with the Company's and any other Group Company's officers, employees, agents, representatives, contractors, consultants, the Auditor or advisers, including by arranging quarterly business performance review meetings with the CEO, the CFO and other senior management.
- (c) This Clause 5.1 does not limit the disclosure of any information to an Intermediate Shareholder approved by the Board as a financial sponsor or private capital fund that is (or whose Associate is) a competitor to the Company provided such Shareholder has provided the Company with evidence acceptable to the Board (acting reasonably) that it has bona fide information barriers in place sufficient to protect the flow of such information between the Company and any relevant competitor.

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## 5.2 Information to Directors

The Company must send to each Director:

- (a) promptly following each Board Meeting, copies of all Board minutes, papers and resolutions and any circulating resolutions that have been approved (but that has not otherwise been circulated to the Director); and
- (b) promptly following each Board committee meeting, copies of all minutes, papers and resolutions and any circulating resolutions that have been approved by that committee.

## 5.3 Audit

The Company must ensure that the accounts of the Group are audited annually by the Auditor in accordance with all applicable laws and contractual obligations of the Group and/or a Group Company.

## 5.4 Confidentiality

Any information disclosed under this Clause 5 is Confidential Information that is given subject to Clause 20.

## 6 CEO

- (a) The MDP Shareholders (if, and only for so long as, the MDP Shareholders have a collective Adjusted Series B Shareholding of no less than 20% of the Series B Shares) may notify each Director on the Board in writing that it (or they) require(s) the Board to resolve to terminate the appointment of the CEO for any reason.
- (b) Prior to the MDP Shareholders giving a notice pursuant to Clause 6(a), the MDP Shareholder must reasonably consult with the Directors in relation to the removal of the CEO, provided that the decision to remove the CEO is at the sole discretion of the MDP Shareholders.
- (c) If a notice is given to the Board by an MDP Shareholder under Clause 6(a), unless the MDP Shareholders withdraw the CEO removal notice, the Board must promptly resolve to terminate the appointment of the CEO and all Shareholders and the Company must promptly take, and the Company must procure that each Group Company promptly takes, all steps reasonably necessary (including, in the case of Shareholders, passing any resolution or executing any document reasonably necessary and procuring any Director appointed by a Shareholder to pass a resolution or execute any document reasonably necessary to comply with the notice) for the Board to resolve to terminate the appointment of the CEO and for such termination to take effect as soon as reasonably practicable following receipt by the Board of the notice.

## 7 Incentive Shares

### 7.1 Grant of Incentive Shares

The Company may (with the approval of the Board) issue Incentive Shares to Eligible Participants pursuant to Equity Agreements approved by the Board, which Equity Agreements shall contain such provisions as the Board shall determine, which may include:

- (a) the forfeiture of, or the right of the Company, the MDP Shareholders and/or such other persons as the Board shall designate to repurchase from each holder thereof, all or any portion of such Incentive Shares issued to such person in the event such person ceases

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to be an Eligible Participant or upon such other conditions as determined by the Board;  
and

- (b) provisions regarding the vesting and forfeiture of such Incentive Shares, including upon the happening of certain events, upon the passage of a specified period of time, upon the fulfillment of certain conditions or upon the achievement by the Company and/or its Subsidiaries and/or the MDP Shareholder or any of their respective Affiliates of certain performance goals. The Company may make the Incentive Shares and any issuance thereof and any applicable Equity Agreement subject to the terms and conditions of any other equity incentive plan consistent with the terms of this deed, as may have been adopted by the Company or any of its Subsidiaries.
- (c) The maximum number of Incentive Shares is determined by clause 7.2, which may be amended with Major Shareholder Approval.

## 7.2 Incentive Share Pool

Without limiting the rights of the Board, the Board may issue or cause the Company to issue at any time a number of Series C Shares (and/or rights to be issued Series C Shares and/or options or similar securities exercisable for, convertible into or exchangeable for Series C Shares) equal in the aggregate up to 10% of the aggregate number of Series B Shares and Series C Shares (the **Pool**) to Eligible Participants. In the event any of the outstanding Series C Shares (and/or rights to be issued Series C Shares and/or options or similar securities exercisable for, convertible into or exchangeable for Series C Shares) in the Pool are either forfeited or repurchased by the Company at or below the original cost at which they were issued, such forfeited or repurchased Series C Shares (and/or rights to be issued Series C Shares and/or options or similar securities exercisable for, convertible into or exchangeable for Series C Shares) shall again be available for issuance and shall again be part of the authorised but unissued Pool defined in this Clause 7.2. The Board may from time to time increase the size of the Pool, with Major Shareholder Approval.

## 8 Distributions to Shareholders

### 8.1 Decision to pay dividend

Subject to the Corporations Act, a decision to pay and the amount of any dividend will be at the sole discretion of the Board (with Major Shareholder Approval).

### 8.2 Manner of distribution of dividend

- (a) All distributions made by the Company shall be made under this Clause 8 and shall be made only in the following order and priority:
  - (i) first, to the Shareholders holding Series A Shares, an amount equal to the aggregate Series A Unpaid Yield on such outstanding Series A Shares as of the time of such distribution (distributed among the holders of Series A Shares based on the proportion that each such Shareholder's share of Series A Unpaid Yield in respect of his, her or its Series A Shares bears to the aggregate amount of Series A Unpaid Yield of all Series A Shares) until the aggregate amount of the Series A Unpaid Yield with respect to the outstanding Series A Shares has been reduced to zero;
  - (ii) second, to the Shareholders holding Series A Shares, an amount equal to the aggregate Series A Unreturned Capital on such outstanding Series A Shares as of the time of such distribution (distributed among the holders of Series A Shares based on the proportion that each such Shareholder's share of Series A

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Unreturned Capital in respect of his, her or its Series A Shares bears to the aggregate amount of Series A Unreturned Capital of all Series A Shares) until the aggregate amount of the Series A Unreturned Capital with respect to the outstanding Series A Shares has been reduced to zero; and

- (iii) third, to the Shareholders holding Series B Shares and/or Series C Shares, an amount in respect of each Series B Share and each Series C Share held by such Shareholder equal to the total amount to be distributed in such distribution pursuant to this Clause 8.2(a)(iii), divided by the total number of outstanding Series B Shares and Series C Shares.
- (b) The Board may apply Clause 8.2 by breaking a single distribution into two or more distributions treated as separate distributions occurring in order. The Equity Agreements pursuant to which any Securities are acquired may include additional limitations on the distribution entitlements of such Securities and any such Securities entitlement to share in any distribution pursuant to this Clause 8.2 shall be subject in all respects to such limitations.
- (c) Notwithstanding the foregoing,
- (i) the portion of any distribution that would otherwise be made with respect to any Unvested Share shall not be distributed with respect to such Unvested Share and shall instead be distributed solely with respect to Vested Shares pursuant to the foregoing provisions of Clause 8.2 applied as though no Unvested Shares were outstanding;
  - (ii) in the event that one or more amounts are not distributed with respect to an Unvested Share pursuant to Clause 8.2(c)(i) and such Unvested Share subsequently vests, then all distributions pursuant to this Clause 8.2 made following the vesting of such Unvested Share shall be made such that, on a cumulative basis, the distributions with respect to such Unvested Share under this Clause 8.2 equal the distributions that would have been made with respect to such Unvested Share under this Clause 8.2 if it had been a Vested Share beginning on the date of its original issue; and
  - (iii) if such Unvested Share is repurchased or forfeited (or otherwise becomes incapable of vesting), then such Unvested Share shall not be entitled to receive or retain any distributions that have been made with respect to such Unvested Share.

### 8.3 Repurchase of Series A Shares

Unless otherwise determined by the Board (which Board determination shall treat all Series A Shares subject to forfeiture pursuant to this Clause 8.3 in the same manner), with respect to any Shareholder's outstanding Series A Shares held as of the time of any distribution pursuant to Clause 8.2, such Series A Shares shall be repurchased by Company for no consideration and cancelled as soon as practicable following such distribution if, immediately following such distribution, the aggregate Series A Unpaid Yield on such Shareholder's Series A Shares is zero and the aggregate Series A Unreturned Capital on such Shareholders' Series A Shares is zero. To the extent that the Board has in its discretion caused the Company to issue certificates to any Shareholder representing any such Series A Shares so repurchased and cancelled, such Shareholder shall promptly after such distribution surrender to the Company such certificate or certificates (or, if such Shareholder alleges that such certificate(s) has been lost, stolen or destroyed, deliver a lost certificate affidavit and agreement reasonably acceptable to the

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Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft, destruction of such certificate).

## 9 Issue of Securities

### 9.1 No obligation to provide further funding

- (a) Except as otherwise provided in this deed, no Shareholder is obliged to provide any further funding (by way of debt or equity, guarantee or otherwise) to the Group.
- (b) Nothing in this deed constitutes an undertaking by a Shareholder:
  - (i) to make any loan or give any other financial accommodation to or for the benefit of the Company or any Group Company;
  - (ii) to give any guarantee or indemnity in respect of any obligation or liability of the Company or any Group Company; or
  - (iii) to acquire or subscribe for any Securities of the Company or any Group Company.

### 9.2 New Securities

The Company must not issue any equity Securities unless the issue is:

- (a) a permitted issue, as set out in Clause 9.3; or
- (b) a *pro rata* issue, as set out in Clause 9.4; or
- (c) approved by Intermediate Shareholder Approval.

### 9.3 Permitted issues

The Company may issue equity Securities if the issue is:

- (a) **(emergency funding)** to one or more Shareholders, or their respective Affiliates, if the Board determines (acting reasonably), after having first *bona fide* considered other means of financing, that an injection of funds:
  - (i) is necessary or desirable in order to ensure that a Group Company does not breach (or ceases to breach (where a breach is already subsisting) or is prevented from breaching (where the Board reasonably believes in good faith that a breach is reasonably likely to occur)) a covenant or condition of its external finance facilities;
  - (ii) is otherwise required by its external financiers in writing and the Board considers in good faith that the requirement is reasonable; or
  - (iii) is necessary to ensure that a Group Company does not become insolvent or required by a Group Company's auditor in order for them to issue a clean audit opinion,

such issuance being an '**Emergency Issue**' and such Shareholder subscribing for equity Securities pursuant to the Emergency Issue being the '**Funding Shareholder**', and provided that as soon as possible (and in any case within 20 Business Days) after the Emergency Issue either:

- (iv) the Funding Shareholder offers to the other Shareholders the opportunity to acquire a proportion of the investment comprising the Emergency Issue; or
- (v) the Company offers to the other Shareholders the opportunity to subscribe for equity Securities on the same terms as the Emergency Issue; provided that if the Funding Shareholder financed the purchase of the Emergency Issue with

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borrowed money from an unaffiliated third-party, then the cash consideration payable by any other Shareholders who elects to purchase such equity Securities shall include its proportional share of interest incurred by the Funding Shareholder under such third-party loan,

in each case:

- (vi) using the process set out in Clause 9.4, *mutatis mutandis* as though the Emergency Issue were in satisfaction of a *pro rata* offer to Shareholders in accordance with Clause 9.4; and
  - (vii) so as to give each Shareholder other than the Funding Shareholder the opportunity to either subscribe for, or acquire from one or more of the Funding Shareholders, equity Securities on the same terms as the Emergency Issue, to maintain or restore their Relevant Proportion immediately prior to the Emergency Issue on the basis set out in Clause 9.4;
- (b) **(Scheme Related Issuances)** the issue of:
- (i) Equity Securities to the MDP Shareholders to provide funding to:
    - (A) pay for reasonable, bona fide Third Party transaction costs incurred by or on behalf of the MDP Shareholders in connection with the Scheme (including, but not limited to, tax, legal, accounting, financial and other external advisory costs and travel and accommodation expenses of the employees of Affiliates of the MDP Shareholders); and
    - (B) finance the payment of the cash consideration under the Scheme to Target security holders or repay the debts of the Target in place prior to implementation of the Scheme, such equity Securities to be issued at an issue price of \$0.0145 per Series A Share and \$0.0145 per Series B Shares and in same the proportions in which those equity Securities are issued to the MDP Shareholders on the Implementation Date (which is equal to the issue price of the equity Securities issued pursuant to Clause 9.3(b)(ii)); and
  - (ii) Series A Shares and Series B Shares pursuant to the Scheme in consideration for the transfer of Target shares to a Group Company,
- (together, the **Scheme Related Issuances**);
- (c) **(Incentive Shares)** an issue of Incentive Shares made in accordance with Clause 7;
- (d) **(acquisitions/mergers)** an issue of equity Securities (including, for the avoidance of doubt, equity Securities in a new class of equity Securities) in respect of the *bona fide*, arm's length, Board approved acquisition of, or merger with, a company, or the acquisition of a company, business or assets, by a Group Company, **provided that** Major Shareholder Approval is obtained, if required, under Part A of Schedule 3 (as applicable);
- (e) **(Reorganisation)** an issuance of equity Securities in connection with:
- (i) a share split, consolidation or other similar action in respect of the share capital of the Company;
  - (ii) any other internal reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of the Company; or
  - (iii) an issuance of bonus equity Securities,

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provided, in each case, there is no change to the proportionate rights, holdings and obligations of the Shareholders immediately following such action as compared with immediately prior to such action.

- (f) **(IPO)** an issue of equity Securities pursuant to an IPO that is:
  - (i) initiated in accordance with Clause 11; or
  - (ii) approved by the Board, provided that Intermediate Shareholder Approval under Part B of Schedule 3 is obtained;
- (g) **(debt financing)** an issue of equity Securities in connection with a *bona fide*, Board approved third-party debt financing of the Group or any Group Company; or
- (h) **(conversion)** an issue of equity Securities upon the conversion of another instrument convertible into a equity Security, where permitted by the terms of issue.

#### 9.4 Pre-emptive Rights

- (a) Except for a permitted issuance of equity Securities under Clause 9.3:
  - (i) prior to resolving to issue, or granting a right to any person to acquire, any equity Securities pursuant to this Clause 9.4 the Board must first satisfy the capital requirements of the Group using all reasonable endeavours to utilise the cash reserves of the Group in the first instance, and, if such cash reserves are insufficient to satisfy the capital requirements of the Group, use all reasonable endeavours to obtain and/or utilise debt funding (subject to availability of commercially acceptable terms); and
  - (ii) If, after exhausting the options contemplated in Clause 9.4(a)(i), the Group requires further capital, the Board may resolve to issue equity Securities (other than an issue in accordance with Clause 9.3), only on the basis that those equity Securities are offered to Shareholders as contemplated by this Clause 9.4.
- (b) Subject to Clause 9.4(a), if the Company wishes to issue or offer the right to acquire any equity Securities to any person (referred to collectively for the purposes of this Clause 9.4 as the **Offeree Investors**) such offer shall be based on the Fair Value of such Securities and the Company shall offer to sell to each other Shareholder holding Series B Shares a portion of such equity Securities equal to (A) the number of equity Securities being sold multiplied by (B) a fraction, the numerator of which is the total number of Series B Shares held by such person and the denominator of which is the total number of Series B Shares held (or proposed to be held) by the Offeree Investors and the Shareholders having rights pursuant to this Clause 9.4; provided that, notwithstanding the foregoing, no Shareholder who (x) is entitled to purchase (after first determining the amount each Shareholder having rights pursuant to this Clause 9.4 is entitled to purchase) \$25,000 or less of such equity Securities or (y) is an Excluded Shareholder shall have any rights under this Clause 9.4. Each Shareholder having rights pursuant to this Clause 9.4 shall be entitled to purchase the offered equity Securities at the most favourable price and on the most favourable terms as such equity Securities are to be offered to any Offeree Investor; provided that if any Offeree Investor is required to also purchase other Securities or debt of the Company or any of its Subsidiaries, the Shareholder exercising its rights pursuant to this Clause 9.4 shall also be required to purchase its pro rata share of the same strip of Securities or debt (on the same terms and conditions) that such Offeree Investor is required to purchase. The purchase price for all Securities purchased under this Clause 9.4 shall be payable in cash.



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- (c) In order to exercise its purchase rights hereunder, a Shareholder having pre-emptive rights pursuant to this Clause 9.4 must, within the 30 calendar day period (the **Response Period**) after the sending by the Company to such Shareholder of written notice (a **Pre-emptive Rights Notice**) describing in reasonable detail the equity Securities being offered, the purchase price thereof (which may be a price range), the payment terms and the amount such person is eligible to purchase hereunder, deliver a written notice to the Company irrevocably exercising such Shareholder's purchase rights pursuant to this Clause 9.4.
- (d) Upon the expiration of the offering period described above, the Company shall be entitled to sell such equity Securities which such Shareholders having rights pursuant to this Clause 9.4 have not elected to purchase during the 180 calendar days following such expiration at a price not less than the price set forth in the Pre-emptive Rights Notice and on other terms and conditions not materially more favourable in the aggregate to the purchasers thereof than those offered to such Shareholders in the Pre-emptive Rights Notice. Any equity Securities offered or sold by the Company after such 180-day period must be reoffered pursuant to the terms of this Clause 9.4 to the extent this Clause 9.4 applies to such offering.
- (e) Notwithstanding anything to the contrary in this deed, the Company may comply with the provisions of this Clause 9.4 by first selling to one or more holders of Investor equity Securities (and/or their respective Affiliates) all or a portion of the equity Securities contemplated to be sold by the Company and promptly thereafter offering to sell to the persons holding rights (other than the Offeree Investors) pursuant to this Clause 9.4 the number of such equity Securities such person is entitled to purchase pursuant to this Clause 9.4. In the event that any person purchases equity Securities pursuant to this Clause 9.4(e), the Offeree Investors shall sell the same number and class of equity Securities that are purchased by such person(s) exercising their rights under this Clause 9.4(e) to the Company for a price per equity Security equal to the original cost thereof (plus any direct or indirect accrued and unpaid preferred yield thereon, if applicable, and, if the Offeree Investor financed the purchase of the equity Securities with borrowed money from an unaffiliated third-party, the proportional share of interest incurred by the Offeree Investor under such third-party loan with respect to such equity Securities).
- (f) Each Shareholder exercising its purchase rights under this Clause 9.4 shall take all reasonably necessary and desirable actions as directed by the Company in connection with such person's participation in the applicable issuance, including executing a customary purchase (or similar) agreement and making any reasonable and customary representations and warranties therein and agreeing to provide customary indemnification as directed by the Company.

#### 9.5 Loans from Shareholders

Loans by Shareholders to the Company shall not be considered Capital Contributions. If any Shareholder loans funds to the Company in excess of the amounts required hereunder to be contributed by such Shareholder to the capital of the Company, the amount of any such loans shall be a debt of the Company to such Shareholder and shall be payable or collectible in accordance with the terms and conditions upon which such loans are made.

#### 9.6 No requirement to prepare disclosure document

Any person's rights to be offered Securities and / or to subscribe for Securities (whether under this Clause 9 or otherwise) are subject to those rights not requiring the Company to issue a

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disclosure document (including a prospectus) or a product disclosure statement, undertake any registration or filing with any Governmental Body or take any comparable action, whether under Chapter 6D or Chapter 7 of the Corporations Act or any comparable legislation in any other jurisdiction, unless the Company (with the Board's approval) agrees otherwise, except where immaterial or routine, including providing notifications to securities regulators. For the avoidance of doubt, neither the Company nor any other party will be in breach of this deed if it fails to offer any Securities to any person, or give any notice which would constitute an offer of any Securities to any person, in circumstances where such offer or issue of Securities would require the taking of any action described in this Clause 9.6.

## 10 Dealing with Securities

### 10.1 Restrictions on Disposal

A Shareholder must not Dispose of any of its Securities, including by way of an indirect transfer of securities, unless:

- (a) the Disposal is expressly permitted or provided for in Clause 10, 11, 12, 13, 14, 15, 16 or 17; and
- (b) the provisions of Clause 26 are complied with.

### 10.2 Permitted Disposals

Subject to Clauses 10.1 and 10.3, the following Disposals of Securities may be effected:

- (a) **(Sale by the MDP Shareholders)** an MDP Shareholder may Dispose of some or all of its Securities:
  - (i) at any time pursuant to an MDP Exit Event that is an IPO;
  - (ii) **at any time after the second anniversary** of the Implementation Date:
    - (A) pursuant to an MDP Exit Event that is a Share Sale or Asset Sale pursuant to Clauses 11 and/or 13 (as applicable) and provided that it complies with Clause 12;
    - (B) pursuant to any other Disposal of Securities, in one or more transactions, provided that it complies with Clauses 12 and 15; and
  - (iii) **at any time prior to the second anniversary** of the Implementation Date, in one or more transactions, provided that it complies with Clause 15 and, when aggregated with the total number of Securities Disposed of by the MDP Shareholders and their respective Permitted Transferees pursuant to this Clause 10.2(a)(iii), do not exceed one third of the equity Securities held by the MDP Shareholders as of the Implementation Date (which, for purposes of this Clause 10.2(a)(iii), may be held by one or more Permitted Transferees of the MDP Shareholders from and after the Implementation Date, and any sale or transfer of Securities to such Permitted Transferees shall not be considered a Disposal for purposes of this Clause 10.2(a)(iii)), or such greater number as may be agreed by the Initial Non-Investor Shareholder;
- (b) **(Small holdings)** a Small Shareholder may Dispose of all of its Securities pursuant to Clause 17.1;
- (c) **(Board approval)** a Shareholder may Dispose of all or any of its Securities with the approval of the Board by Unanimous Board Resolution; or
- (d) **(Permitted Transferee):**

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- (i) subject to Clause 26.2, a Shareholder may Dispose of all or any of its Securities to a person who is, at the time of Disposal, a Permitted Transferee of that Shareholder; or
  - (ii) pursuant to Clause 10.3
- provided that in the case of a Disposal by an MDP Shareholder under clause 10.2(d)(i):
- (iii) a Disposal to any "Affiliates" within the meaning given in paragraph (b)(i) of the definition of Affiliate must comply with Clause 12; and
  - (iv) a Disposal to any "Affiliates" within the meaning given in paragraph (b)(ii) of the definition of Affiliate may only be of Acquired Interests.

### 10.3 Ceasing to be Permitted Transferee

If a person to whom Securities are Disposed under Clause 10.2(d)(i) (**Holder**) ceases to be a Permitted Transferee of the transferor (**Transferor**), the Holder must immediately upon ceasing to be a Permitted Transferee:

- (a) transfer its entire legal and beneficial interest in the relevant Securities back to the Transferor; or
- (b) transfer its entire legal and beneficial interest in the relevant Securities to another Permitted Transferee of the Transferor.

## 11 MDP Exit Event

### 11.1 MDP Exit Process

- (a) The MDP Shareholders may:
  - (i) at any time initiate, approve and/or pursue an MDP Exit Event that is an IPO; and
  - (ii) subject to Clauses 12 and 13, at any time after the second anniversary of the Implementation Date initiate, approve and/or pursue an MDP Exit Event that is a Share Sale or an Asset Sale.
- (b) Subject to Clause 11.2(b), the MDP Shareholders will determine all matters related to the conduct, implementation and execution of the process to achieve the MDP Exit Event (**MDP Exit Process**), including:
  - (i) the structure of the MDP Exit Process;
  - (ii) the advisers, consultants and experts to be engaged in connection with the MDP Exit Process (including, if applicable, one or more underwriters or lead managers, co-lead managers, co-managers and brokers for an IPO) (**Advisors**), and the terms of engagement of such Advisers, provided that the cost of any such Adviser must be paid by the Company;
  - (iii) the timetable for the MDP Exit Process; and
  - (iv) the terms of the MDP Exit Event (including the valuation of the Company implied by such MDP Exit Event).
- (c) For the avoidance of doubt, the MDP Shareholders are not required to consummate and complete any MDP Exit Event unless the MDP Shareholders are satisfied, in their absolute discretion, with the terms that they have achieved for that MDP Exit Event.
- (d) The MDP Shareholders may undertake multiple MDP Exit Events (including in respect of the same Securities).

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**11.2 Cooperation**

If the MDP Shareholders approve an MDP Exit Event, then:

- (a) the MDP Shareholders must notify the other Shareholders and the Board that they have approved an MDP Exit Event (**MDP Exit Notice**) and specify whether the MDP Exit Event is intended to be an Asset Sale, IPO, a Share Sale, or a dual-track IPO and Share Sale;
  - (b) the MDP Shareholders shall consult with the Initial Non-Investor Shareholders (acting reasonably) regarding the appointment of the Advisers, the structure of the transaction and the valuation of the Company;
  - (c) subject to clause 11.2(b), the MDP Shareholders may appoint (or direct the Company to appoint) one or more Advisers to assist in evaluating, preparing for and implementing the MDP Exit Event and the cost of any such Adviser must be paid by the Company; and
  - (d) subject to clause 11.2(b), each Shareholder and the Company must, and each Shareholder must procure that its Relevant Individual (if applicable) must:
    - (i) co-operate in good faith with the MDP Shareholders;
    - (ii) do everything reasonably requested by the MDP Shareholders;
    - (iii) promptly take all reasonable action within their power (including by exercising voting rights, promptly providing such information as may be requested by the MDP Shareholders and by promptly procuring senior management and other management personnel provide all necessary assistance); and
    - (iv) approve or agree to (including by executing documents) certain matters, such as:
      - (A) confidentiality restrictions;
      - (B) the entry into a shareholders' agreement for the Company or a new holding company on similar terms;
      - (C) amendments to this deed which do not have a materially and disproportionately adverse impact on the rights or obligations of the Company and the Non-Investor Shareholders; and
      - (D) the transfer of Securities and entry into any purchase agreement;
- to execute, implement, consummate and complete an MDP Exit Event.

**11.3 Liquidity event plan**

Upon the second anniversary of the Implementation Date, and upon each subsequent anniversary of the Implementation Date, the MDP Shareholders will, in good faith and acting reasonably, consider and assess the options available for a liquidity event.

**12 Right of first offer****12.1 ROFO Sale Notice**

- (a) Subject to Clause 12.1(c), if the MDP Shareholder intends to Dispose of Securities pursuant to Clause 10.2(a)(ii), or otherwise approves a Share Sale or Asset Sale in accordance with Clause 11.1, then the MDP Shareholder must, in addition to issuing an MDP Exit Notice pursuant to Clause 11.2, also give a ROFO Sale Notice to the Initial Non-Investor Shareholder (with a copy to the Company); provided that the MDP Shareholder may deliver a ROFO Sale Notice prior to delivering an MDP Exit Notice in its sole discretion.

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- (b) The MDP Shareholder and the Company must, if required by the Initial Non-Investor Shareholder, provide the Initial Non-Investor Shareholder and their nominees (including any potential external investor(s) and their advisors) with all such information and access as may reasonably be required to properly formulate and fund a ROFO Offer Notice (including due diligence information), provided that any nominee and their advisors provide appropriate confidentiality undertakings.
- (c) With respect to any Disposal of equity Securities by the MDP Shareholders, the rights and obligations set out in this Clause 12 shall only apply where the total number of equity Securities proposed to be Disposed of by the MDP Shareholders and their respective Permitted Transferees, in one or more transactions, when aggregated with any other Securities Disposed of pursuant to Clauses 10.2(a)(ii)(B) and 10.2(a)(iii), would exceed an aggregate of one third of the equity Securities held by the MDP Shareholders as of the Implementation Date (which, for purposes of this Clause 12.1(c), may be held by one or more Permitted Transferees of the MDP Shareholders from and after the Implementation Date, and any sale or transfer of Securities to such Permitted Transferees shall not be considered a Disposal for purposes of this Clause 12.1(c)). For the avoidance of doubt, this Clause 12 shall not apply to any Disposal to a Permitted Transferee.

**12.2 Contents of ROFO Sale Notice**

A ROFO Sale Notice must state:

- (a) The fact that the whole or substantially all of the assets of the Group are proposed to be Disposed or the number of Securities proposed to be Disposed by the MDP Shareholder (**ROFO Sale Interest**);
- (b) that the Initial Non-Investor Shareholder has the right (either individually or jointly with any other Shareholder or any external investor) to make an offer to acquire all of the ROFO Sale Interest; and
- (c) the period during which the Initial Non-Investor Shareholder (either individually or jointly with any other Shareholder or any external investor) must make an offer to acquire the ROFO Sale Interest, by way of giving a ROFO Offer Notice, which must not be less than 90 calendar days from the date of the ROFO Sale Notice.

**12.3 ROFO Offer Notice**

If the Initial Non-Investor Shareholder (either individually or jointly with any other Shareholder or any external investor) wish(es) to acquire all of the ROFO Sale Interest (each a **ROFO Offeree**) then the ROFO Offeree(s) must give a ROFO Offer Notice to the MDP Shareholder (with a copy to the Company).

**12.4 Contents of ROFO Offer Notice**

- (a) A ROFO Offer Notice must state:
  - (i) the acquisition price for the ROFO Sale Interest (**ROFO Offer Price**);
  - (ii) any other terms or conditions of the proposed acquisition of the ROFO Sale Interest by the ROFO Offeree, including whether the MDP Shareholders will be required to issue a Drag Notice in respect of the ROFO Sale (**ROFO Offer Terms**);
  - (iii) that the MDP Shareholder has an option (**ROFO Option**) to sell the ROFO Sale Interest at the ROFO Offer Price and on the ROFO Offer Terms; and
  - (iv) the period during which the ROFO Option may be exercised, which must not be less than 15 Business Days from the date of the ROFO Offer Notice.

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- (b) A ROFO Offer Notice is, other than with the consent of the MDP Shareholder in writing, irrevocable.

**12.5 Exercise of a ROFO Option**

- (a) A ROFO Option may (but is not required to) be exercised by the MDP Shareholder by notice in writing to the relevant ROFO Offeree(s) (with a copy to the Company) within the exercise period stated in the ROFO Offer Notice.
- (b) Any exercise of a ROFO Option must be for the whole of the ROFO Sale Interest and is, other than with the consent of the relevant ROFO Offeree(s) in writing, irrevocable.
- (c) Where the MDP Shareholder does not exercise a ROFO Option, they may undertake the MDP Exit Event approved in accordance with Clause 11.1 with any party (including with a Third Party).

**12.6 Effect of exercise of a ROFO Option**

If the MDP Shareholder exercises its ROFO Option:

- (a) the MDP Shareholder must sell the whole ROFO Sale Interest to the relevant ROFO Offeree(s), and the relevant ROFO Offeree(s) must purchase all those ROFO Sale Interest, at the ROFO Offer Price and on the ROFO Offer Terms;
- (b) the purchase price payable for the ROFO Sale Interest is payable on the closing of the sale and purchase (or as otherwise provided in the payment terms set out in the ROFO Offer Notice), which must take place no later than on the day which is 120 calendar days after the date of exercise of the ROFO Option (or, if later, 10 Business Days after receipt of any required regulatory approvals, not to exceed 180 calendar days after the date of exercise of the ROFO Option unless agreed in writing by the MDP Shareholder);
- (c) at the closing of the sale and purchase, the MDP Shareholder must deliver to the relevant ROFO Offeree(s):
  - (i) the share (or other) certificates (if applicable) and an executed transfer agreement for the ROFO Sale Interest; and
  - (ii) in respect of a sale of shares only, a duly executed notice irrevocably appointing the relevant ROFO Offeree(s) as the MDP Shareholder's proxy in respect of the ROFO Sale Interest until such time as that ROFO Sale Interest is registered in the name of the relevant ROFO Offeree(s); and
- (d) notwithstanding any terms set out in the relevant ROFO Offer Notice, the MDP Shareholder must provide customary title and capacity warranties in favour of the relevant ROFO Offeree(s) in relation to the ROFO Sale Interest, including that the ROFO Sale Interest is being transferred with unencumbered legal title and free of any Encumbrance or other third-party rights (other than those arising hereunder).
- (e) If the MDP Shareholders will be required to issue a Drag Notice in respect of the ROFO Sale, the Drag Notice shall include the relevant terms from the ROFO Sale Notice and such other terms as mutually agreed upon by the MDP Shareholder and Non-Investor Shareholder, and such ROFO Sale shall be subject to the rights and obligations in Clause 13.

**12.7 ROFO Option not exercised**

If the MDP Shareholder does not exercise its ROFO Option, the MDP Shareholder must not undertake a Share Sale or Asset Sale or other Disposal permitted by Clause 11.1(a) to any Third Party Buyer, if the value of the Share or acquisition price offered by that Third Party Buyer is less

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than the value of the ROFO Offer Price set out in the relevant ROFO Offer Notice, unless the MDP Shareholder first consults in good faith with the Non-MDP Shareholder, provided that:

- (a) such consultation period does not exceed 5 Business Days; and
- (b) the MDP Shareholder may proceed with undertaking a Share Sale or Asset Sale or other Disposal permitted by Clause 10.1(a) to any Third Party Buyer at their sole discretion and is not obliged to make a decision on whether or not to proceed with undertaking a Share Sale or Asset Sale or other Disposal permitted by Clause 10.1(a) to any Third Party based on any outcome of consultation with the relevant non-MDP Shareholder.

### 12.8 Interaction with Clause 11

Once the MDP Shareholders have given an MDP Exit Notice pursuant to Clause 11.2, during the period in which the process in this Clause 12 applies, nothing in this Clause 12 prevents the MDP Shareholder from taking steps to facilitate an MDP Exit Event in accordance with Clause 11 and the parties must facilitate such steps in accordance with their obligations in Clause 11.

## 13 Drag rights

### 13.1 Drag Notice

If:

- (a) the MDP Shareholder proposes to consummate and complete:
  - (i) a MDP Exit Event that is an Asset Sale; or
  - (ii) a MDP Exit Event that is a Share Sale or dual-track IPO and Share Sale
 in each case, in accordance with Clause 11.1 and has issued an MDP Exit Notice in accordance with Clause 11.2 and a ROFO Sale Notice in accordance with Clause 12; and
- (b) the Initial Non-Investor Shareholder (either individually or jointly with any other Shareholder):
  - (i) does not give a ROFO Offer Notice;
  - (ii) gives a ROFO Offer Notice that requests the MDP Shareholders to issue a Drag Notice (and such MDP Shareholders agree to issue such Drag Notice); or
- (c) the Initial Non-Investor Shareholder (either individually jointly with any other Shareholder or any external investor) gives a ROFO Offer Notice but the MDP Shareholder does not exercise any ROFO Option,

then the MDP Shareholder may give a Drag Notice to each other Shareholder (**Dragged Shareholders**) (with a copy to the Company), provided that (x) if the MDP Shareholder has not exercised a ROFO Option in respect of the relevant MDP Exit Event that is a Share Sale or dual-track IPO, the value of the Drag Price must be no less than the value of the ROFO Offer Price (when reasonably valued as a whole and taking into account preference for immediate and more certain liquidity) set out in the relevant ROFO Offer Notice and (y) if the proposed Drag Notice is issued at any time prior to the third anniversary of Implementation, the Drag Price in respect of Series A Shares and Series B Shares only (when reasonably valued as a whole and taking into account preference for immediate and more certain liquidity) is at least the Minimum Drag Hurdle (unless otherwise approved by Intermediate Shareholder Approval).

### 13.2 Contents of Drag Notice

A Drag Notice must state:

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- (a) whether the sale is pursuant to a ROFO Sale, or otherwise the identity of the proposed Third Party Buyer, except where the identity of the Third Party Buyer is unknown due to the proposed Disposal being by way of auction or dual-track IPO and Share Sale;
- (b) in the case of a Share Sale or dual-track IPO, the number of Securities proposed to be Disposed by the MDP Shareholders, and the percentage that represents of the total number of Securities held by the MDP Shareholders (**Drag Proportion**);
- (c) in the case of:
  - (i) a Share Sale or dual-track IPO, the sale price for each Security (except where the sale price is unknown due to the proposed Disposal being by way of auction or dual-track IPO and Share Sale, in which case a minimum sale price must be specified) (**Drag Price**) to be sold by the MDP Shareholders (which may be cash, consideration in the form of securities, deferred consideration or contingent consideration (or a mix thereof)), which must be the same price that the MDP Shareholders are proposing to Dispose their Securities to the Third Party Buyer or under the ROFO Sale (as applicable) (taking into account any differences in the terms of the Securities being sold); or
  - (ii) an Asset Sale, the consideration for that Asset Sale and a statement that each Dragged Shareholder will receive a portion of the aggregate consideration from the Asset Sale in accordance with Clause 8.2,
- (d) any other terms of the proposed sale by the MDP Shareholders to the Third Party Buyer (or the ROFO Sale (as applicable)), which must be:
  - (i) other than in respect of restrictive covenants, no less favourable to the Dragged Shareholders than the terms on which the MDP Shareholders are proposing in connection with the Asset Sale or to Dispose of their Securities to the Third Party Buyer or under the ROFO Sale (as applicable); and
  - (ii) in accordance with the terms set out in Clause 13.3(d),  
(together, the **Drag Terms**);
- (e) that the MDP Shareholders require the Dragged Shareholders to:
  - (i) in the case of a Share Sale or dual-track IPO, Dispose the Drag Proportion of the Dragged Shareholder's Securities (**Dragged Securities**) to the Third Party Buyer (or pursuant to the ROFO Sale (as applicable)) at the Drag Price per Security and on the Drag Terms. Any securities to be issued to the MDP Shareholders and the Dragged Shareholders as consideration for any Disposal of Securities under this Clause 13 must be the same class, including with the same economic and voting rights; and
  - (ii) in the case of an Asset Sale, take all action required to effect such Asset Sale including to vote or procure such Dragged Shareholder's Relevant Individual (if required) to approve such sale and any liquidation of the Company or other distribution of proceeds, whether by consent or at a Shareholders' meeting; and
- (f) if known, the date on which the proposed sale to the Third Party Buyer (or ROFO Sale (as applicable)) is proposed to be completed.

### 13.3 Effect of Drag Notice

If a Drag Notice is given, then:

- (a) each Dragged Shareholder must:



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- (i) in the case of a Share Sale or dual-track IPO, if the Share Sale or dual-track IPO to which the Drag Notice relates proceeds to completion, Dispose its Dragged Securities to the Third Party Buyer (or the buyer under a ROFO Sale (as applicable)) on the terms stated in the Drag Notice; and
- (ii) in the case of an Asset Sale, take all action required to effect such Asset Sale including to vote (if required) to approve such sale and any liquidation of the Company or other distribution of proceeds, whether by consent or at a Shareholders' meeting;
- (b) the Dragged Shareholders (in the case a Share Sale or dual-track IPO) or the relevant Group Companies (in the case of an Asset Sale) must do all things and execute such documentation as is reasonably necessary or is reasonably required by the MDP Shareholders to effect the proposed Asset Sale or Disposal to the Third Party Buyer (as applicable), subject to the sale agreement complying with the provisions of Clause 13.3(d);
- (c) in the case of a Share Sale or dual-track IPO, the MDP Shareholders must not complete the proposed Disposal to the Third Party Buyer (or ROFO Sale (as applicable)) pursuant to which the Drag Notice relates unless, at the same time, the Third Party Buyer offers to buy all the Dragged Securities of Dragged Shareholders at the Drag Price per Security and on the Drag Terms; and
- (d) the MDP Shareholders may require each Dragged Shareholder (and their Relevant Individual, if applicable) to give representations, warranties, indemnities and restrictive covenants under any agreements relating to the Asset Sale or the purchase of Dragged Securities, the Business or the Group (as applicable), provided that:
  - (i) any such representations, warranties and indemnities are given on an equivalent basis and subject to the same liability regime as to those given by the MDP Shareholders, which must be:
    - (A) on a several (but not joint) basis except with respect to any escrow arrangements;
    - (B) in respect of liability for warranties (other than warranties in relation to title and capacity), given by selling Shareholders in their Relevant Proportion; and
    - (C) in respect of liability for warranties in relation to title and capacity, given by selling Shareholders in respect of their Securities only;
  - (ii) the liability of each Dragged Shareholder (and its Relevant Individual, if applicable) arising from a breach of any such representations, warranties, and indemnities is limited to the proportion of the consideration actually received by the Dragged Shareholder (and its Relevant Individual, if applicable) in connection with the purchase of such Dragged Securities;
  - (iii) the MDP Shareholders must use all their reasonable endeavours to procure that warranty and indemnity insurance is obtained by the Third Party Buyer to minimise the exposure of all Shareholders participating in the Asset Sale or Disposal (as applicable) on terms in line with prevailing market practice. Any cost associated with that warranty and indemnity insurance will reduce the proceeds to be received by each Shareholder participating in the Asset Sale or Disposal (as applicable) as a percentage of the aggregate reduction in proceeds to Shareholders assuming all proceeds were being distributed in accordance with Clause 8.2 and as if such expense were incurred prior to such distribution, other

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than where such cost is borne by the Company, the Third Party Buyer or any of their respective Related Bodies Corporate; and

- (iv) any non-competition and non-solicitation covenants may only be imposed on a Dragged Shareholder which is a Manager Shareholder (and its Relevant Individual, if applicable) and, unless otherwise agreed by such Manager Shareholder:
  - (A) must not be for a period longer than one year after completion of the Disposal to the Third Party Buyer (or under the ROFO Sale (as applicable)); and
  - (B) must be on other terms that are no more onerous to the Dragged Shareholder which is a Manager Shareholder (and its Relevant Individual, if applicable) than the terms of the Post-Shareholding Restraint.

#### 13.4 Power of attorney

On the issue of a Drag Notice, each Dragged Shareholder which is a Sub-10% Shareholder irrevocably appoints each MDP Shareholder and the Company as its attorney in accordance with Clause 29.1 to perform its obligations under this Clause 13.

#### 13.5 Termination of Drag Right

The rights, restrictions and obligations of the MDP Shareholders in this Clause 13 shall terminate upon the MDP Shareholders no longer constituting a Major Shareholder.

### 14 Subsequent Drag

#### 14.1 Subsequent Drag Notice

If the MDP Shareholders are no longer Major Shareholders, then a Shareholder or collection of Shareholders in each case holding 50% or more of the voting rights (**Subsequent Dragging Shareholders**) may give a Subsequent Drag Notice to each other Shareholder (**Subsequent Dragged Shareholders**) (with a copy to the Company) provided that the proposed buyer is a Third Party Buyer.

#### 14.2 Contents of Subsequent Drag Notice

A Subsequent Drag Notice must state:

- (a) the identity of the proposed Third Party Buyer;
- (b) the number of Securities proposed to be Disposed by the Subsequent Dragging Shareholders, and the percentage that represents of the total number of Securities held by the Subsequent Dragging Shareholders (**Subsequent Drag Proportion**);
- (c) in the case of:
  - (i) a sale of 50% or more of all the Shares on issue in the Company (**50% Sale**), the sale price for each Security (**Subsequent Drag Price**) to be sold by the Subsequent Dragging Shareholders (which may only be cash consideration or shares which are listed on a recognised stock exchange and can be publicly traded without any transfer restriction or a combination thereof and cannot be any other type of consideration), which must be the same price that the Subsequent Dragging Shareholders are proposing to Dispose their Securities to the Third Party Buyer (taking into account any differences in the terms of the Securities being sold); or

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- (ii) an Asset Sale, the consideration for that Asset Sale (which may only be cash consideration or shares which are listed on a recognised stock exchange and can be publicly traded without any transfer restriction or a combination thereof and cannot be any other type of consideration) and a statement that each Subsequent Dragged Shareholder will receive a portion of the aggregate consideration from the Asset Sale in accordance with Clause 8.2,
- (d) any other terms of the proposed sale by the Subsequent Dragging Shareholders to the Third Party Buyer, which must be:
  - (i) other than in respect of restrictive covenants, no less favourable to the Subsequent Dragged Shareholders than the terms on which the Subsequent Dragging Shareholders are proposing in connection with the Asset Sale or to Dispose of their Securities to the Third Party Buyer; and
  - (ii) in accordance with the terms set out in Clause 14.3(d),  
(together, the **Subsequent Drag Terms**);
- (e) that the Subsequent Dragging Shareholders require the Subsequent Dragged Shareholders to:
  - (i) in the case of a 50% Sale, Dispose the Subsequent Drag Proportion of the Subsequent Dragged Shareholder's Securities (**Subsequent Dragged Securities**) to the Third Party Buyer at the Subsequent Drag Price per Security and on the Subsequent Drag Terms. Any securities to be issued to the Subsequent Dragging Shareholders and the Subsequent Dragged Shareholders as consideration for any Disposal of Securities under this Clause 14 must be the same class, including with the same economic and voting rights; and
  - (ii) in the case of an Asset Sale, take all action required to effect such Asset Sale including to vote or procure such Subsequent Dragged Shareholder's Relevant Individual (if required) to approve such sale and any liquidation of the Company or other distribution of proceeds, whether by consent or at a Shareholders' meeting; and
- (f) if known, the date on which the proposed sale to the Third Party Buyer is proposed to be completed.

#### 14.3 Effect of Subsequent Drag Notice

If a Subsequent Drag Notice is given, then:

- (a) each Subsequent Dragged Shareholder must:
  - (i) in the case of a 50% Sale, if the 50% Sale to which the Subsequent Drag Notice relates proceeds to completion, Dispose its Subsequent Dragged Securities to the Third Party Buyer on the terms stated in the Subsequent Drag Notice; and
  - (ii) in the case of an Asset Sale, take all action required to effect such Asset Sale including to vote (if required) to approve such sale and any liquidation of the Company or other distribution of proceeds, whether by consent or at a Shareholders' meeting;
- (b) the Subsequent Dragged Shareholders (in the case a 50% Sale) or the relevant Group Companies (in the case of an Asset Sale) must do all things and execute such documentation as is reasonably necessary or is reasonably required by the Subsequent Dragging Shareholders to effect the proposed Asset Sale or Disposal to the Third Party

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Buyer (as applicable), subject to the sale agreement complying with the provisions of Clause 14.3(d);

- (c) in the case of a 50% Sale, the Subsequent Dragging Shareholders must not complete the proposed Disposal to the Third Party Buyer pursuant to which the Subsequent Drag Notice relates unless, at the same time, the Third Party Buyer offers to buy all the Subsequent Dragged Securities of Subsequent Dragged Shareholders at the Subsequent Drag Price per Security and on the Subsequent Drag Terms; and
- (d) the Subsequent Dragging Shareholders may require each Subsequent Dragged Shareholder (and their Relevant Individual, if applicable) to give representations, warranties, indemnities and restrictive covenants under any agreements relating to the Asset Sale or the purchase of Subsequent Dragged Securities, the Business or the Group (as applicable), provided that:
  - (i) any such representations, warranties and indemnities are given on an equivalent basis and subject to the same liability regime as to those given by the Subsequent Dragging Shareholders, which must be:
    - (A) on a several (but not joint) basis except with respect to any escrow arrangements;
    - (B) in respect of liability for warranties (other than warranties in relation to title and capacity), given by selling Shareholders in their Relevant Proportion; and
    - (C) in respect of liability for warranties in relation to title and capacity, given by selling Shareholders in respect of their Securities only;
  - (ii) the liability of each Subsequent Dragged Shareholder (and its Relevant Individual, if applicable) arising from a breach of any such representations, warranties, and indemnities is limited to the proportion of the consideration actually received by the Subsequent Dragged Shareholder (and its Relevant Individual, if applicable) in connection with the purchase of such Subsequent Dragged Securities;
  - (iii) the Subsequent Dragging Shareholders must use all their reasonable endeavours to procure that warranty and indemnity insurance is obtained by the Third Party Buyer to minimise the exposure of all Shareholders participating in the Asset Sale or Disposal (as applicable) on terms in line with prevailing market practice. Any cost associated with that warranty and indemnity insurance will reduce the proceeds to be received by each Shareholder participating in the Asset Sale or Disposal (as applicable) as a percentage of the aggregate reduction in proceeds to Shareholders assuming all proceeds were being distributed in accordance with Clause 8.2 and as if such expense were incurred prior to such distribution, other than where such cost is borne by the Company, the Third Party Buyer or any of their respective Related Bodies Corporate; and
  - (iv) any non-competition and non-solicitation covenants may only be imposed on a Subsequent Dragged Shareholder which is a Manager Shareholder (and its Relevant Individual, if applicable) and, unless otherwise agreed by such Manager Shareholder:
    - (A) must not be for a period longer than one year after completion of the Disposal to the Third Party Buyer; and

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- (B) must be on other terms that are no more onerous to the Subsequent Dragged Shareholder which is a Manager Shareholder (and its Relevant Individual, if applicable) than the terms of the Post-Shareholding Restraint.

#### 14.4 Power of attorney

On the issue of a Subsequent Drag Notice, each Subsequent Dragged Shareholder which is a Sub-10% Shareholder irrevocably appoints the Subsequent Dragging Shareholder and the Company as its attorney in accordance with Clause 29.1 to perform its obligations under this Clause 14.

### 15 Tag rights

#### 15.1 Invitation to Tag

- (a) Subject to clause 15.1(c), except for transfers of Securities under Clauses 9.3, 9.4, 10.2(a)(i) or 10.2(d), if the MDP Shareholder proposes to sell Securities, it must give an Invitation to Tag to each other Shareholder holding one or more of the sale classes of Shares proposed to be transferred (**Tagged Shareholders**), with a copy to the Company.
- (b) The MDP Shareholders must consult with the Initial Non-Investor Shareholders (acting reasonably) regarding the material terms of any sale of the Securities pursuant to an Invitation to Tag.
- (c) To the extent the MDP Shareholders have given and not withdrawn a Drag Notice, they are not required to give an Invitation to Tag.

#### 15.2 Contents of Invitation to Tag

An Invitation to Tag must state:

- (a) the identity of the proposed Third Party;
- (b) the number of Securities proposed to be Disposed by the MDP Shareholders, and the percentage that represents of the total number of Securities held by the MDP Shareholders (**Tag Proportion**);
- (c) the sale price for each Security (**Tag Price**) to be sold by the MDP Shareholder and any other terms of the proposed sale by the MDP Shareholder to the Third Party (**Tag Terms**); provided that, in the event that the MDP Shareholders intend to sell Shares of more than once Class, each Tagged Shareholder shall be required to transfer the Tag Proportion of the same class of Shares in such sale;
- (d) that the Tagged Shareholder has an option (**Tag Option**) to direct the MDP Shareholder to include in the sale to the Third Party, the Tag Proportion of the Tagged Shareholder's Securities (other than any Series C Shares, and in no event shall any Tagged Shareholder be permitted to transfer Unvested Shares), rounded down to the nearest whole number (the **Tagged Securities**), at the Tag Price per Security, and otherwise, other than in respect of restrictive covenants, on terms no less favourable to the Tagged Shareholder than the terms contained in the Tag Terms; and
- (e) the period during which the Tag Option may be exercised, which must not be less than 10 Business Days from the date of the Invitation to Tag.

#### 15.3 Exercise of a Tag Option

- (a) A Tag Option may be exercised by notice in writing to the MDP Shareholder and the Company within the exercise period stated in the Invitation to Tag.

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- (b) Any exercise of a Tag Option by a Tagged Shareholder must be for all Tagged Securities and is irrevocable.

#### 15.4 Effect of exercise of Tag Option

If a Tagged Shareholder exercises its Tag Option:

- (a) Each Tagged Shareholder must Dispose its Tagged Securities to the Third Party Buyer on the terms stated in the Tag Notice;
- (b) the Tagged Shareholder must do all things and execute such documentation as is reasonably necessary or is reasonably required by the MDP Shareholders to effect the proposed Disposal to the Third Party Buyer (as applicable), subject to the sale agreement complying with the provisions of Clause 15.4(d);
- (c) the MDP Shareholders must not complete the proposed Disposal to the Third Party Buyer pursuant to which the Tag Notice relates unless, at the same time, the Third Party Buyer offers to buy all the Tagged Securities of Tagged Shareholders at the Tag Price per Security and on the Tag Terms; and
- (d) the MDP Shareholders may require each Tagged Shareholder (and their Relevant Individual, if applicable) to give representations, warranties, indemnities and restrictive covenants under any agreements relating purchase of Tagged Securities, the Business or the Group (as applicable), provided that:
  - (i) any such representations, warranties and indemnities are given on an equivalent basis and subject to the same liability regime as to those given by the MDP Shareholders, which must be:
    - (A) on a several (but not joint) basis except with respect to any escrow arrangements;
    - (B) in respect of liability for warranties (other than warranties in relation to title and capacity), given by selling Shareholders in their Relevant Proportion; and
    - (C) in respect of liability for warranties in relation to title and capacity, given by selling Shareholders in respect of their Securities only;
  - (ii) the liability of each Tagged Shareholder (and its Relevant Individual, if applicable) arising from a breach of any such representations, warranties, and indemnities is limited to the proportion of the consideration actually received by the Tagged Shareholder (and its Relevant Individual, if applicable) in connection with the purchase of such Tagged Securities;

#### 15.5 Termination of Tag Option

The rights, restrictions and obligations of the MDP Shareholders in this Clause 15 shall terminate upon the MDP Shareholders no longer constituting a Major Shareholder.

### 16 IPO

#### 16.1 IPO

If the MDP Shareholders issue an MDP Exit Event Notice pursuant to Clause 11.1 that relates to an IPO or a dual-track IPO and Share Sale, each Shareholder will, as considered necessary or desirable by the MDP Shareholder in connection with the IPO:

- (a) act in good faith to sell down or retain as part of the IPO such interests in the Company (or the entity being listed which may be a new holding company) as the underwriters, joint

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- lead managers or financial advisers in relation to the IPO recommend as being desirable in order to maximise the success of the IPO;
- (b) give all reasonable undertakings and enter into any reasonable escrow arrangements in relation to their Securities as may reasonably be required by the relevant Securities Exchange or as the underwriters, joint lead managers or financial advisers in relation to the IPO recommend as being desirable in order to maximise the success of the IPO, provided that such escrow arrangements do not extend beyond the 12 month anniversary of the IPO unless required by law (and if required by law, will not extend beyond the minimum amount of time required by law);
  - (c) if recommended by the underwriters, joint lead managers or financial advisers in relation to the IPO, do all things reasonably necessary to effect a change in the number and mix of Securities issued by the Company (or its Subsidiary);
  - (d) assist the Company in preparing a prospectus or similar disclosure document;
  - (e) provide all reasonable assistance necessary to obtain requisite Securities Exchange and Shareholder approvals for the IPO;
  - (f) enter into an underwriting or offer management agreement or similar agreement on market terms;
  - (g) provide all necessary or reasonable assistance, and procure senior management and other management personnel provide all necessary or reasonable assistance, for marketing activities, including road shows;
  - (h) approve or agree to (including by executing documents) certain matters, such as:
    - (i) the conversion of the Company to a listed public company in connection with an IPO;
    - (ii) the change of a Group Company's name;
    - (iii) the incorporation of a new holding company and the exchange of Securities for securities in that new holding company;
    - (iv) the adoption of a new constitution for a Group Company or a new holding company; and
    - (v) changes to the share capital of the Company or a new holding company (including as a result of the issue of securities), and other restructure or preparatory steps (including the transfer of assets of the Group); and
  - (i) take all actions reasonably required by the Company in order to effect a buyback, exchange or conversion of some or all of its Securities (which may involve the exchange of Securities in the Company for securities in a different entity which is to be listed),

in each case to achieve an IPO on the terms and structure identified by the MDP Shareholders, provided that each Shareholder (other than the holders of Series C Shares, pursuant to Clause 16.1(b), in relation to their Series C Shares) is entitled to sell an equal portion of their Securities in the IPO as the MDP Shareholders (taken in aggregate) but, for the avoidance of doubt, may be subject to different restrictions of their Securities in connection with the IPO and in respect of holders of Series C Shares, they are entitled to participate in liquidity on an equivalent economic basis as set out in Clause 8.2.

## 16.2 Company's obligations

Without limiting the generality of Clause 16.1, the Company must:

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- (a) pay the costs of preparing the prospectus (or other relevant offer document), advisory fees, underwriting commissions (if any), expenses of due diligence investigations, Securities Exchange fees, fees of the relevant regulatory authorities, legal fees, expert's fees, printing expenses and postage expenses; and
- (b) use its best endeavours to satisfy all terms and conditions of admission to listing imposed by the Securities Exchange.

**16.3 Power of attorney**

Each Shareholder which is a Sub-10% Shareholder irrevocably appoints each MDP Shareholder and the Company as its attorney in accordance with Clause 29.1 to perform its obligations under this Clause 16.

**17 Compulsory acquisition and default****17.1 Small Holdings**

- (a) Subject to Major Shareholders Approval, after the first anniversary of the Implementation Date, the Board may at any time serve a written notice (**Small Holding Disposal Notice**) on a Small Shareholder selected by the Board that it requires the Small Shareholder to Dispose of all of its Small Holding Securities on the terms in this Clause 17.1.
- (b) For the avoidance of doubt, under this Clause 17.1:
  - (i) Small Shareholders may be requested by the Board to Dispose of their Small Holding Securities at different times and in different manners subject to the price per Small Holding Securities being the Fair Value of those Small Holding Securities at the date of the relevant Small Holding Disposal Notice and no Small Shareholder being required to Dispose of only some of its Securities; and
  - (ii) Small Holding Disposal Notices may be given at multiple times.
- (c) A Small Holding Disposal Notice must state:
  - (i) how the Board requires the relevant Small Shareholder to Dispose of its Small Holding Securities, including whether the Small Holding Securities will be bought-back, redeemed, cancelled (including by way of capital reduction) and / or transferred to another Shareholder or third party nominated by the Board;
  - (ii) the Fair Value per share comprising of the Small Holding Securities the subject of the Small Holding Disposal Notice;
  - (iii) the date or dates on which the Disposal of the Small Shareholder's Small Holding Securities will be completed.
- (d) If a Small Holding Disposal Notice is given, each Small Shareholder to whom a Small Holding Disposal Notice is given must Dispose of its Small Holding Securities on the terms stated in the Small Holding Disposal Notice given by the Board in accordance with Clause 17.1(c).
- (e) A Small Holding Disposal Notice is revocable and may be amended by the Board and by written notice to the relevant Small Shareholder without the consent of the Small Shareholder.
- (f) The Company and all Shareholders:
  - (i) must take all actions requested by the Board to give effect to the transactions contemplated by a Small Holding Disposal Notice; and



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- (ii) must enter into and execute all documents as required by the Board in connection with and to give effect to a Small Holding Disposal Notice.
- (g) Completion of the transactions the subject of a Small Holding Disposal Notice must occur on the date or dates specified in the relevant Small Holding Disposal Notice or any other date determined by the Board and notified to the relevant Small Shareholder.
- (h) Each Small Shareholder irrevocably appoints each MDP Shareholder and the Company as its attorney in accordance with Clause 29.1 on default of its obligations under this Clause 17.1.

**17.2 Suspension of rights**

If an Event of Default occurs (or is occurring) in respect of a Shareholder then, from that date until such time as the Event of Default ceases to exist:

- (a) any Director appointed by the Defaulting Shareholder is not entitled to vote at a meeting of the Board or exercise any other rights granted to the Director under this deed or at law;
- (b) the Defaulting Shareholder is not entitled to vote at a meeting of Shareholders or exercise any other rights granted to a Shareholder under this deed or at law; and
- (c) any distributions or dividends paid by the Company that would be payable to the Defaulting Shareholder must be retained by the Company, unless the Board resolves otherwise (and for the avoidance of doubt, the nominee Director of the Defaulting Shareholder will be conflicted from any such decision).

**17.3 Other remedies**

The rights and remedies contained in this Clause are in addition to and not to the exclusion of any other rights or remedies that a party may have against a party in default of this deed.

**17.4 Authorisations**

The parties must do all things necessary to ensure that the Company may acquire any Securities as contemplated by this Clause 17.

**18 Restraint on Shareholders****18.1 Restraint**

For the purposes of promoting the commercial objectives of the Group and the Business, subject to Clause 18.5, each Restrained Party undertakes to the Company, each other Group Company and each Shareholder that it will not, and must procure that each of its respective Restrained Affiliates will not:

- (a) during the Shareholding Restraint Period:
  - (i) be Involved within the Restraint Area, in any capacity in any business or activity which offers the same or substantially similar products or services as those offered by the Business of any Group Company;
  - (ii) approach or solicit (either solely or jointly with any other person and in any capacity whatsoever) any customer of or client of or supplier to any Group Company, or who was at any point during the 24 months prior, for the purpose of persuading that person to cease doing business with the Group Company or reduce the amount of business that the customer, client or supplier would normally do with the Group Company; or

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- (iii) approach or solicit (either solely or jointly with any other person and in any capacity whatsoever) any agent, employee or independent contractor of a Group Company, or who was at any point during the 24 months prior, for the purpose of recruiting that person,

**(Shareholding Restraint);** and

- (b) during the Post-Shareholding Restraint Period:

- (i) be Involved within the Restraint Area, in any capacity in any business or activity which offers the same or substantially similar products or services as those offered by the Business of any Group Company as at the date that the Restrained Party and its Permitted Transferees ceased to hold any Securities;
- (ii) approach or solicit (either solely or jointly with any other person and in any capacity whatsoever) any customer of or client of or supplier to any Group Company as at the date that the Restrained Party and its Permitted Transferees ceased to hold any Securities, or who was at any point during the 24 months prior, for the purpose of persuading that person to cease doing business with the Group Company or reduce the amount of business that the customer, client or supplier would normally do with the Group Company;
- (iii) approach or solicit (either solely or jointly with any other person and in any capacity whatsoever) any agent, employee or independent contractor of a Group Company as at the date that the Restrained Party and its Permitted Transferees ceased to hold any Securities, or who was at any point during the 24 months prior, for the purpose of recruiting that person,

**(Post-Shareholding Restraint),**

(together, the **Restraint**).

### 18.2 Acknowledgement

Each Restrained Party acknowledges that:

- (a) the Restraint is reasonable in the circumstances and necessary to protect the goodwill of the Business;
- (b) damages are not an adequate remedy if the Restrained Party breaches this Clause 18;
- (c) it has had the opportunity to receive independent legal advice as to the operation and effect of this Clause 18; and
- (d) this Clause 18 survives termination of this deed.

### 18.3 Deletion of restrictions

If any part of the Restraint goes beyond what is reasonable in the circumstances and necessary to protect the goodwill of the Business but would be reasonable and necessary if any activity were deleted or a period or area were reduced (as determined by a court of competent jurisdiction), then the Restraint applies with that activity deleted or period or area reduced by the minimum amount necessary to make the Restraint reasonable in the circumstances.

### 18.4 Severance

Each part of the Restraint has effect as a separate and severable restriction and is to be enforced accordingly.

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### 18.5 Permitted exceptions

The restriction in Clause 18.1 does not prevent any Restrained Party or their respective Restrained Affiliates from:

- (a) holding (directly or through an Affiliate) in aggregate up to 5% of the shares in any entity listed on any Securities Exchange, provided that such shareholding is held purely on a passive investor basis;
- (b) continuing to hold (directly or through an Affiliate) any interest that a Shareholder held as at the Implementation Date, provided that such interest is held purely on a passive investor basis;
- (c) doing anything with the prior written consent of the Company and the MDP Shareholders;
- (d) being Involved with the Group; or
- (e) being involved in any business or other interests that the Restrained Party or their Restrained Affiliates were involved in on the Implementation Date, in each case, as such activities were disclosed to the Board on or prior to the Implementation Date.

### 18.6 Injunctive Relief

The Company or any MDP Shareholder may apply for injunctive relief if it believes a Restrained Party is likely to breach this Clause 18 or if a Restrained Party has breached or threatened to breach this Clause 18.

## 19 Nominee arrangements

### 19.1 Interpretation

In this Clause the following definitions apply unless the context otherwise requires:

**Expense** means any liability, cost, expense, loss or damage.

**Nominee Indemnity Provision** means Clauses set out in the Nominee Deed in relation to the matters set out in Clauses 19.10(d) and 19.10(e) of this deed.

**Obligations** means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Nominee under or in respect of this deed or the Nominee Deed.

**Overhead Cost** means overhead expenses, including rent, office maintenance and salaries.

**Relevant Trust** has the meaning given in Clause 19.10(b).

### 19.2 Intended operation of this Clause

- (a) The parties confirm that the principle to which this Clause 19 is intended to give effect is that the voting, economic and other interests of a Non-MDP Shareholder under this deed and in respect of the Non-MDP Shareholder's holding of Securities should, assuming that the Nominee and Non-MDP Shareholder act in accordance with this deed and the Nominee Deed, be neither enhanced nor impaired as a consequence of appointing the Nominee as bare trustee in respect of the Non-MDP Shareholder's Securities. For the avoidance of doubt, no shares held by an MDP Shareholder will be held through the Nominee.
- (b) Each party must take all actions within its power and authority, including giving relevant instructions to the Nominee, and in case of a Beneficial Holder, exercising its rights in its capacity as appointer of the Nominee as bare trustee for it, to give effect to the principle in Clause 19.2(a).

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- (c) Clauses 19.4 to 19.8 (inclusive) are to be interpreted subject to, and in a manner consistent with, the principle outlined in Clause 19.2(a).

**19.3 Public company status and number of shareholders**

Despite any other provision in this deed:

- (a) the Company must not take any action (including to issue, redeem, or buy-back Securities), if, following such action, the Company would not continue to qualify as a public company limited by shares as defined under section 45A of the Corporations Act, or would have more than 50 members; and
- (b) a Shareholder must not (nor may it attempt to) Dispose all or any of its Securities, and must ensure that its interest in Securities held through a holding trust or other interposed vehicle is not Disposed, if, following such Disposal, the Company would have more than 50 members.

**19.4 General**

- (a) The Company will appoint a Nominee to hold the legal title to certain Securities.
- (b) Unless otherwise determined by the Board and subject to Clause 19.4(c), each Sub-10% Shareholder will hold its Securities through the Nominee.
- (c) Each 10% Shareholder will be entitled to hold its Securities directly and not through the Nominee.
- (d) The parties acknowledge that following appointment of a Nominee under Clause 19, some parties to this deed:
  - (i) have rights and obligations under this deed that are in effect equivalent to those of Shareholders; but
  - (ii) do not hold legal title to Securities and are instead Beneficial Holders in relation to Securities held by the Nominee as bare trustee on their behalf as contemplated by the Nominee Deed.
- (e) The provisions in this Clause 19 apply in these cases.
- (f) To the extent that the provisions of this Clause 19 require amendment under Clause 19.4(e) following appointment of a Nominee (in accordance with the principle outlined in Clause 19.2(a)), the Board may amend this Clause 19 (and make any additional necessary consequential changes to this deed) if the amendment has been approved by Simple Majority Resolution.

**19.5 Beneficial Holders**

- (a) Where a Shareholder is a Beneficial Holder, then for the purposes of any references in this deed to the Shareholder's Securities, or to Securities held by the Shareholder (or any similar expression), the Shareholder is to be regarded as holding its Beneficial Shares. For the avoidance of doubt (but without limitation):
  - (i) in the context of any requirement that an act be approved by Shareholders holding at least a given percentage of all Securities, Shareholders who are Beneficial Holders are to be treated as holding their Beneficial Shares; and
  - (ii) a requirement that a Shareholder maintain a minimum shareholding applies in relation to a Shareholder who is a Beneficial Holder by reference to the number of its Beneficial Shares;
  - (iii) the number of Securities held by Shareholders for the purposes of determining:

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- (A) their participation entitlements under Clause 9.4; and
  - (B) how many Securities they must or may (as applicable) transfer under Clause 12,
- include the Beneficial Shares held by the Beneficial Holder
- (b) The Nominee is not itself to be regarded for the purposes of this deed as a 'Shareholder' in respect of, or to otherwise hold, Securities which it holds as bare trustee for Beneficial Holders.
  - (c) Clauses 19.5(a) and 19.5(b) do not apply in relation to Clause 8. The parties recognise that the Nominee, as registered owner of the Securities it holds on behalf of the Beneficial Holders, is the person legally entitled to voting rights and dividends in respect of those Securities and that the Nominee is to be regarded as the relevant 'Shareholder' (to the exclusion of the relevant Beneficial Holders) for the purposes of Clauses 4 and 8. However, the parties acknowledge:
    - (i) instructions may be given by each Beneficial Holder to the Nominee under the Nominee Deed in relation to voting and other dealings in respect of the Beneficial Holder's Beneficial Shares; and
    - (ii) directions may be given by each Beneficial Holder to the Nominee in relation to dividends as provided in Clause 19.8 below.
  - (d) Obligations on Shareholders who are Beneficial Holders to exercise voting rights or take other steps as registered holder of Securities are to be interpreted as obligations to ensure that the Nominee takes the relevant steps (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder, acting under power of attorney, or otherwise).
  - (e) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.

**19.6 Dealings in Securities**

- (a) Clause 10 applies to a Shareholder who is a Beneficial Holder so that (for the avoidance of doubt) restrictions on Disposing of the Shareholder's Securities include any dealings in its beneficial interest in its Beneficial Shares and any dealings in the legal title to those Securities by the Nominee (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder acting under power of attorney, or otherwise).
- (b) Where this deed contemplates the sale, purchase or transfer of some or all of a Shareholder's Securities, the relevant provisions apply in relation to a Shareholder who is a Beneficial Holder so that references to the sale, purchase or transfer of the Shareholder's Securities are to be construed as references to:
  - (i) the sale, purchase or transfer by the Shareholder of its beneficial interest in its Beneficial Shares; and
  - (ii) (without limiting Clause 19.7 below in circumstances where the Nominee is to retain legal title to the relevant Securities) the Shareholder procuring the concurrent transfer of legal title in those Beneficial Shares by the Nominee,

and obligations on Shareholders who are Beneficial Holders to offer Securities for sale, purchase, or transfer are to be construed in a corresponding manner.

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- (c) In the context of a transferor who is a Beneficial Holder, the relevant Securities transfer form must be executed by the Nominee as registered holder.
- (d) Where this deed permits any party to issue, transfer or sell Securities to any person, that includes permission to issue, transfer or sell Securities to the Nominee as bare trustee for the relevant person.
- (e) The restrictions on transfer in this deed do not apply to prevent the transfer of bare legal title in Securities held by the Nominee as bare trustee for Beneficial Holders to a replacement trustee, as contemplated by the Nominee Deed.
- (f) Each Sub-10% Shareholder irrevocably appoints the Company as its attorney in accordance with Clause 29.1 on default by it of performance of its obligations under this Clause 19.6.

**19.7 Legal title to remain with Nominee**

- (a) A Shareholder who is a Beneficial Holder must not without the consent of the Board direct the Nominee to transfer (or otherwise procure the transfer of) legal title to any of its Beneficial Shares to itself.
- (b) The Nominee must not without the consent of the Board act on a direction to the Nominee to transfer (or otherwise procure the transfer of) legal title to any Beneficial Shares to a Beneficial Holder.
- (c) Unless the Board agrees otherwise in writing, the Nominee may transfer Beneficial Shares to a Permitted Transferee of a Beneficial Holder under Clause 10.2 on the basis that the Nominee is directed to hold legal title to the relevant Securities as bare trustee on behalf of the transferee (i.e. the Shareholder may only transfer the beneficial interest in its Beneficial Shares without a transfer of legal title).
- (d) Each party who is a Beneficial Holder irrevocably directs the other parties that if the Beneficial Holder becomes entitled to receive any additional Securities, or the Nominee becomes entitled to receive any additional Securities on behalf of a Beneficial Holder, whether by way of issue or transfer (and whether under this deed or otherwise), then unless the Company has consented to another holding arrangement in relation to the relevant transaction, the issue or transfer must be made in favour of the Nominee on the basis that the Securities are to be held by the Nominee as bare trustee for the relevant Beneficial Holder.
- (e) In relation to issues of Securities:
  - (i) an offer to a Shareholder who is a Beneficial Holder, or the Nominee, to participate in an issue of Securities or other equity securities on the basis that legal title to the relevant Securities will be issued to the Nominee as bare trustee for the Beneficial Holder will not be regarded for that reason alone as being on different terms from the terms offered to other Shareholders in circumstances where other Shareholders will receive legal and beneficial ownership; and
  - (ii) Clause 9.4 applies in relation to an issue of Securities to the Nominee as bare trustee for a Beneficial Holder by reference to the ability of the Company to make an offer of the beneficial interest in the Securities to the relevant Beneficial Holder.
- (f) Each party who is a Beneficial Holder must give, and the Nominee must ensure that each party who is a Beneficial Holder gives, all necessary directions to the Nominee to ensure compliance with this Clause 19.7.

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- (g) Each Sub-10% Shareholder irrevocably appoints the Company as its attorney in accordance with Clause 29.1 on default by it of performance of its obligations under this Clause 19.7.

#### 19.8 Dividends

- (a) The parties acknowledge that the Nominee Deed entitles each Shareholder who is a Beneficial Holder to act as the Nominee's attorney in relation to the matters stated in the Nominee Deed, including giving directions to the Company in respect of the payment of dividends.
- (b) Each Shareholder who is a Beneficial Holder hereby directs, and the Nominee directs, the Company to pay dividends in respect of Securities which are that Shareholder's Beneficial Shares directly to the Shareholder as Beneficial Holder. This Clause does not affect the right of any party to change the direction from time to time.

#### 19.9 Indemnity and liability of Nominee

- (a) Pursuant to the terms of the Nominee Deed, the Nominee must, to the maximum extent permitted by law, and notwithstanding any other provision of this deed, act on the direction of the Beneficial Holders under a power of attorney or otherwise, to the intent that each Beneficial Holder exercises day-to-day control over the operation of the trust under which its Beneficial Shares are held.
- (b) Each party who is a Beneficial Holder agrees to be bound by the terms of the Nominee Deed which contemplate that the Beneficial Holder:
- (i) indemnifies the Nominee for or in respect of any Expense which the Nominee pays, suffers, incurs or is liable for arising out of or in connection with; and
  - (ii) covenants with the Nominee not to claim, sue or take any action against the Nominee in relation to,
 

anything done by the Nominee at the direction of or on behalf of the Beneficial Holder, or by reason of the Beneficial Holder's Beneficial Shares being registered in the name of the Nominee.
- (c) The indemnity and covenant in Clause 19.9(b) does not apply to:
- (i) any Expense which arises as a result of the Nominee's (or any of its officers', employees', or agents') fraud, negligence, dishonesty, wilful misconduct, breach of any of its obligations under this deed or the Nominee Deed or breach of trust;
  - (ii) the Overhead Costs of the Nominee, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a subcustodian, nominee or other delegate of such a custodian of the Nominee; or
  - (iii) the extent that the Nominee is entitled to recover and is actually indemnified for any such Expenses or Overhead Costs by the Company under the terms of the Nominee Deed or from the assets of the relevant trust under the terms of the Nominee Deed.
- (d) Each party acknowledges that the Nominee is obliged to act in accordance with the directions of the Beneficial Holders in relation to their respective Beneficial Shares. Any breach of this deed that arises out of the Nominee complying with a direction given by a Beneficial Holder in relation to that Beneficial Holder's Beneficial Shares (**Directed Breach**) is to be construed for all purposes as a breach by the relevant Beneficial Holder and not by the Nominee, and, without limitation:

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- (i) the Nominee is released from any claim, action, demand, suit or proceeding for damages, debt, specific performance or any other remedy in respect of any Directed Breach; and
- (ii) each party (other than the Nominee) covenants not to claim, sue or take any action against the Nominee in respect of any Directed Breach.
- (e) Each indemnity given by a Beneficial Holder in this Clause 19.9:
  - (i) is an additional, separate and independent obligation of the Beneficial Holder and no one indemnity limits the generality of any other indemnity; and
  - (ii) survives termination of this deed and the Nominee Deed.

**19.10 Limitation of Nominee's liability**

- (a) This limitation of the Nominee's liability applies despite any other provisions of this deed and extends to all Obligations of the Nominee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
- (b) Subject to Clauses 19.10(h) and 19.10(i), the Nominee will be bound by this deed only in its capacity as trustee of each trust created under the Nominee Deed (each a **Relevant Trust**) and in no other capacity.
- (c) Subject to Clauses 19.10(h) and 19.10(i), the parties (other than the Nominee) acknowledge that the Nominee incurs the Obligations solely in its capacity as trustee of each Relevant Trust and that the Nominee will cease to have any Obligation under this deed which arises after the time the Nominee ceases to be a legal holder of the relevant Beneficial Shares as trustee of the Relevant Trust.
- (d) Subject to Clauses 19.10(h) and 19.10(i), the Nominee will not be liable to pay or satisfy any Obligations except to the extent that the Nominee is actually indemnified under the Nominee Indemnity Provisions, or to the extent that at the relevant time the Nominee would, if the Nominee exercised its entitlement to be indemnified in respect of that liability under the Nominee Indemnity Provisions, be indemnified under the Nominee Indemnity Provisions.
- (e) Subject to Clauses 19.10(g) and 19.10(i), the parties (other than the Nominee) may enforce their rights against the Nominee arising from the non-performance of the Obligations only to the extent of the Nominee's right to be indemnified under the Nominee Indemnity Provisions.
- (f) Subject to Clauses 19.10(h) and 19.10(i), if a party (other than the Nominee) does not recover all money owing to it arising from the non-performance of the Obligations, it may not seek to recover the shortfall by:
  - (i) bringing proceedings against the Nominee in its personal capacity or
  - (ii) applying to have the Nominee put into administration or wound up or applying to have a receiver or similar person appointed to the Nominee or proving in the administration or winding up of the Nominee.
- (g) Subject to Clauses 19.10(h) and 19.10(i), each party (other than the Nominee) waives its rights and releases the Nominee from any personal liability whatsoever, in respect of any loss or damage:
  - (i) which it may suffer as a result of any:
    - (A) breach by the Nominee of any of its Obligations;



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- (B) or non-performance by the Nominee of the Obligations; and
- (ii) which cannot be paid or satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions.
- (h) The parties acknowledge that the whole of this deed is subject to this Clause 19.10 and that the Nominee shall in no circumstances be required to satisfy any liability of the Nominee arising under, or for non-performance or breach of any Obligations out of any funds, property or assets other than the proceeds of the indemnities given under the Nominee Indemnity Provisions as and when they are available to the Nominee to be applied in exoneration for such liability provided that, subject to Clause 19.10(i), if the liability of the Nominee arising under, or for non-performance or breach of any Obligations is not fully satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions due to the negligence, breach of any obligations under the Nominee Deed or breach of trust (excluding any breach that arises as a result of any fraud, dishonesty or wilful misconduct) by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts, the Nominee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability, but will not be liable to pay an amount that is greater than the amount that the Nominee would have been able to recover under the Nominee Indemnity Provisions in relation to the relevant liability if its right to be indemnified under the Nominee Indemnity Provisions had not been prejudiced.
- (i) Clauses 19.10(b) to 19.10(h) do not apply to any damages suffered by or amounts owing to another party which result from a breach or non-performance of an Obligation by the Nominee to the extent that those damages or amounts owing are not satisfied because the right of the Nominee to be indemnified under the Nominee Indemnity Provisions is prejudiced as a result of any fraud, dishonesty, or wilful misconduct by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts.
- (j) The parties (other than the Nominee) agree that no act or omission of the Nominee (including any related failure to satisfy any Obligations) will constitute fraud, negligence, breach of trust, breach of any obligations under the Nominee Deed, dishonesty or wilful misconduct of the Nominee or of any of its officers, employees or agents for the purposes of this Clause 19.10 to the extent to which the act or omission was caused or contributed to by any failure of a party to this deed (other than the Nominee) or any other person (other than an officer, employee or agent of the Nominee) to fulfil its obligations relating to the Relevant Trusts or by any other act or omission of a party to this deed (other than the Nominee) or any other person (other than an officer, employee, or agent of the Nominee).
- (k) No attorney, agent, or other person appointed in accordance with this deed has authority to act on behalf of the Nominee in a way which exposes the Nominee to any personal liability (except in accordance with the provisions of Clause 19.10) and no act or omission of such a person will be considered fraud, negligence, dishonesty, wilful misconduct, breach of any obligations under the Nominee Deed or breach of trust by the Nominee or an officer, agent or employee of the Nominee for the purposes of this Clause 19.10.

#### 19.11 Indemnity from Beneficial Holders

- (a) If the Company suffers, incurs or is liable to the Nominee for any Expenses arising out of or in connection with any Securities held by the Nominee on behalf of a Beneficial Holder, subject to Clause 19.11(b), the relevant Beneficial Holder must indemnify the Company in respect of those Expenses.

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- (b) The Company agrees with each Beneficial Holder that it will meet the Nominee's out-of-pocket expenses and any internal costs of the Nominee relating to actions and directions by the Beneficial Holder in relation to its Beneficial Shares in the ordinary course. This does not apply in relation to Expenses that would have been incurred in comparable circumstances by the Beneficial Holder had it been the registered holder of the relevant Securities.
- (c) For the avoidance of doubt, Clause 19.11(b) does not apply in relation to:
  - (i) any Taxes or duties in relation to any Securities or dealings in Securities; or
  - (ii) any expenses or liabilities arising in connection with any action or direction by a Beneficial Holder which is in breach of any legal or contractual obligation (including a breach of this deed or the Nominee Deed),

nor is it intended to require the Company to meet Expenses incurred as a result of actions or directions by a Beneficial Holder that are unreasonable or otherwise outside the ordinary course (for example persistent requests for copies of the register of Beneficial Holders or other documents beyond what would reasonably be expected).

## 20 Confidential Information

### 20.1 Confidentiality obligations

Subject to Clauses 20.2 and 20.3, each party must:

- (a) use the Confidential Information only for the purposes of the Business or in connection with the exercise of its rights or performance of its obligations under this deed and includes using such information to make decisions regarding its investment in the Company (including through its Directors);
- (b) keep the Confidential Information confidential and not disclose it or allow it to be disclosed to a third party; and
- (c) take or cause to be taken reasonable precautions necessary to maintain the confidentiality of the Confidential Information.

### 20.2 Permitted disclosure

- (a) A Shareholder may disclose Confidential Information to:
  - (i) its Relevant Individual (if applicable) or an Affiliate of that Shareholder;
  - (ii) its Representatives who have a need to know (and only to the extent that each has a need to know) for the purpose of assisting the Shareholder and provided they are aware that the Confidential Information must be kept confidential and are subject to appropriate confidentiality obligations;
  - (iii) in respect of any Intermediate Shareholder only:
    - (A) in the case of a fund, to its Affiliates, limited partners and investors and their respective directors, officers and employees and professional advisers, any existing or prospective investor in or limited partner of the fund or any other Affiliate fund and its and their respective employees, directors, officers, consultants, agents, financial and professional advisers, insurers and current and prospective financiers (debt and equity) (and for the avoidance of doubt, the MDP Shareholder may use and disclose Confidential Information as part of its or its Affiliates' normal reporting, rating or review procedure, or in connection with its or any of its Affiliates' normal fund raising, marketing, informational or reporting

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activities or to its or any of its Affiliates' auditors, attorneys or other agents);

- (B) to an existing or proposed debt or equity financier (or its advisers) to the Company, any of its Related Bodies Corporate or an Intermediate Shareholder, and to any of their respective directors, employees and professional advisers, provided in each case that they are aware that the Confidential Information must be kept confidential and are subject to appropriate confidentiality obligations;
- (C) in connection with or as part of an IPO; or
- (D) to a prospective buyer of Securities or a buyer of the Business, in each case, who gives an appropriate confidentiality deed poll for the benefit of the Company; or

- (iv) with the prior written consent of the Board, unless the Confidential Information relates only to certain Shareholder(s) (or an Affiliate), in which case with the prior written consent of the party to whom the Confidential Information relates,

and provided that a Shareholder must not disclose any Confidential Information to any person (other than its Relevant Individual (if applicable)) who is Involved within the Restrained Area in any capacity in any business or activity which offers the same or substantially similar products or services as those offered by the Business of any Group Company, but which will not prevent disclosure to such person where that person is a Third Party Buyer under this deed.

- (b) Where a Shareholder discloses Confidential Information under Clause 20.2(a):
  - (i) it must ensure that the recipient complies with the terms of this Clause 20 as if it were the Shareholder; and
  - (ii) the Shareholder is responsible to each other party for any act or omission of the recipient that would have breached this deed if the act or omission had been by the Shareholder.

### 20.3 Other exceptions

The obligations of confidentiality under this Clause 20 do not extend to information that:

- (a) is disclosed to a party to this deed, but at the time of disclosure is rightfully known to or in the possession or control of the party and not subject to an obligation of confidentiality on the party;
- (b) is public knowledge (but not because of a breach of this deed or any other obligation of confidence); or
- (c) must be disclosed by law or order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this deed or by the rules of a relevant stock exchange (provided that the requirement to disclose did not result from a voluntary act on behalf of the person who is seeking to disclose), in which case, if practicable to do so, it shall give as much notice as is reasonable in all the circumstances to, and shall consult (to the fullest extent practicable in the circumstances) with, the Board.

### 20.4 Ceasing to hold Securities

- (a) If a Shareholder ceases to hold Securities, it must on request from the Company destroy or deliver to the Company (at the Shareholder's election) all documents or other materials

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containing or referring to the Confidential Information that are in its power or control, including any information disclosed by it under Clause 20.2(a), subject to Clause 20.4(b).

- (b) Clause 20.4(a) does not apply to the extent that a Shareholder (or its Affiliate or Representative to whom Confidential Information has been disclosed under Clause 20.4(a)) is required by law or order of any court, tribunal, authority or regulatory body (including the US Securities and Exchange Commission compliance requirements) or in connection with the enforcement of this deed or by the rules of a relevant stock exchange, or professional indemnity insurance policy or any applicable professional standards, to retain any Confidential Information, or to that Confidential Information that such Shareholder reasonably retains under its *bona fide* and pre-existing internal document retention policies or to that Confidential Information that the Shareholder cannot return, destroy, delete or erase because it is stored electronically on off-site servers as a result of automatic data back-up in accordance with the normal practices of the Shareholder.
- (c) The rights and obligations of a Shareholder under this Clause 20 continue to apply to a Shareholder even after it ceases to hold Securities.

#### 20.5 Public announcements

A party must not make or authorise a press release or other public statement relating to the subject matter or terms of this deed unless:

- (a) it has the approval of the Board; or
- (b) it is required by law or order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this deed or the listing rules of a relevant stock exchange, in which case, if practicable to do so, it shall give as much notice as is reasonable in all the circumstances to, and shall consult (to the fullest extent practicable in the circumstances) with, the Board.

#### 20.6 Damages not an adequate remedy

Without prejudice to any other rights or remedies, the Shareholders acknowledge that damages may not be an adequate remedy for any breach of this Clause 20.

#### 21 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with Clause 21(e)(i) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, 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 21(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 within the same month where reasonably practicable and, in any event, no later than 14 days after the time of payment of the Additional Amount.
- (d) If for any reason (including, without limitation, 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 21(b):

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- (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within the same month where reasonably practicable and, in any event, no later than 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 the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed:
- (i) if an amount payable under or in connection with this deed (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 before the Additional Amount is calculated; and
  - (ii) no Additional Amount is payable under Clause 21(b) in respect of a Supply to which section 84-5 of the GST Law applies.
- (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 in this Clause that is capitalised and not defined in this deed has the same meaning as in the GST Law.

## 22 Representations and warranties

### 22.1 Capacity representations and warranties

Each Shareholder severally represents and warrants that:

- (a) they have full power and authority to enter into and perform their obligations under this deed;
- (b) they have taken all necessary action to authorise the execution, delivery and the performance of this deed; and
- (c) this deed constitutes their legal, valid and binding obligations, enforceable in accordance with the deed's terms.

### 22.2 Continuing obligation

The representations and warranties given under Clause 22.1 are continuing obligations for the term of this deed.

## 23 Compliance Laws

- (a) Each party represents, warrants and undertakes to each other party (in connection with this deed, the Group and the Business) that:

## Shareholders Deed



- (i) it has not and shall not engage, and it shall exercise its rights (including as a Shareholder) to procure (so far as it is legally able) that no Group Company nor any Company Associate of it, shall engage, in any activity, practice or conduct which would contravene or otherwise constitute an offence under any Compliance Laws, irrespective of where such activity, practice or conduct takes place;
- (ii) it has not and shall not, and it shall exercise its rights (including as a Shareholder) to procure (so far as it is legally able) that no Group Company nor any Company Associate shall pay, offer, promise, or authorise the payment of, money or anything of value (including, without limitation, any gifts, entertainment or donations), directly or indirectly, to any:
- (A) Government Official for the purpose of:
- (1) influencing any act or decision of such Government Official in his/her official capacity;
  - (2) inducing such Government Official to act (including through action or omission) in violation of the lawful duty of such Government Official;
  - (3) securing any improper advantage; or
  - (4) inducing such Government Official to use his/her influence to affect or influence any act or decision of a Governmental Body; or
- (B) person intending to induce such person to improperly perform a relevant function or activity or to reward a person for any such performance, in order to assist a Group Company in obtaining or retaining business for or with, or directing business to, any person, in each case, in relation to the Business of the Group or activities contemplated in this deed;
- (iii) it has not and shall not, and it shall exercise its rights (including as a Shareholder) to procure (so far as it is legally able) that no Group Company nor any Company Associate, directly or indirectly, solicit, request, agree to receive or accept money or anything of value (including, without limitation, gifts, entertainment or donations): (i) as a reward for the improper performance of a function or activity; (ii) in circumstances which amount to an improper performance of a function or activity; or (iii) intending that, as a consequence of any such request, agreement to receive or acceptance, a function or activity will be performed improperly;
- (iv) it has not and shall not, and it shall exercise its rights (including as a Shareholder) to procure (so far as it is legally able) that no Group Company, nor any Company Associate, engage in any transaction relating, directly or indirectly, to: (i) any Sanctions Restricted Person; or (ii) a Sanctioned Jurisdiction, that would result in a violation of Sanctions or that could expose any person to the risk of designation as a Sanctions Restricted Person;
- (v) it shall exercise its rights (including as a Shareholder) to procure that no Group Company: (i) appoints a Company Associate that is a current or former Government Official without the prior written approval of the MDP Shareholders; or (ii) engages any Sanctions Restricted Person as a Company Associate or otherwise, and ensures that no Sanctions Restricted Person holds, directly or indirectly, any legal or beneficial interest in a Group Company; and

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- (vi) it shall exercise its rights (including as a Shareholder) to procure that each Group Company establishes (to the extent that it has not already done so), maintains at all times, monitors, enforces and complies with adequate Compliance Policies and other internal procedures, systems and controls (including, without limitation: (i) the appointment of compliance personnel, including, without limitation a chief compliance officer; (ii) compliance risk assessment and due diligence requirements, including, without limitation requirements to conduct risk-based compliance due diligence on Company Associates; (iii) controls in respect of gifts, entertainment and donations; (iv) periodic compliance training; (v) periodic compliance auditing, monitoring and testing; and (vi) compliance reporting mechanisms designed to prevent the Group and its Company Associates from engaging in fraud, embezzlement, kickbacks or undertaking any conduct that would contravene or otherwise give rise to an offence under any Compliance Laws, or expose them to the risk of being designated as a Sanctions Restricted Person (together the **Compliance Program**).
- (b) Each party agrees that the Compliance Program shall be of a standard that is satisfactory to the MDP Shareholders. At any time, the MDP Shareholders may request the Group to: (i) enhance, amend or update the Compliance Program; or (ii) undertake any compliance related action, including, without limitation, the appointment of compliance personnel, implementing Compliance Policies, conducting compliance risk assessments, compliance due diligence, compliance training, or taking disciplinary action in respect of compliance breaches, and the Parties shall procure that the Group actions such requests to the satisfaction of the MDP Shareholders.
- (c) At any time, any MDP Shareholder or 10% Shareholder or their respective representatives (including, without limitation, an external auditor, law firm, or any other advisor appointed by such party) shall have the right to request any information from the Company or the Board to enable such party to monitor the Group's and its Company Associates compliance with the Compliance Laws, any provision of this Clause 23, or the Compliance Program. The parties shall procure the cooperation of the Company and the Board, and the Company and Board shall fully cooperate with any such information request and promptly provide all reasonable information and assistance.
- (d) At any time, any MDP Shareholder or 10% Shareholder or their respective representatives (including, without limitation, an external auditor, law firm, or any other advisor appointed by such party) shall have the right independently to, or cause the Company or the Board to, conduct a compliance related inspection, audit, inquiry or review of the books, records, accounts, Compliance Program or any other documentation or information of any Group Company (**Compliance Audit**). The parties shall procure the cooperation of the Company, and the Company shall fully cooperate, and promptly provide all reasonable information and assistance, in regard to any such Compliance Audit. The results of the Compliance Audit shall be provided to the party requesting or conducting the Compliance Audit and such party may, to the extent permitted by applicable law or not opposed by law enforcement officials, provide such results to the Board and/or the other parties. The Board and the Group shall take any appropriate enhancements or remediation action regarding the results of the Compliance Audit or as requested by a party.
- (e) In the event that any MDP Shareholder or 10% Shareholder believes or suspects that any Group Company or any Company Associate has or may have violated or contravened, or is at risk of violating or contravening, the Compliance Laws, any provision of this Clause 23 or the Compliance Program, that party or its representatives (including, without

## Shareholders Deed



limitation, an external auditor, law firm, or any other advisor appointed by such party) may independently, or may require the Company, to conduct an appropriate investigation into the matter (**Compliance Investigation**). The parties shall procure the cooperation of the Company, and the Company shall fully cooperate, and promptly provide all reasonable information and assistance, in regard to any such Compliance Investigation. The results of such Compliance Investigation shall be provided to the party requesting or conducting the Compliance Investigation and such party may, to the extent permitted by applicable law or not opposed by law enforcement officials, provide such results to the Board and/or the other parties. The Board and the Group shall take any appropriate enhancements or remediation action regarding the results of the Compliance Investigation or as requested by a party.

- (f) Each party shall reasonably co-operate with any compliance audit, review or investigation and provide all reasonable information and assistance requested upon any investigation or inquiry by a Governmental Body directed at any of them or any Group Company in connection with the Business.
- (g) If any party or any member of the Board becomes aware that, any Group Company or its Company Associates have or are suspected of violating any Compliance Law, any provision of this Clause 23 or the Compliance Program, that party or member of the Board of Directors, shall promptly inform in writing the Board and the other parties.
- (h) Each party shall exercise its rights (including as a Shareholder) or direct its nominated Directors (as applicable), to procure that the relevant Group Company shall promptly and as soon as practicable upon becoming aware of the same, terminate the employment of any Officer of any Group Company for cause if such Officer is subject to an investigation and subsequently found to be in breach of any Compliance Laws or any material breach of any provision of this Clause 23.
- (i) If the Board becomes aware that there has been a breach of the Compliance Program that is not otherwise a breach of any Compliance Laws or this Clause 23, then the Board will discuss and determine the appropriate course of action to be taken in response to that breach.

## 24 Term

### 24.1 Commencement

This deed is conditional on Implementation occurring and will not have any force or effect unless Implementation occurs and until the Implementation Date and, subject to Clause 24.2, remains in effect until:

- (a) with respect to a Shareholder, the Shareholder has transferred all of their Securities in a manner contemplated by this deed;
- (b) the Shareholders agree to terminate this deed by both Simple Majority Resolution of the Board and Intermediate Shareholder Approval;
- (c) the Company completes liquidation;
- (d) completion of an IPO occurs; or
- (e) all Securities on issue are held by one person.

### 24.2 Certain provisions continue

The termination of this deed with respect to a party does not affect:



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- (a) any obligation of that party which accrued prior to that termination and which remains unsatisfied; and
- (b) Clause 18, 20 or 22 or any other provision of this deed which is expressed to come into effect on, or to continue in effect after, termination of this deed.

## 25 Limitation of liability - trustee

- (a) This Clause 25 applies to each party that enters into this deed in a capacity as a trustee (**Trustee**) of a trust (**Trust**).
- (b) The parties acknowledge and agree that each Trustee enters into and performs this deed and the transactions contemplated by it in its capacity as trustee of the applicable Trust and in no other capacity, including in respect of any past and future conduct (including omissions) relating to this deed or the transactions contemplated by it.
- (c) A liability arising under or in connection with this deed is limited to and can be enforced against the relevant Trustee only to the extent to which it can be satisfied out of the property of the relevant Trust out of which the relevant Trustee is actually indemnified for the liability.
- (d) If those assets are insufficient, the other parties will not seek to recover any shortfall by bringing proceedings against the relevant Trustee personally and may not seek the appointment of a liquidator, administrator, receiver or similar person to the relevant Trustee or prove in any liquidation, administration or arrangement of or affecting the relevant Trustee.
- (e) Each other party waives its rights and releases the relevant Trustee from any personal liability whatsoever in respect of any loss or damage which cannot be paid or satisfied out of the assets of the relevant Trust.
- (f) This limitation of liability applies despite any other provision of this deed or any other document and extends to all liabilities and obligations of the relevant Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
- (g) No party to this deed may sue the relevant Trustee in any capacity other than as trustee of the relevant Trust. This Clause shall not apply to any obligation or liability of the relevant Trustee to the extent that it is not satisfied out of the assets of the relevant Trust because under the trust deed establishing the relevant Trust or by operation of law there is a reduction in the extent of the relevant Trustee's indemnification out of the assets of the relevant Trust as a result of the relevant Trustee's fraud, gross negligence, breach of trust or dishonesty.
- (h) Under or in connection with this deed, no party to this deed may:
  - (i) bring proceedings against the relevant Trustee that are inconsistent with the limitations set out in this Clause 25; or
  - (ii) take steps to have the relevant Trustee placed into any form of insolvency administration. The preceding sentence does not preclude appointing a receiver in respect of the assets of the relevant Trust.
- (i) No attorney, agent, receiver or receiver and manager appointed in accordance with this deed has authority to act on behalf of a Trustee in a way which exposes that Trustee to any personal liability.

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- (j) A Trustee is not obliged to do or refrain from doing anything under this deed (including, without limitation, incur any liability) unless that Trustee's liability is limited in the same manner as set out in this Clause 25.
- (k) Notwithstanding the other provisions of this Clause 25 a Trustee is liable under this deed to the extent that it is precluded from being indemnified out of the assets of the relevant trust in respect of that liability or the amount of such an indemnity are limited as a result of a fraudulent act or omission of the Trustee.
- (l) Each Trustee represents and warrants in favour of each other party that as at the date of this deed or the date of accession to this deed by that Trustee (as the case may be):
  - (i) the Trust was validly created and in existence;
  - (ii) it was validly appointed as trustee of the Trust and is the only trustee of the Trust;
  - (iii) so far as it is aware, no action has been taken to replace or remove it as trustee of the Trust or to terminate the Trust;
  - (iv) it has the power under the terms of the relevant trust deed to enter into and perform its obligations under this deed; and
  - (v) it has the right to be indemnified out of the assets of the Trust other than to the extent of fraud, negligence or breach of trust on its part.

## 26 Accession Deed Poll

### 26.1 New Shareholder

The Company may only issue Securities to a person who is not a party to this deed if the person (**New Shareholder**) has executed and delivered to the Company an Accession Deed Poll (except for an issue in connection with an IPO).

### 26.2 Transferees

A Shareholder who wishes to Dispose of any of its Securities must ensure that any proposed transferee executes and delivers an Accession Deed Poll to the Company (except in the case of an IPO or where the proposed transferee is already a Shareholder) prior to such Disposal.

## 27 Notices and other communications

- (a) A notice, consent or other communication under this deed:
  - (i) must be in legible writing and in English;
  - (ii) must be addressed to the party to whom it is to be given and to the postal address or email address as notified by that party for the purposes of this Clause;
  - (iii) subject to Clause 27(c), must be signed by the sender (if an individual) or an authorised representative of the sender;
  - (iv) must be either:
    - (A) delivered by hand or sent by pre-paid ordinary mail (by airmail if sent to or from a place outside Australia) to the party's address; or
    - (B) sent by email to the party's email address; and
  - (v) is deemed to be received by the party in accordance with Clause 27(b).
- (b) A notice, consent or other communication under this deed is deemed to be received:
  - (i) if delivered by hand, when delivered to the party;

## Shareholders Deed



- (ii) if sent by post, on the 3rd Business Day after the date of postage, or if to or from a place outside Australia, on the 7th Business Day after the date of postage; or
- (iii) if sent by email:
  - (A) when the sender receives an automated message confirming delivery; or
  - (B) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (receiving party's time) it is deemed to be received at 9.00 am on the following Business Day.
- (c) Notices sent by email need not be marked for attention in a particular way and are taken to be signed by the named sender.
- (d) Notices to the Company shall be delivered to the Company's general counsel.

**28 General****28.1 Variation and waiver**

- (a) Subject to applicable laws and Clause 28.1(b), this deed may only be amended by the Board with the MDP Shareholder's and the Initial Non-Investor Shareholder's consent. Each party is bound by any variation of this deed made pursuant to this Clause and notified to the party.
- (b) Where an amendment would adversely affect the rights and preferences of the holders of any class of Securities in a manner disproportionate relative to the holders of the Investor Securities holding such class of Securities, the variation must be in writing and shall also require the written consent of the Shareholders (not including any Shareholder holding Investor Securities) holding at least a majority of the class of Securities so disproportionately and adversely altered held by such Shareholders (for purposes of this proviso, Series B Shares and Series C Shares shall be deemed to be the same class of Shares).
- (c) Notwithstanding anything to the contrary in this Clause 28, in addition to other amendments or modifications authorized herein, amendments or modifications may be made to this deed from time to time by the MDP Shareholders without the consent of any Shareholder (other than the MDP Shareholders), (i) to correct typographical or ministerial errors or (ii) to add or delete any provision of this deed required to be added or deleted in order to comply with, or avoid a violation of, applicable law.
- (d) A provision of this deed, or a right created under it, may not be waived except in writing, signed by the party or parties to be bound.

**28.2 No merger**

The warranties, undertakings and indemnities in this deed do not merge on termination of this deed.

**28.3 Further steps**

Each party agrees, at its own expense, to do anything reasonably requested by another party to give effect to the provisions of this deed and the transactions contemplated by it.

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#### 28.4 Entire agreement

This deed and the Constitution constitute the entire agreement of the parties about the subject matter and supersede all previous agreements, understandings and negotiations on that subject matter.

#### 28.5 Assignment

- (a) Rights arising out of or under this deed are not assignable by a party without the prior written consent of the other parties.
- (b) A breach of this Clause 28.5 by a Shareholder is an Event of Default in respect of that Shareholder.
- (c) Clause 28.5(b) does not affect the construction of any other part of this deed.

#### 28.6 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed.

### 29 Powers of attorney

#### 29.1 Powers of attorney

- (a) Each appointment of an attorney by a Shareholder under Clauses 13.4, 16.3, 17.1(h), 19.6(f) and 19.7(g) (**Appointor**) is made on the following terms:
  - (i) the Appointor irrevocably appoints each MDP Shareholder and the Company (as applicable and described in the relevant clause), severally, as its attorney to give effect to any of the relevant clauses, including to take any of the following actions:
    - (A) to complete and execute such instruments and resolutions for and on its behalf as the attorney thinks necessary to give effect to any of the transactions contemplated by the relevant clause;
    - (B) to call for, agree to short notice being provided in respect of, speak at and attend general meetings of, the Company (including any class meeting);
    - (C) to vote or grant a proxy in favour of any person to vote (or appoint an authorised representative to vote) on behalf of the Appointor (to the exclusion of the Appointor) at any meeting or class meeting of holders of Securities (or any class of them);
    - (D) to instruct and direct the Nominee or any party that is a bare trustee holding Securities on trust for the Appointor, to take all actions appropriate to implement any transaction or carry out any other matter under or contemplated by this deed, including to instruct such person to execute, under hand or under seal, and deliver (conditionally or unconditionally) any appropriate documents and to dispose of any Securities; and
    - (E) to execute circulating shareholder resolutions on behalf of the Appointor, in each case on the Appointor's behalf;
  - (ii) the Appointor agrees to ratify and confirm whatever the attorney lawfully does, or causes to be done, under the appointment;

## Shareholders Deed



- (iii) the Appointor agrees to indemnify the attorney against all Claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of Claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and
  - (iv) the Appointor agrees to deliver to the Company on demand any power of attorney, instrument of transfer or other instruments as the Company may require for the purposes of any of the transactions contemplated by the relevant clause.
- (b) Whenever an Appointor appoints an attorney under Clauses 13.4, 16.3 and 17.1(h), it hereby appoints the Company as its agent as follows:
- (i) the Company will hold the purchase moneys on trust for the Appointor;
  - (ii) receipt by the Company of the purchase moneys will be good discharge of the buyer's obligation to the Appointor and the buyer will not be bound to see to the application of it; and
  - (iii) the Company must pay the purchase moneys to the Appointor on surrender of the relevant share certificates or other instruments of ownership (as appropriate for Securities other than shares),

and if the relevant default relates to the provision of share certificates, the Appointor indemnifies the buyer against any Claims, demands and costs arising in any way in connection with the non-provision of those share certificates.

**29.2 Validity of acts**

Each Appointor:

- (a) declares that all acts and things done by an attorney appointed under this Clause 29 in exercising powers under the power of attorney in Clause 29.1 will be as good and valid as if they had been done by that Appointor and ratifies and confirms whatever the attorney lawfully does, or causes to be done, under the appointment in Clause 29.1;
- (b) agrees that it will not, for so long as the power of attorney in this Clause 29 is in effect:
  - (i) grant any power of attorney or other instrument conferring on persons other than the attorneys appointed in this Clause 29 rights which contradict or are otherwise inconsistent with some or all of the rights granted under the power of attorney in this Clause 29; or
  - (ii) personally take any action which would result in the suspension of the power of attorney in this Clause 29 or otherwise contradict or be inconsistent with the power of attorney in this Clause 29, including attending any meeting and voting at that meeting if an attorney appointed under Clause 29.1 is present and intends to vote at the meeting pursuant to a lawful exercise of the attorney's powers; and
- (c) without prejudice to the other provisions of this Clause 29, must deliver to the Company and to each Director on demand any power of attorney, instrument of transfer or other document which the Company or a Director requires for the purposes of any transaction or action contemplated by Clause 29.1.

**29.3 Waiver and release**

Each party:

- (a) releases and discharges each attorney appointed under Clause 29.1 from any and all claims and liabilities, in law or equity, that it ever had, now has, would but for this clause

## Shareholders Deed



have had or may have in the future (whether known at the date of this deed or not) in respect of, or in any way in connection with, the exercise by the attorney of its powers under this Clause 29;

- (b) agrees that this Clause 29.3 may be pleaded as a complete bar to any claim or action brought by it against an attorney appointed under Clause 29.1 in respect of, or in any way in connection with, the exercise by the attorney of its powers under this Clause 29; and
- (c) covenants never to sue or assert any claim or cause of action against any attorney appointed under Clause 29.1 with respect to, or in any way in connection with, the exercise by the attorney of its powers under this Clause 29.

**29.4 Irrevocable**

Each Appointor declares that the power of attorney in Clause 29.1 is given for valuable consideration (including the mutual promises in this deed) and is irrevocable while the relevant Appointor holds any Securities. For the avoidance of doubt, each Appointor agrees that if some or all of the Appointor's Securities are disposed of in accordance with this deed (or an Appointor directs the Nominee to do so), the appointment by the Appointor of the attorneys remains effective in respect of the Appointor and the remaining Securities held by the Appointor.

**29.5 Conflict of interest**

Each attorney may exercise a power under the power of attorney in this Clause 29 even if:

- (a) it involves a conflict of duty; or
- (b) any attorney, appointee of the attorney as a director of any Group Member, party, and/or Representative of a party has a personal interest in the doing of that act.

**29.6 Benefits**

Each attorney is expressly authorised to do any act as a result of which a benefit is conferred on it, any appointee of the attorney, a director of a Group Company, any Group Company, any party and/or Representative of a party.

**29.7 Survival**

Clauses 29.2, 29.3, 29.6 and 29.7 survive termination of this deed (for all parties or for any specific party) indefinitely.

**30 Shareholder's relationship****30.1 Shareholder not liable for another party**

Each Shareholder is responsible for its obligations under this deed and is not liable for any obligation of another party.

**30.2 Relationship between Shareholders**

Except where this deed expressly states otherwise, this deed does not create any relationship between the Shareholders under which a Shareholder:

- (a) is liable generally for the acts or omissions of another Shareholder; or
- (b) may share profits.

**30.3 Authority of Shareholders**

A Shareholder:

## Shareholders Deed



- (a) may not hold itself out as a partner of, or principal or agent or trustee of another Shareholder;
- (b) except where this deed expressly states otherwise, does not have authority to act for, or to create or assume any responsibility or obligation on behalf of another Shareholder; and
- (c) the rights, duties, obligations and liabilities of a Shareholder is in every case several, and not joint nor joint and several and, in any event, does not constitute a partnership between the Shareholders.

**30.4 No fiduciary duties**

Nothing in this deed gives rise to or is intended to give rise to any fiduciary duties between Shareholders or between a Shareholder and the Company.

**30.5 No responsibility for tax**

No party is responsible for the other party's obligations under the income tax laws of any applicable jurisdiction.

**30.6 No partnership**

Nothing in this deed is intended, or shall be deemed, to establish a partnership between the parties.

**30.7 Investment Opportunities and Conflicts**

Unless the Board otherwise agrees in writing, each Manager Shareholder, for so long as such Manager Shareholder is employed by the any Group Company, shall, and shall cause each of such Manager Shareholder's Affiliates to, bring all investment or business opportunities to the Company of which such Manager Shareholder becomes aware and which are, or may reasonably be expected to be:

- (a) within the scope and investment objectives related to the Business or any other business conducted by the Group; or
- (b) otherwise competitive with the Business or any other business conducted by the Group, provided that this does not apply to any permitted exceptions under clause 18.5.

The Company and the Shareholders expressly acknowledge and agree that:

- (c) the MDP Shareholders and any other Shareholder that the Board (acting reasonably) agrees are financial sponsors or private capital funds, and each of their respective Affiliates and their respective managers, directors, officers, shareholders, partners, members, employees, representatives, and agents (including any of their representatives serving on the Board or on the board of directors of any Group Company or any committee of the foregoing or as an officer of any Group Company) (collectively, the **Specified Persons**) are permitted
  - (i) to have and develop, and may presently or in the future have and develop, investments, transactions, business ventures, contractual, strategic or other business relationships, prospective economic advantages or other opportunities (the **Business Opportunities**) in the Business (other than through the Company or any of its Subsidiaries) or in businesses that are and may be competitive or complementary with the Business (an **Other Business**), for their own account or for the account of any Person other than any Group Company or any other Shareholder, provided that the Business Opportunities are sourced independently from the Company or any of its Subsidiaries; or

## Shareholders Deed



- (ii) to direct any such Business Opportunities to any other Person, in each case, regardless of whether such Business Opportunities are presented to a Specified Person in his, her or its capacity as a Shareholder, manager, Director, director on the board of directors of the Company's Subsidiaries or officer of any Group Company or otherwise;
- (d) none of the Specified Persons will be prohibited by virtue of their investments in the Group or their service as a Director or service on the board of directors of the Company's Subsidiaries or on any committee of the foregoing or as an officer of the any Group Company or otherwise from pursuing and engaging in any Business Opportunities in the Business or any Other Business or otherwise;
- (e) none of the Specified Persons will be obligated to inform or present the Company or any other Group Company or the Board or the board of directors of any Company Subsidiary or any committee of the foregoing or any other Shareholder of or with any such Business Opportunity;
- (f) none of the Company, any other Group Company or the other Shareholders will have or acquire or be entitled to any interest, expectancy or participation (such right to any interest, expectancy or participation, if any, being hereby renounced and waived) in any Business Opportunity as a result of the involvement therein of any of the Specified Persons; and
- (g) the involvement of any of the Specified Persons in any Business Opportunity will not constitute a conflict of interest, breach of fiduciary duty or breach of this Deed by such Specified Persons with respect to the any Group Company or the other Shareholders.

Provided the Specified Persons will:

- (h) take such actions as necessary to ensure that there is no commonality of directors or direct management across Other Business which may be competitive and the Group Company (other than as disclosed to and approved by the Board and the Non-Investor Shareholder's Director); and
- (i) observe the information barriers set out in the Board Charter to ensure the Group's Confidential Information is not disclosed to any individual who is actively involved in the competing business.

### 31 Governing law

#### 31.1 Governing law

This deed is governed by the law in force in New South Wales.

#### 31.2 Jurisdiction

Each party submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.



Shareholders Deed



### Schedule 1

#### Initial MDP Shareholders

Name	Notice details
<b>Madison Dearborn Capital Partners VIII-A, L.P.</b>	<b>Address:</b> c/o Madison Dearborn Partners, 70 West Madison, Suite 4600, Chicago, IL 60602, United States  <b>Email:</b> ebetten@mdcp.com  <b>Attention:</b> Elizabeth Betten
<b>Madison Dearborn Capital Partners VIII-C, L.P.</b>	<b>Address:</b> c/o Madison Dearborn Partners, 70 West Madison, Suite 4600, Chicago, IL 60602, United States  <b>Email:</b> ebetten@mdcp.com  <b>Attention:</b> Elizabeth Betten
<b>Madison Dearborn Capital Partners VIII Executive-A, L.P.</b>	<b>Address:</b> c/o Madison Dearborn Partners, 70 West Madison, Suite 4600, Chicago, IL 60602, United States  <b>Email:</b> ebetten@mdcp.com  <b>Attention:</b> Elizabeth Betten
<b>Madison Dearborn Capital Partners VIII Executive-A2, L.P.</b>	<b>Address:</b> c/o Madison Dearborn Partners, 70 West Madison, Suite 4600, Chicago, IL 60602, United States  <b>Email:</b> ebetten@mdcp.com  <b>Attention:</b> Elizabeth Betten

Shareholders Deed



## Schedule 2

### Dictionary

In this deed:

**10% Shareholder** means a Shareholder who, immediately after Implementation, held a Shareholding of no less than 10% of Series B Shares, and any other Shareholder approved by the MDP Shareholders in writing to the Company to be a 10% Shareholder.

**Accession Deed Poll means** a deed poll in the form of Schedule 4 (with such amendments as may be approved by the MDP Shareholders in writing to the Company).

**Accounting Standards** means:

- (a) accounting standards approved under the Corporations Act and its requirements about the preparation and contents of account; and
- (b) Australia's equivalent to the International Financial Reporting Standards as approved by the Australia Accounting Standards Board.

**Acquired Interests** means the portion of Series A Shares and Series B Shares held, in aggregate, by the MDP Shareholders immediately following the Scheme which represent an increase in their collective ownership of the Target (on an indirect basis) as compared with their proportion of ownership of ordinary shares in the Target immediately prior to the Scheme. By way of example, if the MDP Funds held 30% of the Target's shares immediately prior to the Scheme and hold 50% of the Series A Shares and Series B Shares immediately after the Scheme, then the incremental 20% Series A Shares and Series B Shares would constitute Acquired Interests.

**Additional Amount** has the meaning given in Clause 21(b).

**Adjusted Series B Shareholding** means:

- (a) in respect of a Shareholder who held Series B Shares as at the Implementation Date, the percentage of Series B Shares held by that Shareholder as at the Implementation Date as it bears to the total number of Series B Shares, increased by any incremental acquisition of Series B Shares following the Implementation Date and reduced by any Disposal or dilution provided that the calculation is undertaken on the basis that any dilution that occurs from an issue of Series B Shares in accordance with Clause 9.3 is not taken into account to the extent that the relevant Shareholder did not have the opportunity to participate in that issuance of Series B Shares on a pro rata basis in accordance with the terms of Clause 9.3; and
- (b) in respect of a Shareholder who did not hold Series B Shares as at the Implementation date, the percentage of Series B Shares held by that Shareholder as it bears to the total number of Series B Shares.

**Advisors** has the meaning given in Clause 11.1(b)(ii).

**Affiliate** means:

- (a) with respect to any person:
  - (i) any other person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first person;
  - (ii) in respect of a person or Shareholder that is an individual, also includes:

## Shareholders Deed



- (A) the spouse of that person, any Family Company or Family Trust of that person; and
- (B) any self-managed superannuation fund for that individual, the trustee of which is that individual, that individual and their spouse, or a Family Company or Family Trust of that individual;
- (iii) in respect of any Shareholder which is an investment fund or vehicle, another fund, vehicle or entity which is managed or advised by the same manager or advisor or an Affiliate of such manager or advisor (within the meaning of paragraph (a)(i) of this definition), as that person (including any subsidiaries or holding entities of such funds, vehicles or entities); and
- (b) in respect of a MDP Shareholder, also includes:
  - (i) any investment vehicle or fund advised or managed, directly or indirectly, by Madison Dearborn Partners, LLC or its Affiliates; and
  - (ii) until the date that is six months following the date hereof, one or more current or potential limited partners or advisors of an investment vehicle or fund managed, directly or indirectly, by Madison Dearborn Partners.
- (c) For purposes of this deed, (i) none of the Company or any of its Subsidiaries shall be deemed to be Affiliates of any Shareholder, and (ii) no portfolio company shall be considered an Affiliate of any Investor Shareholder.

provided that:

- (d) no Shareholders, on the one hand, and no MDP Shareholders, on the other hand, shall constitute, or be deemed to constitute, an Affiliate of one another; and
- (e) no Group Company shall constitute nor be deemed to constitute an Affiliate of any MDP Shareholders and/or their Affiliates (on the one hand) nor any Non-MDP Shareholders and/or their Affiliates (on the other hand).

**Amount Incurred** has the meaning given in Clause 21(e).

**Anti-Corruption Laws** means Part 70 of the Australian Criminal Code, the US Foreign Corrupt Practices Act, the UK Bribery Act, the Singapore Prevention of Corruption Act and Penal Code, and any other laws, regulations or ordinances in respect of anti-bribery or anti-corruption applicable to any of the parties or their Affiliates, the CVC Network or the Group and its operations from time to time, in each case, as amended, re-enacted, consolidated or replaced, or as their application is modified by other laws, statutes, rules and regulations whether before or after the date of this deed.

**Anti-Money Laundering Laws** means the Australian Anti-Money Laundering and Counter-Terrorism Financing Act, Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015, the US Currency and Foreign Transactions Reporting Act of 1970 (commonly referred to as the Bank Secrecy Act), as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56) and the Anti-Money Laundering Act of 2020, the US Money Laundering Control Act of 1986, the Terrorism (Suppression of Financing) Act 2002 of the Republic of Singapore, the Monetary Authority of Singapore Notice 626 on Prevention of Money Laundering and Countering the Financing of Terrorism, the UK Proceeds of Crime Act 2002, the UK Terrorism Act 2000 (as amended by the UK Anti-Terrorism, Crime and Security Act 2001 and the UK Terrorism Act 2006), the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the

## Shareholders Deed



Payer) Regulations 2017, and any other anti-money laundering and anti-terrorism financing laws (including financial recordkeeping and reporting requirements), and similar regulations or ordinances applicable to any of the parties or their Affiliates, or the Group and its operations from time to time, in each case, as amended, re-enacted, consolidated or replaced, or as their application is modified by other laws, statutes, rules and regulations whether before or after the date of this deed.

**Appointor** has the meaning given in Clause 29.1(a).

**Asset Sale** means the sale of the whole or substantially all of the assets of the Company, determined on a consolidated basis, whether by way of sale of the assets of one or more Group Companies or by a sale of the assets or shares of any Subsidiary of the Company.

**Associate(s)** means, with respect to a Shareholder:

- (a) its Affiliates;
- (b) its Relatives;
- (c) Relatives of its Affiliates;
- (d) Affiliates of its Relatives;
- (e) Associates of its Associates; and
- (f) any other Shareholder in respect of whom it is an Associate of that Shareholder.

**Auditor** means the auditor of the Group approved by the Board from time to time.

**Beneficial Holders** means a person on whose behalf the Nominee holds Securities as bare trustee.

**Beneficial Shares** in relation to a Beneficial Holder, means the Securities held by the Nominee as bare trustee for that Beneficial Holder.

**BidCo** means Ancora Bidco Pty Ltd (ACN 677 569 514).

**Board** means all or some of the Directors acting as the board of the Company.

**Board Meeting** has the meaning given in Clause 4.1(b).

**Budget** means a budget, including a consolidated profit and loss account, balance sheet and cash flow statement for the Group.

**Business** means the business of the Group.

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales or Western Australia.

**Business Plan** means the three year programme current from time to time for the conduct of the Business during the current and next two Financial Years, including the Budget for the current and next Financial Years.

**Capital Contributions** means any cash, cash equivalents or the Fair Value of other property that a Shareholder contributes or is deemed by the Board to have contributed to the Company with respect to any Security pursuant to Clause 9.2 net of any liabilities assumed by the Company for or from such Shareholder in connection with such contribution and net of any liabilities to which the assets contributed by such Shareholder are subject.

**CEO** means the person appointed as the chief executive officer of the Group from time to time.

**CEO Director** means a Director that is the CEO.

**CFO** means the person appointed as the chief finance officer of the Group from time to time.

**Chairperson** means the person appointed as Chairperson of the Board under Clause 3.3.

## Shareholders Deed



**Claim** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

**Compliance Audit** has the meaning given in Clause 23(d).

**Compliance Investigation** has the meaning given in Clause 23(e).

**Compliance Laws** means Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions in force from time to time.

**Compliance Policies** means the written policies and procedures of the Group designed to prevent the Group and its Company Associates from engaging in fraud, embezzlement, kickbacks or undertaking any conduct that would contravene or otherwise give rise to an offence under any Compliance Laws, or expose them to the risk of being designated as a Sanctions Restricted Person, that may be amended or updated from time to time after the date of this deed at the request of the MDP Shareholders.

**Compliance Program** has the meaning given in Clause 23(a)(vi).

**Confidential Information** means:

- (a) all confidential information exchanged between the parties relating to the Business or other affairs of the Group or the Shareholders;
- (b) any information belonging to or about the Group, or a Shareholder or its Affiliates;
- (c) any information relating to a Transaction Document or any transaction contemplated by a Transaction Document;
- (d) all data bases, source codes, methodologies, manuals, artwork, advertising manuals, trade secrets and all financial, accounting, marketing and technical information, customer, client and supplier lists, know-how, technology, operating procedures and other information, used by or relating to the Group and its transactions and affairs;
- (e) all notes and reports incorporating or derived from the material referred to in paragraphs (a) to (c); and
- (f) all copies of the material referred to in paragraphs (a) to (d),

but excludes any information that:

- (g) is in, or becomes part of, the public domain other than through breach of this deed or an obligation of confidence owed to a Group Company;
- (h) was already known to the relevant party at the time of disclosure by the Company or a Shareholder, other than as a result of a breach of an obligation of confidentiality; or
- (i) the relevant party acquires from a source other than the Company or a Shareholder, where the source is entitled to disclose it.

**Consideration** has the meaning given in Clause 21(a).

**Constitution** means the constitution of the Company from time to time.

**Control** has the meaning in section 50AA of the Corporations Act, and **Controlled** has a corresponding meaning except that, in addition, an entity controls a second entity if the first entity would be taken to control the second entity but for section 50AA(4) of the Corporations Act. Without limiting the preceding sentence, an entity also Controls a Fund if it has the power, or controls (directly or indirectly) an entity with the power, to replace the trustee or legal representative of the Fund.

**Corporations Act** means the Corporations Act 2001 (Cth).

## Shareholders Deed



**Disclosed Related Party Transaction** means a Related Party Transaction that is in place and has been publicly disclosed by a Group Company prior to the Implementation.

**Directors** means all or some of the directors of the Company from time to time, including any MDP Director, Non-MDP Director, Non-executive Director and CEO Director.

**Dispose** in relation to a person and any property means:

- (a) to sell, offer for sale, transfer, assign, surrender, gift, create an Encumbrance or option over, declare oneself a trustee of or part with the benefit of or otherwise dispose of that property (or any direct or indirect legal or beneficial interest in or over any rights in respect of any part of it);
- (b) to do anything which has the effect of placing a person in substantially the same position as if the person has done any of the things specified in paragraph (a); or
- (c) to attempt to do any of the things specified in paragraph (a) or (b),

and **Disposal** has a corresponding meaning.

**Drag Notice** means a notice given in accordance with Clause 13.2.

**Drag Price** has the meaning given in Clause 13.2(c).

**Drag Proportion** has the meaning given in Clause 13.2(b).

**Drag Terms** has the meaning given in Clause 13.2(d).

**Dragged Securities** has the meaning given in Clause 13.2(e).

**Dragged Shareholder** has the meaning given in Clause 13.1.

**Eligible Participant** means existing or new employees, managers, officers, directors, consultants or other service providers or advisors of the Company or any of its Subsidiaries or any of their respective Affiliates (in each case other than Directors that are investment professionals of Madison Dearborn Partners, LLC) determined by the Board to be eligible to receive Incentive Shares.

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect or any agreement to create any of them.

**Equity Agreement** means any document, instrument and/or agreement to effect the purchase of Securities as are required by the Board.

**Event of Default** means, in relation to a Shareholder, that Shareholder or its Relevant Individual (if applicable) breaches a provision of this deed relating to restrictions on Disposal or, if applicable to that Shareholder, Clause 18 which cannot be remedied or which remains unremedied for the period prescribed by the Board (which may not be less than 10 Business Days) following notification of the breach to that Shareholder.

**Excluded Shareholder** means a Shareholder who:

- (a) has breached in any material respect any non-compete, confidentiality, non-solicit or other similar restrictive covenant set forth in any agreement between such Shareholder or the Company or any of its Subsidiaries; and/or
- (b) is designated as an Excluded Shareholder in a written agreement between the Company and such Shareholder.

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Any transferee (other than any holder of Investor Securities) of an Excluded Shareholder shall also be an Excluded Shareholder with respect to any Securities Transferred to such transferee by such Excluded Shareholder.

**Fair Value** means, for the purposes of Clauses 6 and 17.1, the amount per Security determined by the Board in good faith based on all factors, information and data deemed by the Board to be pertinent, including, but not limited to, due regard for recent independent appraisals and other valuations prepared for the Company.

**Family Company** means a body corporate which:

- (a) the individual (either alone or with their spouse or, if applicable, Relevant Individual) Controls (directly or indirectly) and where all of the shares in the body corporate are owned, legally and beneficially, by the individual, their Relevant Individual and/or Relatives of the individual and/or Relevant Individual and/or trustees of a Family Trust of the individual; or
- (b) is otherwise associated with the individual and approved by the Board.

**Family Trust** means a trust which:

- (a) the individual and/or their Relevant Individual Controls (either alone or with their spouse) (directly or indirectly) and where all the beneficiaries or potential beneficiaries are the individual, their Relevant Individual and/or Relatives of the individual and/or charities, and any testamentary trust of that individual; or
- (b) is otherwise associated with the individual and approved by the Board.

**Financial Year** means the 12-month period starting on 1 July and ending on 30 June each year (or other dates as the Board approves).

**Fund** means a unit trust, discretionary trust, investment trust, managed investment scheme, limited partnership, general partnership or any other collective investment company, entity or vehicle.

**Government Official** means (a) any officer, employee, representative of, or any person acting in an official capacity for or on behalf of, any Governmental Body (including, without limitation, an employee of a government-owned/government-controlled (wholly or partly) association, organisation, business or enterprise) or public international or supra-national organisation; (b) any candidate for public or political office; (c) a legislative, administrative, or judicial official, regardless of whether elected or appointed; or (d) an individual who holds any other official, ceremonial, or other appointed or inherited position with a government or any of its agencies.

**Governmental Body** means (a) a federal, national or regional government and any political subdivision thereof, whether state or local; (b) any agency, authority, instrumentality, regulatory body, court, central bank, municipality or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government; (c) a government-owned/government-controlled (wholly or partly) association, organisation, business or enterprise; or (d) a political party. It includes ASIC and ASX (and any other stock exchange).

**Group** means the Company and each of its Subsidiaries and other Controlled entities from time to time.

**Group Company** means a member of the Group from time to time.

**GST** has the same meaning as in the GST Law.

**GST Group** has the same meaning as in the GST Law.

**GST Law** has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* and the *A New Tax System (Goods and Services Tax) Regulations 1999 (Cth)*.

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**Implementation** means completion of the Scheme Related Issuances.

**Implementation Date** has the meaning given in the SID.

**Incentive Shares** means a Series C Share.

**Initial Delegation of Authority** means the initial delegation of authority by the Board that outlines the authorities the Board will delegate to the committees and senior management of a Group Company in respect of the period following Implementation.

**Initial Non-Investor Shareholder(s)** means the Non-Investor Shareholder (or the collection of Non-Investor Shareholders who qualify as Associates of one another and who have each given to the MDP Shareholders and the Company a notice contemplated in Clause 3.2) with, as at immediately following Implementation, the largest Shareholding.

**Intermediate Shareholder** means any Shareholder which is entitled to approval pursuant to the definition of Intermediate Shareholder Approval, acting on behalf of their Associated Shareholders (if any).

**Intermediate Shareholder Approval** means approval in writing by each of the following (if any):

- (a) the MDP Shareholder with the largest Adjusted Series B Shareholding of the MDP Shareholders, if the MDP Shareholders have a collective Adjusted Series B Shareholding of no less than 10% of Series B Shares;
- (b) any Shareholder with an Adjusted Series B Shareholding of no less than 10% of Series B Shares (provided such Shareholder does not form part of a collection of Shareholders to which paragraph (c) of this definition applies); and
- (c) the Shareholder with the largest Adjusted Series B Shareholding of a collection of Shareholders who qualify as Associates of one another and who have each given to the MDP Shareholders and the Company a notice contemplated in Clause 3.2, if such collection of Shareholders have a collective Adjusted Series B Shareholding of no less than 10% of Series B Shares.

**Investor Security** means:

- (a) the Securities held by the MDP Shareholders on or around the date of this Deed;
- (b) any Securities issued to or acquired by any MDP Shareholders after the date hereof; and
- (c) any Securities issued directly or indirectly with respect to the foregoing securities by way of a Share split, Share distribution or other division of securities, or in connection with a combination of securities, recapitalization, merger, consolidation or other reorganization.

**Involved** includes direct or indirect involvement as a principal, agent, partner, employee, shareholder, unitholder, director, trustee, beneficiary, manager, contractor, subcontractor, consultant, advisor or financier.

**IPO** means an initial public offering of shares in the Company, shares in any Subsidiary or shares in a company of which the Company is or will be a wholly owned subsidiary in conjunction with an application for the quotation of those shares on the Securities Exchange.

**Major Shareholder** means each Shareholder and collection of Shareholders whose Shareholding is relevant for the purposes of a Major Shareholder Approval.

**Major Shareholder Approval** means approval in writing by each of the following (if any):

- (a) The MDP Shareholder with the largest Adjusted Series B Shareholding of the MDP Shareholders, if the MDP Shareholders have a collective Adjusted Series B Shareholding of no less than 20% of Series B Shares;



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- (b) Any Shareholder with an Adjusted Series B Shareholding of no less than 20% of Series B Shares (provided such Shareholder does not form part of a collection of Shareholders to which paragraph (c) of this definition applies); and
- (c) the Shareholder with the largest Adjusted Series B Shareholding of a collection of Non-MDP Shareholders who qualify as Associates of one another and who have each given to the MDP Shareholders and the Company a notice contemplated in Clause 3.2, if such collection of Shareholders have a collective Adjusted Series B Shareholding of no less than 20% of Series B Shares.

For the avoidance of doubt, if the application of the criteria in paragraphs (a) to (c) above produces an outcome where no approval from any Shareholder is required, then any requirement to obtain Major Shareholder Approval in this deed is deemed approved and satisfied.

**Manager Shareholder** means each Shareholder, other than the MDP Shareholder or any Shareholder approved by the Board as a financial sponsor or private capital fund, who is, is Controlled by or is an Affiliate of, any person who is as at Implementation, or has at any time prior to Implementation been, engaged in management of the Group, and each of their Associates.

**MDP Director** has the meaning given in Clause 3.1(a).

**MDP Exit Event** means:

- (a) an IPO;
- (b) a Share Sale; or
- (c) Asset Sale.

**MDP Exit Notice** has the meaning given in Clause 11.2(a).

**MDP Exit Process** has the meaning given in Clause 11.1(b).

**MDP Shareholder** means, collectively, Madison Dearborn Capital Partners VIII-A, L.P., Madison Dearborn Capital, Partners VIII-C, L.P., Madison Dearborn Capital Partners VIII Executive-A, L.P., Madison Dearborn Capital Partners VIII Executive-A2, L.P., and any other investment fund or vehicle advised or managed, directly or indirectly, by Madison Dearborn Partners, LLC or its Affiliates. In the event that an MDP Shareholder transfers Securities held by it to one or more of its Affiliates in accordance with this deed, unless otherwise determined by such MDP Shareholder, such Affiliates shall also constitute an MDP Shareholder hereunder. The holdings of each of the entities designated to be part of the MDP Shareholders shall be aggregated for purposes of determining whether the MDP Shareholders meet any consent, voting or similar thresholds pursuant to this deed.

**Minimum Drag Hurdle** means, in respect of a Dragged Security, the price determined as at the date of the relevant Drag Notice by the addition of (a) the issue price of such Security at Implementation (or, in respect of any Security not on issued at such time, the first issue price of such Security following such time) (**Issue Price**) and (b) an accrued amount equal to a return at the rate of 15% per annum, compounded annually on the last day of December in each calendar year, in respect of the Issue Price plus any amount compounded in accordance with this clause (b).

**New Shareholder** has the meaning given in Clause 26.1.

**Nominee** means an independent third party trustee company appointed by the Company under Clause 19 to hold Securities on bare trust pursuant to the terms of the Nominee Deed and Clause 19.

**Nominee Deed** means the nominee deed to be entered between the Company and the Nominee.

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**Non-executive Director** means a Director that is not a MDP Director, Non-MDP Director or executive of a Group Company.

**Non-Investor Shareholder** means, collectively, each holder of Series B Shares other than the MDP Shareholder that (together with their Affiliates) holds 30% or more of the Series B Shares. In the event that a Non-Investor Shareholder transfers Securities held by it to one or more of its Permitted Transferees in accordance with this deed, such Permitted Transferees shall also constitute Non-investor Shareholders hereunder only for so long as (i) it remains a Permitted Transferee, and (ii) the Non-Investor Shareholder continues to control such Permitted Transferee. The holdings of each of the persons or entities designated to be part of the Non-Investor Shareholders shall be aggregated for purposes of determining whether the Non-Investor Shareholders meet any consent, voting or similar thresholds pursuant to this deed.

**Non-MDP Director** has the meaning given in Clause 3.1(c).

**Non-MDP Shareholder** means a Shareholder that is not a MDP Shareholder.

**Offeree Investors** has the meaning in Clause 9.4(a).

**Officer** means directors, officers, commissioners, chairmen, presidents and any members of the senior management team of the Group.

**Permitted Transferee of a Shareholder** means:

- (a) an Affiliate of the Shareholder; and
- (b) in relation to a Shareholder who is a trustee, custodian, responsible entity or general partner of a trust or partnership, also includes any person who is a replacement trustee, custodian, responsible entity or general partner of the same trust or partnership

and, for the avoidance of doubt, where an 'Affiliate' of the Shareholder is a Family Trust, the manager, trustee, responsible entity, general partner or operator of that trust and the beneficiaries of the Family Trust will also be deemed a Permitted Transferee provided the applicable Securities are 100% beneficially held by the Family Trust.

**Post-Shareholding Restraint** has the meaning given in Clause 18.1.

**Post-Shareholding Restraint Period** means, other than if an IPO has been implemented, in respect of a Restrained Party, the period commencing on the date on which the relevant Manager Shareholder that is a Restrained Party and its Permitted Transferees cease to hold any Securities and ending on:

- (a) the date that is 12 months after the date on which the relevant Manager Shareholder that is a Restrained Party and its Permitted Transferees cease to hold any Securities; or
- (b) if the period in (a) above is held to be unenforceable, the date that is 6 months after the date on which the relevant Manager Shareholder that is a Restrained Party and its Permitted Transferees cease to hold any Securities,

For the avoidance of doubt there is no Post-Shareholding Restraint Period if an IPO has been implemented.

**Pre-emptive Rights Notice** has the meaning in Clause 9.4(c).

**Recipient** has the meaning given in Clause 21(b).

**Related Body Corporate** has the meaning given in the Corporations Act, interpreted so that 'subsidiary' has the meaning given to that term in this deed.

**Related Party** has the meaning given in the Corporations Act.

**Related Party Transaction** means an agreement or arrangement between the Company or another Group Company and:

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- (a) a Director or their Affiliate; or
  - (b) a Shareholder or its Affiliate,
- but excluding:
- (c) a deed of indemnity, insurance and access (or similar document) on customary terms and conditions between a Director and the Company or another Group Company; and
  - (d) any agreement or arrangement specified in this deed, including in relation to the Disposal and issuance of Securities and the payment of the management fee in accordance with the terms of this deed.

**Relatives** means a spouse, former spouse mother, father, brother, sister or child, except that in determining the identity of a Restrained Affiliate, a Relative shall only include a spouse and child.

**Relevant Individual** means, in relation to a Manager Shareholder, the relevant person referred to in the definition of 'Manager Shareholder' who is as at Implementation, or has at any time prior to Implementation been, engaged in management of the Group.

**Relevant Proportion** means when used in relation to:

- (a) all Shareholders, the proportions which their respective Shareholdings bear to all of the issued Securities of the Company; and
- (b) less than all the Shareholders, the proportions which their respective Shareholdings bear to their aggregate holdings of issued Securities of the Company.

**Representative** means, in relation to an entity, an employee, officer, director or adviser of that entity.

**Representative Member** has the same meaning as in the GST Law.

**Restrained Affiliate** means, in respect of a Manager Shareholder:

- (a) each Relevant Individual of that Manager Shareholder;
- (b) each Affiliate of that Manager Shareholder; and
- (c) each Affiliate of the Relevant Individual of that Manager Shareholder.

**Restrained Party** means each Manager Shareholder.

**Restraint Area** means:

- (a) the world;
- (b) if the area in (a) above is held to be unenforceable, Australia, the United States of America, the United Kingdom and Canada;
- (c) if the area in (b) above is held to be unenforceable, Australia, the United States of America and the United Kingdom;
- (d) if the area in (c) above is held to be unenforceable, Australia and the United States of America;
- (e) if the area in (d) above is held to be unenforceable, Australia;
- (f) if the area in (e) above is held to be unenforceable, Western Australia, New South Wales, Victoria and Queensland;
- (g) if the area in (f) above is held to be unenforceable, Western Australia, New South Wales and Victoria;
- (h) if the area in (g) above is held to be unenforceable, Western Australia and New South Wales; and

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- (i) if the area in (h) above is held to be unenforceable, Western Australia.

**ROFO Offer Notice** means a notice in the form contemplated by Clause 12.4.

**ROFO Offer Price** has the meaning given in Clause 12.4(a)(i).

**ROFO Offer Terms** has the meaning given in Clause 12.4(a)(ii).

**ROFO Offeree** has the meaning given in Clause 12.3.

**ROFO Option** has the meaning given in Clause 12.4(a)(iii).

**ROFO Sale Interest** has the meaning given in Clause 12.2(a).

**ROFO Sale Notice** means a notice in the form contemplated by Clause 12.2.

**Sanctions** means any export controls, economic or financial sanctions or restrictive measures (including any trade, economic or financial sanctions laws, rules, regulations, embargoes, restrictions or similar restrictive measures) which are administered, enacted, imposed or enforced from time to time by any Sanctions Authority.

**Sanctioned Jurisdiction** means, at any time, a country or territory which is the subject or target of any comprehensive country or territory-wide Sanctions (including, at the time of this deed, Cuba, Iran, North Korea, Syria, Venezuela, Russia, Crimea and the non-government controlled areas of Ukraine in the oblasts of Donetsk, Kherson, Luhansk and Zaporizhzhia).

**Sanctions Authority** means:

- (a) the United States;
- (b) the United Nations;
- (c) the European Union and each of its Member States;
- (d) the United Kingdom;
- (e) Australia;
- (f) Singapore; and
- (g) the respective governmental institutions, departments, committees, agencies, or offices of any of the foregoing, including, without limitation, the Australian Sanctions Office, the United Nations Security Council, the Office of Foreign Assets Control of the US Department of Treasury, the US State Department, the US Department of Commerce, the European Council the European Parliament, the European Commission (including the competent authorities of any present or future member state of the European Union), His Majesty's Treasury, including the Office of Financial Sanctions Implementation, the Foreign, Commonwealth & Development Office, and the United Kingdom Department for International Business and Trade and the Export Control Joint Unit.

**Sanctions List** means the list of 'Specially Designated Nationals and Blocked Persons', the 'Non-SDN Menu-Based Sanctions List', the List of Foreign Sanctions Evaders Sanctioned Pursuant to Executive Order 13608, the Sectoral Sanctions Identifications List, and the Non-SDN Communist Chinese Military-Industrial Complex Companies List of OFAC; the 'Denied Persons List', the 'Entity List', the 'Unverified List' and the 'Military End User List' of the U.S. Commerce Department's Bureau of Industry and Security (**BIS**); the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, and relevant Annexes to Council Regulation (EU) 833/2014, as amended; the Consolidated List of Financial Sanctions Targets in the United Kingdom: List of Persons Named in Relation to Financial and Investment Restrictions, each administered by HM Treasury; the United Kingdom Sanctions List administered by the United Kingdom Foreign, Commonwealth & Development Office; the United Nations Security Council Consolidated List, or any other similar list maintained, or public announcement of Sanctions

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designations made, by any of the Sanctions Authorities, each as amended, supplemented or substituted from time to time.

**Sanctions Restricted Person** means, any person that is:

- (a) listed on a Sanctions List or who is otherwise the designated target of Sanctions;
- (b) located or resident in, or incorporated or organised under the laws of, or a national or citizen of, a Sanctioned Jurisdiction;
- (c) owned (including any threshold ownership interest) or controlled (as such term is defined by the relevant Sanctions), directly or indirectly, by any one or more person who is covered by (a) or (b) above, or acting on behalf of a person who is covered by (a) or (b) above;
- (d) who, for purposes of Sanctions, is within the definition of the government of Cuba, Iran, North Korea, Syria, Russia or Venezuela or a person owned (including any threshold ownership interest) or controlled (as such term is defined by the relevant Sanctions) by or acting on behalf of such governments; or
- (e) who is otherwise a subject of Sanctions.

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act under which BidCo acquires 100% of the issued shares in the Target.

**Scheme Related Issuances** has the meaning given in Clause 9.3(b).

**Securities Exchange** means the Australian Securities Exchange or any other securities or stock exchange approved by the Board.

**Security** has the meaning in section 92(3) of the Corporations Act and includes, without limitation, Series A Shares, Series B Shares and Series C Shares; provided that any class, group or series of Securities issued shall have the relative rights, powers and obligations set forth in this deed and/or the Constitution.

**Series A Share** means a Share having the rights and obligations set out in Schedule 5 and otherwise specified with respect to a Series A Share in this deed.

**Series A Unpaid Yield** of any Series A Share means, as of any date, an amount equal to the excess, if any, of:

- (a) the aggregate Series A Yield accrued on such Series A Share for all periods prior to such date (including partial periods) over;
- (b) the aggregate amount of prior distributions made by the Company that constitute payment of Series A Yield on such Series A Share pursuant to Clause 8.2(a)(i).

**Series A Unreturned Capital** of any Series A Share means, as of any date, the aggregate Capital Contributions made or deemed to be made in respect of such Series A Share reduced by all distributions made by the Company that constitute a return of Series A Unreturned Capital pursuant to Clause 8.2(a)(ii).

**Series A Yield** means, with respect to each Series A Share, the amount accruing on such Series A Share on a daily basis, at the rate of 8% per annum, compounded semi-annually on the last day of June and December in each calendar year, on:

- (a) the Series A Unreturned Capital of such Series A Share plus;
- (b) the Series A Unpaid Yield thereon for all prior semi-annual periods. In calculating the amount of any distribution to be made during a period, the portion of the Series A Yield accrued with respect to such Series A Share for the portion of the annual period elapsing

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before such distribution is made shall be taken into account in determining the amount of such distribution.

**Series B Share** means a Share having the rights and obligations set out in Schedule 6 and otherwise specified with respect to a Series B Share in this deed.

**Series C Share** means a Share having the rights and obligations set out in Schedule 7 and otherwise specified with respect to a Series C Share in this deed.

**Share Sale** means in respect of an MDP Exit Event, a sale to one or more Third Parties of at least 50% of any class of Securities held by the MDP Shareholders, whether done in a single transaction or a series of related transactions.

**Shareholder** means, solely for the purposes of this deed, a holder of Securities in the Company.

**Shareholding** means a Shareholder's holding of Securities in the Company.

**Shareholding Restraint** has the meaning given in Clause 18.1.

**Shareholding Restraint Period** means, in respect of a Restrained Party, the period commencing on the Implementation Date and ending on the earlier of:

- (a) the date an IPO is implemented; and
- (b) the date on which the relevant Manager Shareholder that is a Restrained Party and its Permitted Transferees cease to hold any Securities.

**SID** means the scheme implementation deed between the BidCo and the Target dated [insert] 2024.

**Simple Majority Resolution** means:

- (a) in the case of a resolution of members, the affirmative vote of Shareholders that together hold more than 50% of the total votes of all Shareholders present (in person or by proxy) at the meeting of Shareholders and who are entitled to vote on the resolution concerned; and
- (b) in the case of a resolution of Directors, the affirmative vote of Directors that together hold more than 50% of the total votes of all Directors who attend the relevant Board Meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the resolution concerned.

**Small Holding** means a shareholding in the Company of \$25,000 or less (based on the value of a Security implied on the Implementation Date) and, in relation to a Beneficial Holder holding through the Nominee, includes those Beneficial Holders who hold \$25,000 or less (based on the value of a Security implied on the Implementation Date).

**Small Holding Disposal Notice** has the meaning given in Clause 17.1(a).

**Small Holding Securities** means the securities that constitute a Small Holding.

**Small Shareholder** means a Shareholder which holds a Small Holding.

**Sub-10% Shareholder** means any Shareholder that holds (either individually or together with its Associate) less than 10% of the Series B Shares.

**Subsequent Drag Notice** means a notice given in accordance with Clause 14.2.

**Subsequent Drag Price** has the meaning given in Clause 14.2(c).

**Subsequent Drag Proportion** has the meaning given in Clause 14.2(b).

**Subsequent Drag Terms** has the meaning given in Clause 14.2(d).

**Subsequent Dragged Securities** has the meaning given in Clause 14.2(e).

Shareholders Deed



**Subsequent Dragged Shareholder** has the meaning given in Clause 14.1.

**Subsidiary** means each subsidiary of the Company, as that term is defined in Part 1.2 Division 6 of the Corporations Act.

**Supplier** has the meaning given in Clause 21(b).

**Supply** has the same meaning as in the GST Law.

**Tag Option** has the meaning given in Clause 15.2(d).

**Tag Price** has the meaning given in Clause 15.2(c).

**Tag Proportion** has the meaning given in Clause 15.2(b).

**Tag Terms** has the meaning given in Clause 15.2(c).

**Tagged Securities** has the meaning given in Clause 15.2(d).

**Tagged Shareholders** has the meaning given in Clause 15.1.

**Target** means APM Human Services International Limited (ACN 639 621 766).

**Taxes** means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them.

**Third Party** means a party other than the Shareholder (or their Permitted Transferee) or an Affiliate of the Shareholder (or their Permitted Transferee).

**Third Party Buyer** means a buyer (or a proposed buyer) of Securities or assets who is a Third Party in relation to the seller (or proposed seller) of those Securities or assets.

**Transaction Documents** means:

- (a) this deed;
- (b) the Constitution; and
- (c) any other agreement or document that the parties agree is a Transaction Document.

**Trust** has the meaning given in Clause 25(a).

**Trustee** has the meaning given in Clause 25(a).

**Unanimous Board Resolution** means a resolution of the Board passed unanimously by all Directors and who are entitled to vote on the resolution concerned.

**Unvested Shares** means, as of any given time, with respect to any Series B Shares and any Series C Shares, in each case, that are subject to vesting pursuant to the applicable Equity Agreement pursuant to which they were issued, any such Series B Shares and any Series C Shares other than Vested Shares. **Unvested Series B Share, Unvested Series C Share, Unvested Series B Shareholder** and **Unvested Series C Shareholder** have corresponding meanings.

**Vested Shares** means, as of any given time, any Series B Shares and any Series C, in each case, that are not subject to vesting or, with respect to any Series B Shares or any Series C Shares that are subject to vesting pursuant to the applicable Equity Agreement pursuant to which they were issued, any Series B Shares and any Series C Shares that have vested in accordance with the terms of the applicable Equity Agreement pursuant to which they were issued. **Vested Series B Share, Vested Series C Share, Vested Series B Shareholder** and **Vested Series C Shareholder** have corresponding meanings.

Shareholders Deed



## INTERPRETATION

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and *vice versa*;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
  - (i) a person includes a natural person, partnership, joint venture, Governmental Body, association, corporation or other body corporate;
  - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
  - (iii) a party includes its successors and permitted assigns;
  - (iv) a document includes all amendments or supplements to, or replacements or novations of, that document;
  - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
  - (vi) this deed includes all schedules and attachments to it;
  - (vii) dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia;
  - (viii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced; and
  - (ix) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing;
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to this deed, the relevant time of day is:
  - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
  - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located;
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it; and
- (k) if there is any conflict between the body of this deed and its schedules or attachments the terms of the main body of this deed will prevail.



Shareholders Deed



### Schedule 3

#### Reserved Matters

##### Part A - Major Shareholder Approval Matters

- 1 (Business Plan) approve or adopt a new Business Plan or Budget, or subsequently amend or deviate from an approved Business Plan or Budget;
- 2 (Capital expenditure or disposal) except as provided in the Business Plan or Budget committing to or incurring any capital expenditure exceeding \$5,000,000.
- 3 (Acquisition) any acquisition, or series of related acquisitions, of any asset or business of the Group with an aggregate value of greater than \$200,000,000;
- 4 (Divestment / disposal) any disposal or divestment, or series of related disposals or divestments, of any asset or business of the Group with an aggregate value of greater than \$50,000,000, other than in connection with a Disposal by one or more MDP Shareholders under Clause 10.2(a) (and in accordance with Clauses 11 through 15, as applicable);
- 5 (Joint ventures) entry by a Group Company into any joint venture agreement or arrangements with third parties where the value of such joint venture exceeds \$150,000,000;
- 6 (Accounting policies) any change in accounting policies or accounting reference date of the Group (other than changes made in connection with an initial public offering or changes made to comply with applicable law or contract);
- 7 (Financial accommodation) entering into new borrowings or other financial accommodation by the Group (excluding the borrowings under the credit facility (including any revolving or accordion facility thereunder) incurred in connection with the Scheme or any refinancing of any financial accommodation up to an equivalent of 6x leverage);
- 8 (Merger / reorganisation) any acquisitions (whether by merger, stock purchase or asset purchase) by the Group that would result in a dilution of the Shareholding of a Major Shareholder or involve an aggregate purchase price of greater than \$200,000,000 other than in connection with a Disposal by one or more MDP Shareholders under Clause 10.2(a) (and in accordance with Clauses 11 through 15, as applicable);
- 9 (Compulsory acquisition of Small Holdings): any compulsory acquisition of Small Holding Securities pursuant to Clause 16; and
- 10 (Incentive Share Pool) the total size of the authorised Incentive Share Pool pursuant to Clause 7.2.

Shareholders Deed



**Part B - Intermediate Shareholder Matters**

- 11 **(Issuance of securities)** any issuance of Securities or instruments convertible into Securities by a Group Company, other than pursuant to Clauses 9.2(a) or 9.2(b) or where the issuance is to another Group Company, other than in connection with a Disposal by one or more MDP Shareholders under Clause 10.2(a) (and in accordance with Clauses 11 through 15, as applicable);
- 12 **(IPO and exit)** any IPO or other exit (howsoever effected, including business sale or share sale), other than an MDP Exit Event;
- 13 **(Distributions / redemptions)** any non-pro rata (across all Shareholders) distributions or redemptions by the Company, including buy-back, cancellation, consolidation, division, subdivision, conversion, reduction or other distribution of capital (other than in connection with an exercise of rights under this deed or redemptions / repurchases under the Management Equity Plan), other than in connection with a Disposal by one or more MDP Shareholders under Clause 10.2(a) (and in accordance with Clauses 11 through 15, as applicable);
- 14 **(Winding up / liquidation)** the appointment of a receiver, liquidator or administrator to any Group Member or any proposal to wind up any Group Member or make any composition or arrangement with creditors; and
- 15 **("Change of business")** any decision to cease or replace the primary business or operational activities of the Group or to engage in any material new business that is not consistent with, or is not complementary, adjacent or ancillary to, the activities of the Group; and
- 16 **(Related party transactions)** entry by a Group Company into any Related Party Transaction.

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Shareholders Deed



## Schedule 4

### Accession Deed Poll

**Date:**

#### PARTIES

1 [Insert name of acceding party] of [insert address] (**Acceding Party**)

[2 [Insert name of discontinuing party] of [insert address] (**Discontinuing Party**)]

**THE PARTIES agree** in favour of and for the benefit of each and all of the following:

- A. the parties to the shareholders' deed (**Shareholders' Deed**) dated [\*] 2024 made among [Alexandria HoldCo] Limited (ACN [\*]) (**Company**) and the MDP Shareholders (as defined in the Shareholders' Deed); and
- B. all persons[, other than the Discontinuing Party,] who are or subsequently become Shareholders of the Company (the parties referred to in (A) and (B) collectively, the **Continuing Parties**).

## 1 DEFINED TERMS AND INTERPRETATION

### 1.1 Defined terms

Words and expressions used in this deed poll have the same meaning as those used in the Shareholders' Deed (as amended, varied, novated or supplemented from time to time), unless the context otherwise requires.

### 1.2 Interpretation

Schedule 2 of the Shareholders' Deed applies in the interpretation of this deed poll.

## 2 ACCESSION

- (a) Subject to the terms of this deed poll, the Acceding Party accedes to the Shareholders' Deed as if it were an original party to the Shareholders' Deed as a/[n] [MDP Shareholder / Non-Investor Shareholder / Non-MDP Shareholder / Shareholder / Nominee] on and from the date that the Acceding Party is registered as a holder of Securities (**Accession Date**).
- (b) The Acceding Party acknowledges that they have received a copy of the Shareholders' Deed together with all other information they require in connection with this deed poll and the Shareholders' Deed.
- (c) [Subject to Clauses 3 and 4, the Discontinuing Party ceases to be a party to the Shareholders' Deed on and from the Accession Date.]

## 3 PARTIES TO BE BOUND

- (a) The Acceding Party undertakes to be bound by all the terms of the Shareholders' Deed from the Accession Date as if the definition of 'Shareholder' and '[MDP Shareholder / Non-Investor Shareholder / Non-MDP Shareholder]' included the Acceding Party.
- (b) [Without limiting Clause 3(a), the Acceding Party is bound by all the terms of the Shareholders' Deed from the Accession Date as if each reference to the Discontinuing Party in the Shareholders' Deed were a reference to the Acceding Party and not to the Discontinuing Party.]

Shareholders Deed



#### 4 [ACCEDING PARTY NOT SUBJECT TO PRE-ACCESSION LIABILITIES]

[The Discontinuing Party indemnifies the Acceding Party for any liabilities of the Discontinuing Party arising from or in connection with the Shareholders' Deed which accrued prior to the Accession Date or which relate to any act or omission prior to the Accession Date.]

#### 5 [NO FURTHER RIGHTS AND RELEASE FROM OBLIGATIONS]

[With effect from the Accession Date, the Discontinuing Party:

- (a) agrees and acknowledges that it has no further rights against any of the Continuing Parties under the Shareholders' Deed other than rights that arise before the Accession Date; and
- (b) releases each Continuing Party from all obligations and liabilities under the Shareholders' Deed other than obligations and liabilities that arise before the Accession Date.]

#### 6 REPRESENTATIONS AND WARRANTIES

The Acceding Party [and the Discontinuing Party each] represent[s] and warrant[s] the following to each other party and to each Continuing Party:

- (a) **registration:** if it is a body corporate, it is duly registered and validly existing under the laws of the country of its registration;
- (b) **power and authority:** it has the power and authority to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by the Shareholders' Deed;
- (c) **action:** it has taken all necessary action to authorise the entry into and performance of, this deed poll and to carry out the transactions contemplated by the Shareholders' Deed;
- (d) **binding obligation:** this deed poll constitutes legal, valid and binding obligations on it; and
- (e) **no contravention:** neither the execution and performance by it of this deed poll nor any transaction contemplated under the Shareholders' Deed will violate in any respect any provision of:
  - (i) its constituent documents; or
  - (ii) any other applicable law, document, agreement or other arrangement binding upon it or its assets.

#### 7 GENERAL

##### 7.1 Address of Acceding Party for notices

For the purposes of the Shareholders' Deed the address of the Acceding Party to which all notices must be delivered in accordance with clause 27 of the Shareholders' Deed is:

**Acceding Party**

[insert Acceding party's name]

Address: [insert address]

Email: [insert email address]

Attention: [insert name]

Shareholders Deed



## 7.2 Governing law

This deed poll is governed by the law in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

## 7.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party or any Continuing Party to give effect to the provisions of this deed poll and the transactions contemplated by it.

## 7.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

## 7.5 Counterparts

This deed poll may consist of a number of copies, each signed by one or more parties to the deed poll. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed poll.

## 7.6 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this deed poll.

## 7.7 Amendment

This deed poll can only be amended or replaced by another document executed by the parties and each Continuing Party.

## 7.8 [Service of process]

**[Note: This section to be inserted if the Acceding Party is not incorporated in Australia.]**

[[*Insert Acceding party's name*] irrevocably appoints [*insert local agent*] as its agent for the service of process in Australia in relation to any matter arising out of this deed poll and the Shareholders' Deed. If [*insert name of local agent*] ceases to be able to act as such or have an address in Australia, [*insert Acceding party's name*] agrees to appoint a new process agent in Australia and deliver to the other parties within 20 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed poll and the Shareholders' Deed. [*Insert Acceding party's name*] must inform the other parties in writing of any change in the address of its process agent within 20 Business Days of the change.]

[new page]

### Attachment A to Accession Deed Poll - Shareholders' Deed

Shareholders Deed



*[Annex copy of Shareholders' Deed]*

*[new page]*

**Execution page to Accession Deed Poll - Shareholders' Deed**

**EXECUTED as a DEED POLL**

*[insert execution block(s)]*

Shareholders Deed



## Schedule 5

### Series A Shares

#### 1 Issue of Series A Shares

##### 1.1 Terms of issue

These terms of issue set out the rights and restrictions of Series A Shares which may be issued by the Company.

##### 1.2 Separate class

The Series A Shares are a separate class of shares in the Company.

##### 1.3 Constitution

The terms of the constitution of the Company apply to the Series A Shares.

#### 2 Rights and restrictions

##### 2.1 Voting

Series A Shares are non-voting, and a Series A Shareholder is not entitled to receive notice of to attend or vote at any general meeting of the Company.

##### 2.2 Right to participate in dividends and distributions

Each Series A Share shall be entitled to a priority payment in accordance with Clause 8.2 of this deed.

#### 3 Conversion

##### 3.1 Automatic conversion

On the 15<sup>th</sup> anniversary of the date hereof, each Series A Share shall automatically convert to such number of Series B Shares calculated by the following formula:

- (a) the sum of the Series A Unpaid Yield and the Series A Unreturned Capital on that Series A Share; *divided by*
- (b) the Fair Value of one Series B Share.

##### 3.2 Nature of conversion

Subject to compliance with the Corporations Act and other applicable laws, the conversion of any Series A Shares into Series B Shares will not constitute a cancellation, redemption or termination of the Series A Shares or the issue, allotment or creation of new Series B Shares but will have the effect of varying the status of, and the rights attaching to, the Series A Shares so that they become Series B Shares, and may result in a subdivision or consolidation of Shares.



Shareholders Deed

## **Schedule 6**

### **Series B Shares**

#### **1 Issue of Series B Shares**

##### **1.1 Terms of issue**

These terms of issue set out the rights and restrictions of Series B Shares which may be issued by the Company.

##### **1.2 Separate class**

The Series B Shares are a separate class of shares in the Company.

##### **1.3 Constitution**

The terms of the constitution of the Company apply to the Series B Shares.

#### **2 Rights and restrictions**

The Series B Shares are ordinary shares in the capital of the Company.



Shareholders Deed



## Schedule 7

### Vested Series C Shares

1 Issue of Vested Series C Shares

#### 1.1 Terms of issue

These terms of issue set out the rights and restrictions of Vested Series C Shares which may be issued by the Company.

#### 1.2 Separate class

The Vested Series C Shares are a separate class of shares in the Company.

#### 1.3 Constitution

The terms of the constitution of the Company apply to the Vested Series C Shares.

### 2 Rights and restrictions

#### 2.1 Voting

Vested Series C Shares are non-voting, and a Vested Series C Shareholder is not entitled to receive notice of to attend or vote at any general meeting of the Company.

#### 2.2 Right to participate in dividends and distributions

Each Vested Series C Share ranks *pari passu* with each Series B Share in respect of any dividend, subject to the terms of this deed (including clauses (A), (B) and (C) of Clause 8.2).

#### 2.3 Right to proceeds

Each Vested Series C Share ranks *pari passu* with each Series B Share in respect of a return of capital, subject to the terms of this deed (including clauses (A), (B) and (C) of Clause 8.2).

### Unvested Series C Shares

### 3 Issue of Unvested Series C Shares

#### 3.1 Terms of issue

These terms of issue set out the rights and restrictions of Unvested Series C Shares which may be issued by the Company.

#### 3.2 Separate class

The Unvested Series C Shares are a separate class of shares in the Company.

#### 3.3 Constitution

The terms of the constitution of the Company apply to the Unvested Series C Shares.

### 4 Rights and restrictions

#### 4.1 Voting

Unvested Series C Shares are non-voting, and a Unvested Series C Shareholder is not entitled to receive notice of to attend or vote at any general meeting of the Company.

Shareholders Deed



**4.2 Conversion**

Each Unvested Series C Share will convert into a Vested Series C Share on the terms of issue of that Unvested Series C Share determined by the Board in accordance with this deed.

**4.3 Nature of conversion**

Subject to compliance with the Corporations Act and other applicable laws, the conversion of any Unvested Series C Share into Vested Series C Shares will not constitute a cancellation, redemption or termination of the Unvested Series C Share or the issue, allotment or creation of new Vested Series C Shares but will have the effect of varying the status of, and the rights attaching to, the Unvested Series C Share so that they become Vested Series C Shares, and may result in a subdivision or consolidation of Shares.

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Shareholders Deed



**Executed as a Deed**

**[Allens Note: Execution blocks to be inserted.]**

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# Attachment E – Ancora TopCo Constitution

Allens & Linklaters

Constitution of Ancora TopCo Ltd

ACN

An unlisted public company limited by shares  
Registered in New South Wales

Allens is an independent partnership operating in alliance with Linklaters LLP.

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Constitution of Ancora TopCo Ltd

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Constitution of Ancora TopCo Ltd

ACN

Allens & Linklaters

Constitution of Ancora TopCo Ltd (ACN .....), a public company limited by shares.

## General

### 1 Definitions

The following definitions apply in this Constitution unless the context requires otherwise:

**Board** means all or some of the Directors for the time being acting as a board.

**Business Day** means a day which is not a Saturday, Sunday or a public holiday in [1].

**call** includes any instalment of a call and any amount due on the issue of any share.

**Company** means Ancora TopCo Ltd (ACN .....).

**Constitution** means this constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* (Cth).

**Director** means a person appointed or elected to the office of director of the Company in accordance with this Constitution and, where appropriate, includes an alternate Director.

**Dividend** means any dividend, including an interim dividend.

**Secretary** means a person appointed as, or to perform the duties of, secretary of the Company.

**Securities** includes shares, rights to shares, options to acquire shares and other securities with rights of conversion to equity, in each case as issued or granted by the Company.

**Shareholder Present** means, in connection with a general meeting, a shareholder present for the meeting, in person or by proxy, by attorney or, where the shareholder is a body corporate, by representative (and includes any of those persons attending a general meeting at the venue or venues for the meeting or using virtual meeting technology approved by the Directors in accordance with this Constitution).

**Shareholders Deed** means an agreement so called in respect of the Company to which all of the holders of Shares are a party, as in force and as amended from time to time.

### 2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
  - (i) The singular includes the plural, and the converse also applies.
  - (ii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
  - (iii) A reference to a *person* includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
  - (iv) A reference to a rule is a reference to a rule of this Constitution.
  - (v) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
  - (vi) A word or phrase given a meaning in the Corporations Act has the same meaning in this Constitution.



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**3 Replaceable Rules**

The replaceable rules contained in the Corporations Act do not apply to the Company.

**4 Application of Shareholders Deed**

- (a) Subject to rule 4(d), but despite any other provision of this Constitution, for so long as the Shareholders Deed is in force, this Constitution is to be read subject to the Shareholders Deed. If there is any inconsistency between the Shareholders Deed and this Constitution or the Shareholders Deed and this Constitution deal with the same matter on different terms, it is intended that the Shareholders Deed will prevail to the extent of the inconsistency to the extent the law permits, and the Company and the provisions in this Constitution will be read down to enable full compliance with and performance of the Shareholders deed.
- (b) Without limiting the generality of rule 4(a), nothing in this Constitution permits or requires the Company or any Director or Shareholder to:
  - (i) take any action that is prohibited by or inconsistent with the terms of the Shareholders Deed; or
  - (ii) fail to take any action required under the terms of the Shareholders Deed.
- (c) A holder of any Shares who, for any reason, is not at any time a party to the Shareholders Deed must comply with the Shareholders Deed as if it were a party to it.
- (d) In this Constitution, where there is a reference to the Shareholders Deed:
  - (i) for such time as there is no Shareholders Deed in force, the relevant rule will be read as if it did not contain any reference to the Shareholders Deed, and if it is not capable of being so read, will be disregarded in its entirety; and
  - (ii) where a rule of this Constitution contains provisions to the effect that if the Shareholders Deed is in force, a matter will be governed by the applicable provisions of the Shareholders Deed, but the Shareholders Deed does not in fact contain provisions governing the matter, then the rule will be read as if it did not contain any reference to the Shareholders Deed, and if it's not capable of being so read, will be disregarded in its entirety.

**Capital****5 Shareholders Deed**

Subject to rule 4(d) but despite any other provision of this constitution, for so long as the Shareholders Deed is in force:

- (a) the company may not (and no member or Director may take any action to procure that the company will):
  - (i) issue or grant options in respect of Shares, nor agree to do so;
  - (ii) otherwise deal, in its own Shares, or rights to acquire or be issued them (however structured), nor agree to do so;
  - (iii) vary all or any of the rights or privileges attached to a class of Shares (including, without limitation, in any conversion or reclassification of Shares of one class into Shares of another class); or
  - (iv) alter its Share capital,

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if such issue, grant, disposal, variation, conversion, reclassification or alteration (each a **Share Capital Matter**) would contravene or be inconsistent with the Shareholders Deed; and

- (b) in the event of any inconsistency between the provisions of the Shareholders Deed in relation to Share Capital Matters and this constitution, the Shareholders Deed prevails to the extent of such inconsistency.

## 6 Issue of Securities

- (a) Subject to the Corporations Act, this Constitution, the Shareholders Deed, and any special rights conferred on the holders of any Securities, the issue of Securities is under the control of the Board, which may issue and cancel Securities and grant options over unissued Securities, on the terms the Board considers appropriate.
- (b) Subject to the terms of the Shareholders Deed, without affecting any special rights conferred on the holders of any Securities, any Securities may be issued with preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the Board may determine and on any terms the Board considers appropriate.
- (c) Unless otherwise provided by the terms of issue, the issue of any new Securities ranking equally with existing Securities is not a variation of the rights conferred on the holders of the existing Securities.

## 7 Recognition of Third Party Interests

- (a) Except as required by law or the Shareholders Deed, the Company is not bound to recognise a person as holding a Security on any trust.
- (b) Whether or not it has notice of the rights or interests concerned, the Company is not bound to recognise:
  - (i) any equitable, contingent, future or partial claim to, or interest in, any Security or unit of a Security; or
  - (ii) any other right in respect of a Security,
 except an absolute right of ownership of the Security holder or as otherwise provided by this Constitution, the Shareholders Deed or by law.

## 8 Surrender of Securities

In its discretion, the Board may accept a surrender of Securities by way of compromise of any question as to whether or not those Securities have been validly issued or in any other case where the surrender is within the powers of the Company. Any Securities surrendered may be sold or re-issued in the same manner as forfeited shares.

## 9 Joint Holders

Where two or more persons are registered as the holders of any Securities, they are considered to hold the Securities as joint tenants with benefits of survivorship, subject to the following provisions:

- (a) the Company is not bound to register more than four persons as the holders of the Securities;
- (b) the joint holders of the Securities are liable severally as well as jointly in respect of all payments which ought to be made in respect of the Securities;

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- (c) on the death of any one of the joint holders, the remaining joint holders are the only persons recognised by the Company as having any title to the Securities but the Board may require evidence of death and the estate of the deceased joint holder is not released from any liability in respect of the Securities;
- (d) any one of the joint holders may give a receipt for any Dividend, bonus or return of capital payable to the joint holders in respect of the Securities;
- (e) only the person whose name stands first in the Securities register as one of the joint holders of the Securities is entitled, if the Company determines to issue certificates for Securities, to delivery of a certificate relating to the Securities or to receive notices from the Company and any notice given to that person is considered notice to all the joint holders; and
- (f) any one of the joint holders may vote at any general meeting of the Company in person, or by properly authorised representative, proxy or attorney, in respect of the Securities as if that joint holder was solely entitled to the Securities. If more than one of the joint holders tender a vote in person or by properly authorised representative, proxy or attorney, only the vote of the joint holder whose name appears first in the Securities register counts.

**Certificates for Securities****10 Certificates**

The Board may decide to issue certificates for Securities and to cancel any certificates on issue and to replace lost, destroyed or defaced certificates on issue on the basis and in the form it determines from time to time.

**11 Forfeiture Liability to Forfeiture**

- (a) Subject to the Shareholders Deed, if a shareholder fails to pay when due any sum payable in respect of any shares (including amounts payable on issue, calls, instalments, interest or expenses) the Board may serve a notice on the shareholder requiring payment of the unpaid sum, together with accrued interest and all expenses of the Company incurred by reason of the non-payment.
- (b) The notice must:
  - (i) specify:
    - (A) a time by which payment must be made, which must not be earlier than close of business (local time at the registered office of the Company) 14 days after the date of service of the notice; and
    - (B) the required manner of payment; and
  - (ii) state that the shares are liable to be forfeited, if payment is not made as required by the notice.

**12 Power to Forfeit**

If the requirements of a notice with respect to a share under rule 11 are not complied with, then at any time the share may be forfeited by a resolution of the Board to that effect unless, before the resolution the payment required by the notice is paid together with interest (if determined by the Board) at the rate determined by the Board.

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**13 Consequences of Forfeiture**

- (a) Subject to the Shareholders Deed, a person whose shares have been forfeited:
- (i) ceases to be a shareholder in respect of the forfeited shares at the time and on the date of the passing of a resolution of the Board approving the forfeiture;
  - (ii) has no claims or demands against the Company in respect of those shares including any Dividends;
  - (iii) has no other rights incident to the shares; and
  - (iv) unless otherwise approved by the Company in general meeting, remains liable to pay to the Company all money that, at the date of forfeiture, was payable by the person to the Company in respect of the shares (including, if the Board determines, interest from the date of forfeiture at the rate the Board determines). The Board may enforce the payment of all or any part of the money as it determines.
- (b) Subject to the Shareholders Deed, If any amounts due in respect of any shares (including amounts payable on issue, instalments, interest or expenses) are unpaid by the shareholder:
- (i) the shareholder is not entitled to any rights or privileges as a shareholder;
  - (ii) the Company is entitled to set off any amount owed by it to the shareholder against the amounts the shareholder owes to it; and
  - (iii) the Company may refuse to register a transfer of the shares.
- (c) Subject to the Shareholders Deed, nothing in this rule 13 affects any other right or remedy of the Company against the shareholder or anyone else.

**14 Notice of Forfeiture**

When any share is forfeited, the Company will note it in the share register and notify the affected shareholder. Failure to do so does not invalidate the forfeiture. At any time before any forfeited share is cancelled or reissued, the Board may annul the forfeiture on any conditions it determines.

**15 Reissue of Forfeited Shares**

- (a) Subject to applicable law and the Shareholders Deed, the Board may reissue the forfeited shares in any manner it determines and, to the extent permitted by law, with or without any money previously paid on the shares being credited as paid up.
- (b) Unless otherwise agreed, the acquirer of a reissued share is:
- (i) discharged from liability for any calls which may have been due before the reissue of the forfeited share; and
  - (ii) not bound to see to the application of any money paid as consideration.

**16 Transfers After Forfeiture and Sale**

- (a) Subject to the Shareholders Deed, the Company may:
- (i) receive the consideration (if any) given for a forfeited share on any sale or disposition of the share; and
  - (ii) effect a transfer of the share in favour of the person to whom the share is sold or disposed of.

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- (b) On the completion of the transfer, the transferee is to be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.

### Payments by the Company

#### 17 Payments by the Company

- (a) If the law of any place imposes or purports to impose any immediate or future or possible liability on the Company to make any payments or empowers any government or taxing authority or government official to require the Company to make any payment:
  - (i) in respect of any Securities held either jointly or solely by any holder;
  - (ii) in respect of any transfer of those Securities;
  - (iii) in respect of any interest, Dividends, bonuses or other moneys due or payable or accruing or which may become due or payable to the holder by the Company on or in respect of any Securities; or
  - (iv) for or on account or in respect of any holder of Securities,
 then rules 17(b) and 17(c) apply, in addition to the terms of the Shareholders Deed and any right or remedy the Company may otherwise have.
- (b) The Company is fully indemnified by:
  - (i) the holder;
  - (ii) the holder's trustee, executor or administrator; or
  - (iii) any person who becomes registered as the holder of the Securities on the distribution of the deceased holder's estate.
- (c) The Company may recover any moneys paid as described in rule 17(a), which exceeded any Dividend, bonus or other money then due or payable by the Company to the holder, together with interest at a rate the Board may determine from time to time from the date of payment to the date of repayment, as a debt due from:
  - (i) the holder;
  - (ii) the holder's trustee, executor or administrator; or
  - (iii) any person who becomes registered as holder of the Securities on the distribution of the deceased holder's estate.
- (d) The Board may:
  - (i) exempt a Security from all or part of this rule 17; and
  - (ii) waive or compromise all or part of any payment due to the Company under this rule 17.

### Call on Shares and Interest on Sums Due to the Company

#### 18 Board's Power to Make Calls

- (a) Subject to the terms of issue of any shares, the Board may make calls on the relevant shareholders in respect of any money unpaid on the shares.
- (b) Each shareholder must pay the amount of the call on that shareholder's shares in the manner, by the time or times, and at the place, specified by the Board.
- (c) The Board may revoke or postpone a call.
- (d) A call may be required to be paid by instalments.

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- (e) A call is made at the time of or as specified in the resolution of the Board authorising the call.
- (f) The non-receipt of a notice of a call by, or the accidental omission to give notice of a call to, any shareholder does not invalidate the call.
- (g) If the Board thinks fit, the Company may receive from any shareholder all or any part of the moneys unpaid on all or any of the shares held by that shareholder beyond the sums actually called up and then due and payable either as a loan repayable or as a payment in advance of calls. The Company may pay interest on the moneys advanced at the rate and on the terms agreed by the Board and the shareholder paying the sum in advance.

**19 Interest on Unpaid Amounts**

- (a) If a sum called or otherwise payable to the Company in respect of a share is not paid before or on the day for payment, the person from whom the sum is due must pay:
  - (i) interest on the sum from the due date to the time of actual payment at the rate determined by the Board; and
  - (ii) any costs and expenses incurred by the Company by reason of non-payment or late payment of the sum.
- (b) The Board may waive payment of some or all of the interest, costs and expenses under rule 19(a).

**20 Differentiation between Holders**

The Board may differentiate on the issue of shares between the holders as to the amount of calls to be paid and the times of payment.

**Transfer of Securities****21 Shareholders Deed**

Subject to rule 4(d) but despite any other provision of this constitution, for so long as:

- (a) the Shareholders Deed is in force; and
- (b) the Shareholders Deed includes provisions relating to the transfer, buy-back, cancellation, redemption or other disposal of Shares, or relating to the granting or taking of security over Shares (or the enforcement of such security), including without limitation any rules regarding permitted transfers, pre-emptive rights, drag along rights, tag along rights, events of default, compulsory transfer, or the enforcement of outstanding claims by way of recourse to any Shares (all of these being **Share Transfer Provisions**); then:
  - (c) the Share Transfer Provisions are deemed to be incorporated into this constitution and will apply as if set out herein; and
  - (d) in the event of any inconsistency between the Share Transfer Provisions and any other provision of this constitution, the Share Transfer Provisions prevail to the extent of such inconsistency.

**22 Transfers**

- (a) No transfer of any Securities may be registered unless a proper instrument of transfer, in writing in the usual or common form or in any form the Board may prescribe or in a particular case accept, signed by the transferor and the transferee and properly stamped

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(if necessary) is delivered to the Company (but the Board may dispense with the execution of the instrument by the transferee if the Board thinks fit).

- (b) The transferor is considered to remain the holder of the Securities transferred until the name of the transferee is entered on the Securities register.

### 23 Board may Refuse to Register

- (a) Subject to rule 23(b) and 24, and the Shareholders Deed, the Board may in its discretion refuse to register any transfer of Securities and may decline to give its reasons and grounds for doing so. The decision of the Board relating to the registration of a transfer is absolute. Failure to give notice of refusal to register any transfer as may be required under the Corporations Act does not invalidate the decision of the Board.
- (b) If the Shareholders Deed is in force, and notwithstanding any other provision of this Constitution, the Directors must not decline to register a transfer of a Share and must not suspend the registration of such transfer that complies with the terms of the Shareholders Deed, and must not register a transfer which does not comply with the terms of the Shareholders Deed.

### 24 Board must Register Certain Transfers

Despite any other provision of this Constitution, the Board must register (and must not refuse to register or suspend the registration of) a transfer of Securities in accordance with this Constitution and the Shareholders Deed where the transferor or the transferee is a person entitled to the benefit of any mortgage or charge granted in respect of those Securities or any receiver, receiver and manager, agent or attorney appointed or purported to be appointed under that mortgage or charge, or any person who has purchased those Securities as a result of the exercise of a person's rights under that mortgage or charge.

### 25 Transfer and Certificate

- (a) Every transfer must be left for registration at the registered office of the Company or any other place the Board determines. Without limiting rule 25(b), the transfer is to be accompanied by such evidence that the Board may require to prove the title of the transferor, the transferor's right to transfer the Securities, execution of the transfer or compliance with the provisions of any applicable laws.
- (b) Unless the Board otherwise determines either generally or in a particular case, each application to register the transfer of any Securities, or to register any person as the holder in respect of any Securities transmitted to that person by operation of law or otherwise, is to be accompanied by the certificate for the relevant Securities. The certificate is considered to have been cancelled on such registration.
- (c) Each transfer that is registered may be retained by the Company for any period determined by the Board, after which the Company may destroy it.
- (d) Without limiting any other entitlement the Company may have to charge fees, the Company may charge a reasonable fee in relation to any transfer of Securities or the issue of any certificates for Securities.

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**Transmission of Securities****26 Transmission on Death**

- (a) Where a Security holder dies, subject to the Shareholders Deed:
- (i) the legal personal representatives of the deceased, where the Security holder was a sole holder or a joint holder holding as a tenant in common; and
  - (ii) the survivor or survivors, where the Security holder was a joint holder,
- are the only persons recognised by the Company as having any title to the Security holder's interest in the Securities (as the case may be).
- (b) Subject to the Corporations Act, the Board may require evidence of a Security holder's death as it determines.
- (c) This rule 26 does not release the estate of a deceased joint holder from any liability in respect of any Security that had been jointly held by the holder with other persons.

**27 Transmission by Operation of Law**

A person (a **transmittee**) who establishes to the satisfaction of the Board that the right to any Securities has devolved on the transmittee by will or by operation of law may be registered as a holder in respect of the Securities or may (subject to the provisions in this Constitution relating to transfers) transfer the Securities. The Board has the same right to refuse to register the transmittee as if the transmittee was the transferee named in a transfer presented for registration.

**Alteration of Capital****28 Power to Alter Share Capital**

The Company may reduce or alter its share capital in any manner provided for by the Corporations Act, subject to the terms of the Shareholders Deed. The Board may do anything that is required to give effect to any resolution authorising reduction or alteration of the share capital of the Company and, without limitation, may make provision for the issue of fractional certificates or the sale of fractions of shares and the distribution of net proceeds as it thinks fit.

**General Meetings****29 Shareholders Deed**

Subject to rule 4(d) but despite any other provision of this constitution, for so long as:

- (a) the Shareholders Deed is in force; and
  - (b) the Shareholders Deed includes provisions relating to member approvals in general meeting or by written resolutions, including, among others, notice and quorum requirements and matters reserved to the members (all of these being **General Meeting Provisions**);
- then:
- (c) the General Meeting Provisions are deemed to be incorporated into this constitution and will apply as if set out herein; and
  - (d) in the event of any inconsistency between the General Meeting Provisions and any other provision of this constitution, the General Meeting Provisions prevail to the extent of such inconsistency.



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**30 General Meetings**

- (a) A Director may convene a general meeting of the Company whenever the Director thinks fit and:
- (i) at one or more physical venues;
  - (ii) at one or more physical venues and using virtual meeting technology; or
  - (iii) using virtual meeting technology only,
- provided that, in each case, shareholders as a whole are given a reasonable opportunity to participate in the meeting.
- (b) If virtual meeting technology is to be used for a general meeting of the Company, the Board will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio or visual device which permits instantaneous communication.
- (c) Any Director may cancel or postpone any meeting convened by that Director by notice in writing to all persons who were entitled to receive notice of that meeting, except where the cancellation or postponement would be contrary to the Corporations Act. Any failure to give notice of cancellation or postponement does not invalidate the cancellation or postponement or any resolution passed at a postponed general meeting.

**31 Notice of General Meeting**

- (a) Where the Board has called a general meeting, notice of the meeting may be given in the form and manner in which the Board determines, subject to the Corporations Act and the Shareholders Deed.
- (b) The non-receipt of a notice convening a general meeting by, or the accidental omission to give notice to, any person entitled to receive notice does not invalidate the proceedings at or any resolution passed at the meeting.

**32 Business of Annual and Other General Meetings**

- (a) The business of an annual general meeting of the Company includes:
- (i) to receive and consider the accounts and reports required by the Corporations Act to be laid before each annual general meeting;
  - (ii) to elect Directors;
  - (iii) when relevant to appoint an auditor and to fix the auditor's remuneration; and
  - (iv) to transact any other business that, under this Constitution or the Corporations Act, is required to be transacted at any annual general meeting.

The business of an annual general meeting may also include any other business that may be transacted at a general meeting.

- (b) No person may move at any general meeting either any resolution (except in the form set out in the notice of meeting) or any amendment of any resolution, except with the approval of the Board, as required by the Shareholders Deed, with the permission of the chair of the meeting or under the Corporations Act.

**33 Quorum for General Meetings**

- (a) No business may be transacted at any general meeting except, subject to rule 34, the election of a chair of the meeting unless a quorum of shareholders is present at the time when the meeting proceeds to business.

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- (b) Except as otherwise provided in this Constitution or the Shareholders Deed, two Shareholders Present constitutes a quorum.
- (c) If there is not a quorum at a general meeting within 30 minutes after the time specified in the notice of the meeting, the meeting is dissolved unless the chair of the meeting or the Board adjourns the meeting to a date, time and place determined by that chair or the Board. If no quorum is present at any adjourned meeting within 30 minutes after the time for the meeting, the meeting is dissolved.
- (d) Nothing in this Constitution limits the Company's power to pass a resolution without a general meeting in accordance with the Corporations Act.

**34 Conduct of General Meetings**

- (a) Subject to rule 34(b), the chair of the Board is entitled to preside as chair at every general meeting.
- (b) Where a general meeting is held and:
  - (i) there is no chair of the Board; or
  - (ii) the chair of the Board is not able to be present at the meeting or is not present within 15 minutes after the time appointed for the meeting, or despite being so present is unable or unwilling to act as chair of the meeting,

the deputy chair of the Board is entitled to chair the meeting or, if the circumstances in rule 34(b)(i) or 34(b)(ii) apply to the deputy chair of the Board, the Directors present may choose one of their number or, in the absence of all Directors or if none of the Directors present wish to act, the Shareholders Present may elect one of their number, to be chair of the meeting.
- (c) The general conduct of each general meeting of the Company and the procedures to be adopted at the meeting are as determined at, during or prior to the meeting by the chair of the meeting.
- (d) The chair of a general meeting of the Company may make rulings without putting the question (or any question) to a vote if that chair considers action is required to ensure the orderly conduct of the meeting.
- (e) The chair of a general meeting of the Company may require the adoption of any procedures that are in that chair's opinion necessary or desirable for the proper and orderly casting or recording of votes at the meeting, whether on a show of hands or on a poll.
- (f) If at any time the chair of a general meeting of the Company considers it necessary or desirable for the proper and orderly conduct of the meeting, that chair may demand the cessation of debate or discussion on any business, question, motion or resolution being considered by the meeting and require the business, question, motion or resolution to be put to a vote of the Shareholders Present.
- (g) Any determination by the chair of a general meeting in relation to matters of procedure (including any procedural motions moved at, or put to, the meeting) or any other matter arising directly or indirectly from the business is final (including any procedural motions moved at, or put to, the meeting). Any challenge to a right to vote (whether on a show of hands or on a poll) or to a determination to allow or disregard a vote may only be made at the meeting and may be determined by the chair of the meeting whose decision is final.

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- (h) If a person purports to cast a vote at a general meeting in contravention of the Corporations Act, the chair of the meeting may determine that the vote be disregarded and treated as not having been cast.
- (i) Nothing contained in this rule 34 limits the powers conferred on a chair of a general meeting by law.

**35 Acting Chair**

- (a) If during any general meeting the chair of the meeting acting under rule 34 is unwilling to chair any part of the proceedings, that chair may withdraw during the relevant part of the proceedings and may nominate any person who immediately before the general meeting was a Director or who has been nominated for election as a Director at the meeting to be acting chair of the meeting during the relevant part of the proceedings. On the conclusion of the relevant part of the proceedings the acting chair of the meeting is to withdraw and the chair of the meeting acting under rule 34 is to resume to chair the meeting.
- (b) Where an instrument of proxy appoints the chair of a general meeting as proxy for the part of the proceedings for which an acting chair of the meeting has been nominated, the instrument of proxy is taken to be in favour of that acting chair for the relevant part of the proceedings.

**36 Adjournment of General Meetings**

- (a) During the course of a general meeting the chair of the meeting may adjourn the meeting or any business, motion, question or resolution being considered or remaining to be considered by the meeting or any debate or discussion either to a later time at the same meeting or to an adjourned meeting to be held at the time and place determined by that chair.
- (b) If the chair of a general meeting exercises a right of adjournment of the meeting under this rule 36, that chair has the sole discretion to decide whether to seek the approval of the Shareholders Present to the adjournment and, unless that chair exercises that discretion, no vote may be taken by the Shareholders Present in respect of the adjournment.
- (c) No business may be transacted at any adjourned general meeting other than the business left unfinished at the meeting from which the adjournment took place.

**37 Voting at General Meetings**

- (a) Subject to the requirements of the Corporations Act, any question submitted to a general meeting is to be decided by a simple majority of votes validly cast on the question at the meeting.
- (b) Subject to the requirements of the Corporations Act and the Shareholders Deed, any question submitted to a general meeting is to be decided in the first instance by a show of hands of the Shareholders Present and entitled to vote, unless a poll is demanded.
- (c) Unless a poll is demanded, a declaration by the chair of a general meeting following a vote on a show of hands at the meeting that a resolution has been passed or lost is conclusive, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (d) At any general meeting, a poll may be demanded by a shareholder in accordance with the Corporations Act or the Shareholders Deed (and not otherwise) or by the chair of the meeting. No poll may be demanded on the election of a chair of the meeting or, unless

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that chair otherwise determines, the adjournment of the meeting. A demand for a poll may be withdrawn.

### 38 Special Meetings

All the provisions of this Constitution and the Shareholders Deed as to general meetings apply to any special meeting of any class of shareholders that may be held under the operation of this Constitution or the Corporations Act.

### 39 Procedure for Polls

- (a) When demanded at a general meeting, a poll may be taken in the manner and at the time that the chair of the meeting directs.
- (b) The result of a poll may be announced in the manner and at the time (whether during the relevant meeting or afterwards) that the chair of the meeting considers appropriate.
- (c) The result of a poll is the resolution of the meeting at which the poll was demanded.
- (d) The demand for a poll does not prevent a meeting from continuing for the transaction of any business other than that on which a poll has been demanded. Subject to rules 36 and 37(d), a poll demanded on any question of adjournment is to be taken at the meeting and without adjournment.

### 40 Chair has Casting Vote

In the case of an equality of votes on a show of hands or on a poll at a general meeting of the Company, the chair of the meeting has a casting vote in addition to any vote to which that chair may be entitled as a shareholder or as a proxy, attorney or properly appointed representative of a shareholder.

### 41 Representation and Voting of Shareholders

Subject to this Constitution and the Shareholders Deed and any rights or restrictions for the time being attached to any class or classes of shares:

- (a) at meetings of shareholders or a class of shareholders each shareholder entitled to attend and vote may:
  - (i) attend and vote in person; or
  - (ii) be represented and vote by proxy, by attorney or (where the shareholder is a body corporate) by representative;
- (b) a shareholder may only vote by one of the permitted methods in rule 41(a) in respect of a share although, without limiting rule 44(b), a shareholder may attend and participate in a meeting even though the shareholder has previously appointed a proxy or attorney in respect of that meeting;
- (c) on a show of hands in respect of a resolution:
  - (i) subject to rules 41(c)(ii) and 41(c)(iii), each Shareholder Present has one vote;
  - (ii) where a shareholder has appointed more than one person as representative, proxy or attorney for the shareholder, none of the representatives, proxies or attorneys is entitled to vote; and
  - (iii) where a person is entitled to vote because of rule 41(c)(i) in more than one capacity, that person is entitled only to one vote; and

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- (d) on a poll in respect of a resolution, subject to rule 41(b), only Shareholders Present may vote and every Shareholder Present having the right to vote on the resolution has:
  - (i) one vote for each fully paid share they hold; and
  - (ii) in the case of a partly paid share, that fraction of a vote equivalent to the proportion that the amount paid up on that shareholder's share bears to the total amount paid and payable for that share. Amounts paid in advance of a call are ignored when calculating the proportion.

#### 42 Restriction on Voting Rights

A shareholder is not entitled to attend or vote at a general meeting or to be counted for the purpose of constituting a quorum unless all calls and other sums presently payable by the shareholder in respect of shares have been paid.

#### 43 Form of Proxy

- (a) A shareholder who is entitled to attend and vote at a meeting of the Company may appoint a person as a proxy to attend and vote for the shareholder in accordance with the Corporations Act but not otherwise. A proxy appointed in accordance with the Corporations Act to attend and vote may exercise the rights of the shareholder on the basis and subject to the restrictions provided in the Corporations Act but not otherwise.
- (b) An appointment of a proxy is valid if it is in accordance with the Corporations Act or in any form (including electronic) that the Board may prescribe or accept.
- (c) If a proxy appointment is not properly executed or validated, incomplete or unclear, the following provisions apply. Nothing obliges the Board or the Company to do anything referred to in those provisions.
  - (i) If the name of the proxy is not included, the name of any Director or Secretary may be inserted by the Secretary on the authority of the Board (which may occur later than the time specified in the relevant notice of meeting for the receipt of proxy appointments).
  - (ii) If the appointment has not been duly signed or validated, the Company may:
    - (A) return the appointment to the appointing shareholder; and
    - (B) request that the shareholder sign or validate the appointment and return it to the Company within a period decided by the Board (which may be later than the time specified in the relevant notice of meeting for the receipt of proxy appointments).
  - (iii) If the appointment is otherwise incomplete or unclear, the Company may, by written or oral communication, clarify with a shareholder any instruction on the appointment and complete or amend the contents of any appointment to reflect any clarification in instruction received from the shareholder (which completion or amendment may occur later than the time specified in the relevant notice of meeting for the receipt of proxy appointments). For this purpose, the shareholder appoints the Company as its attorney.
- (d) Where a notice of meeting provides for electronic lodgement of proxy appointments, an appointment lodged at the electronic address or by the electronic means specified in the notice is taken to have been received at the registered office of the Company and validated by the shareholder if there is compliance with the requirements set out in the notice.

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**44 Validity of Proxies, Attorneys and Representatives**

- (a) A vote exercised in accordance with the terms of a proxy appointment, a power of attorney or other relevant instrument of appointment is valid despite:
- (i) the previous death or unsoundness of mind of the principal;
  - (ii) the revocation of the appointment, power or instrument (or of the authority under which it was made or given); or
  - (iii) the transfer of the share in respect of which the appointment, power or instrument is made or given,
- if no notice in writing of the death, unsoundness of mind, revocation or transfer (as the case may be) has been received by the Company at its registered office at least 48 hours (or any shorter period as the Board may permit or specified by the Corporations Act) before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.
- (b) A proxy appointment or power of attorney (subject to its terms) is not revoked by the principal attending and taking part in the relevant meeting unless the principal actually votes at the meeting on a resolution for which the proxy appointment or power of attorney is proposed to be used.
- (c) Voting instructions given by a shareholder to a Director or employee of the Company who is appointed as proxy (**Company Proxy**) are valid only if contained in the form of appointment of the Company Proxy. If a shareholder wishes to give a Company Proxy appointed by the shareholder new instructions or variations to earlier instructions, the new or varied instructions are only valid if either they are received at the registered office of the Company at least 48 hours before the meeting or adjourned meeting by a notice in writing signed by the shareholder or they are otherwise validated by the shareholder in a manner acceptable to the Board in its discretion prior to the commencement of the meeting.

**Appointment, Removal and Remuneration of Directors****45 Shareholders Deed**

Subject to rule 4(d) but despite any other provision of this constitution, for so long as:

- (a) the Shareholders Deed is in force; and
- (b) the Shareholders Deed includes provisions relating to the Directors of the company, including without limitation, appointment and removal of Directors, vacation of office, remuneration, interested Directors (including under any applicable conflicts policy), powers and duties of Directors, meetings of Directors, voting, resolutions, the chair and Alternate Directors (all of these being **Directors Provisions**);

then:

- (c) the Directors Provisions are deemed to be incorporated into this constitution and will apply as if set out herein; and
- (d) in the event of any inconsistency between the Directors Provisions and any other provision of this constitution, the Directors Provisions prevail to the extent of such inconsistency.

**46 Number of Directors**

- (a) All Directors are to be natural persons.

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- (b) The number of Directors (not including alternate Directors) must not be less than three.

#### 47 Appointment and Removal of Directors

- (a) The Company in general meeting may by resolution:
- (i) appoint any person as a Director either to fill a casual vacancy or as an addition to the Board; and
  - (ii) remove any Director from office.
- (b) No person is eligible to be elected a Director at any general meeting unless a notice of the person's candidature (signed by the person) is given to the Company at its registered office at least 35 Business Days before the meeting (or, in the case of a meeting that shareholders have requested the Board to call, 30 Business Days).
- (c) The Board may at any time appoint any person as a Director either to fill a casual vacancy or as an addition to the Board.

#### 48 No Share Qualification for Directors

Directors are not required to hold shares in the capital of the Company

#### 49 Remuneration of Directors

- (a) The Directors may be paid for their services as Directors.
- (b) Any remuneration for services to be paid under rule 49(a) is to be paid out of the funds of the Company. Each Director may be paid a sum per annum (accruing from day to day) determined by the Company in general meeting or approved by the shareholders unanimously. The Board may determine to suspend, reduce or postpone payment of any remuneration if it thinks fit. The expression **remuneration** in this rule does not include any amount that may be paid by the Company under any of rules 49(e), 49(f), 51 and 77.
- (c) A Director who is remunerated as an executive Director must not be paid fees under rule 49(a).
- (d) The remuneration to which a Director is entitled may be provided to a Director in cash or in any other form as is agreed between the Company and the Director. A Director may elect to forgo some or all of the Director's entitlement to cash remuneration in favour of another agreed form of remuneration and vice versa, provided the total cost to the Company of that Director's remuneration is not increased above the maximum amount for that Director under rule 49(b).
- (e) The Directors are also entitled to be paid or reimbursed for all travelling and other expenses properly incurred by them in attending and returning from any meeting of the Board or of a committee of the Board or any general meeting of the Company, or otherwise in connection with the business or affairs of the Company.
- (f) If any Director, with the approval of the Board, performs extra services or makes any special exertions for the benefit of the Company, the Board may approve the payment to that Director of special and additional remuneration as the Board determines having regard to the value to the Company of the extra services or special exertions. Any special or additional remuneration must not include a commission on or percentage of profits or operating revenue or turnover.
- (g) Subject to the Shareholders Deed, an executive Director may be appointed on terms as to remuneration, tenure of office and otherwise as may be determined by the Board.

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- (h) Subject to the Corporations Act, a Director may be engaged by the Company in any other capacity (other than auditor) and may be appointed on such terms as to remuneration, tenure of office and otherwise as may be determined by the Board.

#### 50 Vacation of Office of Director

- (a) In addition to the circumstances in which the office of a Director becomes vacant:
- (i) under the Corporations Act;
  - (ii) under the terms of the Shareholders Deed and
  - (iii) under rule 47(a)(ii),
- the office of a Director becomes vacant if the Director:
- (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - (v) resigns by notice in writing to the Company;
  - (vi) is absent without the consent of the Board from meetings of the Board held during a continuous period of six months; or
  - (vii) dies.
- (b) The office of a Director who is an employee of the Company or any of its subsidiaries is terminated on the Director ceasing to be employed but the person concerned is eligible for reappointment or re-election as a Director.

#### 51 Retirement Allowance for Directors

- (a) Subject to the Corporations Act, the Company may pay, provide or make any payment, pension, retiring allowance or other benefit (whether in the form of Securities, securities in any other corporation or otherwise) to any Director or a director of a subsidiary or any other person in connection with the Director's retirement, resignation from or loss of office or death while in office.
- (b) Subject to rule 51(a) the Board may:
- (i) make contracts or arrangements with a Director or a person about to become a Director or a director of a subsidiary under which the Director or any person nominated by the Director is paid or provided with a payment, pension, retiring allowance or other benefit (whether in the form of Securities, securities in any other corporation or otherwise) on or after the Director or person about to become a Director or a director of a subsidiary ceases to hold office for any reason; and
  - (ii) establish any fund or scheme to provide payments, pensions, retiring allowances or other benefits (whether in the form of Securities, securities in any other corporation or otherwise) for:
    - (A) Directors or directors of any subsidiary, on them ceasing to hold office; or
    - (B) any person including a person nominated by the Director or a director of a subsidiary, in the event of the Director's or director's death while in office,

and from time to time pay to the fund or scheme any sum as the Company considers necessary to provide those benefits.
- (c) Without limiting rules 51(a) and 51(b), the Company may pay superannuation contributions for each Director to the extent necessary for the avoidance or minimisation



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of any penalty, charge, tax, or other impost on the Company under any applicable legislation which imposes a penalty, charge, tax or other impost on employers if a minimum level of superannuation contributions is not paid for an employee (within the meaning of the legislation).

## 52 Directors May Lend to the Company

Any Director may lend money to the Company at interest with or without security or may, for a commission or profit, guarantee the repayment of any money borrowed by the Company or underwrite or guarantee the subscription of Securities or securities of any corporation in which the Company may be interested without being disqualified in respect of the office of Director and without being liable to account to the Company for the commission or profit.

## 53 Alternate Directors

Subject to this Constitution and the Shareholders Deed, each Director may appoint any person to act as an alternate Director in the Director's place pursuant to the terms of the Shareholders Deed, either for a stated period or until the happening of a specified event, whenever by absence or illness or otherwise the Director is unable to attend to duties as a Director. The appointment must be in writing and signed by the Director and a copy of the appointment must be given to the registered office of the Company or to a meeting of the Board. The appointment takes effect on approval by a majority of the other Directors or, where the approval has been granted, at any later time specified in the appointment. The following provisions apply to any alternate Director:

- (a) the appointment of the alternate Director is terminated or suspended on receipt at the registered office of the Company of notice in writing signed by the Director by whom the alternate Director was appointed;
- (b) the alternate Director is entitled to receive notice of meetings of the Board and to attend and vote at the meetings if the Director by whom the alternate Director was appointed is not present;
- (c) the alternate Director is entitled to exercise all the powers (except the power to appoint an alternate Director) and perform all the duties of a Director, to the extent the Director by whom the alternate Director was appointed has not exercised or performed them or they have not been limited by the instrument appointing the alternate Director;
- (d) the alternate Director is not, unless the Board otherwise determines, (without affecting the right to reimbursement for expenses under rule 49(e)) entitled to receive any remuneration as a Director from the Company, and any remuneration (not including remuneration authorised by the Board or reimbursement for expenses) paid to the alternate Director as a Director by the Company is to be deducted from the remuneration of the Director by whom the alternate Director was appointed;
- (e) unless previously terminated, the office of the alternate Director is terminated on the death of, or termination of office by, the Director by whom the alternate Director was appointed;
- (f) the alternate Director is not to be taken into account in determining the number of Directors; and
- (g) the alternate Director is, while acting as a Director, responsible to the Company for the alternate Director's own acts and defaults and is not the agent of the Director by whom the alternate Director was appointed.

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### **Powers of the Board**

#### **54 Powers of the Board**

The business of the Company is managed by the Board, which may exercise all powers of the Company that are not, by the law or this Constitution, required to be exercised by the Company in general meeting.

### **Proceedings of the Board**

#### **55 Proceedings of the Board**

- (a) The Board may meet together for the dispatch of business and adjourn and otherwise regulate its meetings as it determines.
- (b) Subject to the terms of the Shareholders Deed, the presence of the Directors entitled to the majority of the votes of the Directors in office (and no less than two Directors) form a quorum.
- (c) A Director may at any time, and a Secretary upon the request of a Director must, convene a meeting of the Board with reasonable notice to the other Directors. A meeting of the Board may also be convened in any other manner determined by the Board from time to time.
- (d) Notice of a meeting of the Board may be given by mail (electronic or otherwise), personal delivery, facsimile transmission or other electronic means to the usual place of business or residence of the Director or at any other address given to a Secretary by the Director or by any technology agreed by all the Directors.

#### **56 Meetings of the Board by Technology**

- (a) For the purposes of the Corporations Act, each Director, by consenting to be a Director (or by reason of the adoption of this Constitution), consents to the use of each of the following technologies for holding a Board meeting:
  - (i) video;
  - (ii) telephone;
  - (iii) any other technology that permits each Director to communicate with every other Director; or
  - (iv) any combination of these technologies.A Director may withdraw the consent given under this rule in accordance with the Corporations Act.
- (b) Where the Directors are not all in attendance at one place and are holding a meeting using technology and each Director can communicate with the other Directors:
  - (i) the participating Directors are, for the purpose of every provision of this Constitution concerning meetings of the Board, taken to be assembled together at a meeting and to be present at that meeting; and
  - (ii) all proceedings of the Board conducted in that manner are as valid and effective as if conducted at a meeting at which all of the participating Directors were physically present in the one location.

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**57 Chair of the Board**

- (a) Subject to the Shareholders Deed, The Board may elect one of their number as chair of the Board and another as deputy chair of the Board and may decide the period for which that chair and that deputy chair are to hold office as chair and deputy chair, respectively.
- (b) Where a meeting of the Board is held and:
- (i) a chair of the Board has not been elected as provided by rule 57(a); or
  - (ii) the chair of the Board is not able to be present at the meeting or is not present within 15 minutes after the time appointed for the meeting, or despite being so present is unable or unwilling to chair the meeting,
- the deputy chair of the Board is entitled to chair the meeting or, if the circumstances in rule 57(b)(i) or 57(b)(ii) apply to the deputy chair of the Board, the Directors present may elect one of their number to chair the meeting.

**58 Directors' Voting Rights and Exercise of Powers**

- (a) Without limiting rule 62, a meeting of the Board of which notice has been given to all Directors and at which a quorum is present, is competent to exercise any of the authorities, powers and discretions for the time being vested in or exercisable by the Board. Nothing in this rule 58(a) limits the exercise of any authority, power or discretion of the Board which has been delegated by the Board in accordance with law or this Constitution.
- (b) Subject to this Constitution and the Shareholders Deed, questions arising at a meeting of the Board are decided by a majority of votes of Directors present and voting.
- (c) In the case of an equality of votes at a meeting of the Board, the chair of the meeting has a casting vote in addition to that chair's deliberative vote, unless only two Directors are present and entitled to vote at the meeting on the relevant question.
- (d) Subject to the Corporations Act and the Shareholders Deed, a Director:
- (i) who has an interest in a matter may vote in respect of that matter if it comes before the Board and be counted as part of the quorum;
  - (ii) may enter into contracts with, or otherwise have dealings with, the Company;
  - (iii) may hold any other office or place of profit in the Company, except as auditor; and
  - (iv) may hold any other office or place of profit in any other company, body corporate, trust or entity promoted by the Company or in which the Company has an interest of any kind.
- (e) A Director is not disqualified from the Director's office by contracting with the Company or any related body corporate of the Company in any capacity by reason of holding the office of Director.
- (f) A Director is not liable to account to the Company for any profit realised by any contract, dealings, office or place of profit contemplated by rule 58(d), by reason only of holding the office of Director or of the fiduciary relationship established by the office of Director.
- (g) Subject to the Corporations Act, a Director or any person who is an associate of a Director may participate in any issue by the Company of financial products.

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- (h) Despite having an interest in any contract or arrangement a Director may participate in the execution of any document evidencing or connected with the contract or arrangement, whether by signing, sealing or otherwise.

#### 59 Wholly Owned Subsidiary

At any time when the Company is a wholly-owned subsidiary of another body corporate (the Holding Company) each Director is authorised to act in the best interests of the Holding Company and in doing so will be taken to be acting in the best interests of the Company and for a proper purpose.

#### 60 Material Personal Interests of Directors

- (a) In relation to a contract or arrangement in which a Director has a material personal interest:
- (i) the fact that the Director signed the document evidencing the contract or arrangement will not in any way affect its validity;
  - (ii) a contract or arrangement made by the Company or any related body corporate with a Director may not be avoided merely because the Director is a party to the contract or arrangement or otherwise interested in it; and
  - (iii) the Director will not be liable to account to the Company for any profit derived in respect of the contract or arrangement merely because of the Director's office or the fiduciary relationship it entails.
- (b) Nothing in this rule 60 affects the duty of a Director:
- (i) who holds any office or possesses any property whereby, directly or indirectly, duties or interests might be created in conflict with the Director's duties or interests as a Director, to declare at a meeting of the Board, the fact and the nature, character and extent of the conflict; or
  - (ii) to comply with the Corporations Act.

#### 61 Committees of the Board

- (a) The Board may delegate any of its powers to committees consisting of any one or more Directors or any other person or persons as the Board thinks fit. In the exercise of delegated powers, any committee formed or person or persons appointed to the committee must conform to any regulations that may be imposed by the Board. A delegate of the Board may be authorised to sub-delegate any of the powers for the time being vested in the delegate.
- (b) The meetings and proceedings of any committee are to be governed by the provisions of this Constitution for regulating the meetings and proceedings of the Board so far as they are applicable and are not in conflict with or superseded by any regulations made by the Board under rule 61(a).
- (c) Nothing in this rule 61 limits the power of the Board to delegate.

#### 62 Written Resolutions of Directors

- (a) Subject to the Shareholders Deed, the Board may pass a resolution without a Board meeting being held if it is passed in accordance with the applicable provisions of the Shareholders Deed, and if all Directors, or a majority of the Directors (where notice of the resolution has been given to all Directors), who are entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the Board) assent to a

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document containing a statement that they are in favour of the resolution set out in the document.

- (b) A Director may signify assent to a document under this rule 62 by signing the document or by notifying a Secretary of the assent of the Director by any technology including email. The resolution is passed when the last Director, or the last of the Directors constituting a majority (as applicable), has assented to the document.
- (c) Separate copies of a document may be used for signing by the Directors if the wording of the resolution and statement is identical in each copy.
- (d) For the purpose of this rule 62, the references to Directors include any alternate Director appointed by a Director who is not available to assent to the document or is otherwise unable to assent to the document within a reasonable time, but do not include any other alternate Directors.

**63 Defects in Appointments of Directors**

- (a) All actions at any meeting of the Board or by a committee or by any person acting as a Director are, despite the fact that it is afterwards discovered that there was some defect in the appointment of any of the Directors or the committee or the person acting as a Director or that any of them were disqualified, as valid as if every person had been properly appointed and was qualified and continued to be a Director or a member of the committee.
- (b) If the number of Directors is reduced below the minimum number fixed under this Constitution, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of calling a general meeting of the Company but for no other purpose.

**Secretaries and Other Officers****64 Secretaries**

- (a) A Secretary of the Company holds office on the terms and conditions as to remuneration, and otherwise, as the Board decides.
- (b) The Board may at any time terminate the appointment of a Secretary.

**65 Other Officers**

- (a) The Board may from time to time:
  - (i) create any other position or positions in the Company with the powers and responsibilities as the Board may from time to time confer; and
  - (ii) appoint any person, whether or not a Director, to any position or positions created under rule 65(a)(i).
- (b) The Board may at any time terminate the appointment of a person holding a position created under rule 65(a)(i) and may abolish the position.

**Seals****66 Seals and their Use**

The Company may have a common seal and a duplicate common seal. If the Company has any such seal:

- (a) it may only be used with the authority of the Board; and

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- (b) every document to which it is affixed must be signed by a Director and be countersigned by another Director, a Secretary or another person appointed by the Board to countersign that document or a class of documents in which that document is included.

#### **Dividends, Interest and Reserves**

##### **67 Shareholders Deed**

Subject to rule 4(d) but despite any other provision of this constitution, for so long as:

- (a) the Shareholders Deed is in force; and
- (b) the Shareholders Deed includes provisions relating to distributions, including without limitation, dividends, capitalisation of profits, reserves, carry forward of profits and other ancillary matters (all of these being **Distributions Provisions**);  
then:
- (c) the Distributions Provisions are deemed to be incorporated into this constitution and will apply as if set out herein; and
- (d) in the event of any inconsistency between the Distributions Provisions and any other provision of this constitution, the Distributions Provisions prevail to the extent of such inconsistency.

##### **68 Reserves**

The Board may, before paying any Dividend to shareholders:

- (a) set aside any sums as it thinks proper as a reserve, which at the discretion of the Board may be applied for any purpose it decides, including being used in the business of the Company or invested in investments selected by the Board (and the Board may vary and deal with those investments as it decides); or
- (b) carry forward any amount which the Board decides not to distribute or to transfer to a reserve; or
- (c) carry out the steps in both rules 68(a) and 68(b).

##### **69 Power to Declare or Determine Dividends and Pay Interest**

- (a) Subject to the Shareholders Deed and any special rights or restrictions attached to any shares, the Board may from time to time declare or determine that a Dividend is payable.
- (b) The Board may fix the amount, the time for payment and the method of payment of a Dividend. The method of payment may include the payment of cash, the issue of Securities, the grant of options and the transfer of assets, including securities in another corporation (or any combination of them).
- (c) No Dividend bears interest against the Company.

##### **70 Crediting of Dividends**

- (a) Subject to the Shareholders Deed and any special rights or restrictions attached to any shares, every Dividend on a share in the Company is to be paid as follows, unless otherwise determined by the Board:
  - (i) if the share to which a particular Dividend relates is fully paid and was fully paid during the whole period in respect of which the Dividend is to be paid, that Dividend is equal to the Dividend paid on each other share which was fully paid during the whole period in respect of which the Dividend is to be paid; and

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- (ii) if the share to which a particular Dividend relates is partly paid, or is fully paid but was not fully paid during the whole of the period in respect of which the Dividend is to be paid, that Dividend is apportioned, and paid proportionately to the amounts paid (not credited) on the share in respect of which the Dividend is to be paid with respect to the issue price of the share (excluding amounts credited) during any part or parts of the period in respect of which the Dividend is to be paid.
- (b) An amount paid on a share in advance of a call is not taken for the purposes of rule 70(a)(ii) to be paid on the share.
- (c) Subject to any special rights or restrictions attached to any shares, the Board may from time to time resolve that Dividends are to be paid out of a particular source or particular sources, and in those circumstances the Board may in its absolute discretion:
  - (i) allow each or any shareholder to elect from which specified sources that particular shareholder's Dividend may be paid by the Company; and
  - (ii) where elections are permitted and any shareholder fails to make an election, identify the particular source from which Dividends are payable.

**71 Deduction of Unpaid Amounts**

The Board may apply any part of any Dividend otherwise payable to a shareholder towards satisfaction of all sums of money presently payable by the shareholder to the Company on account of calls or otherwise in relation to shares in the Company.

**72 Distributions in Kind**

If the Board has declared or determined to pay a Dividend or if the Company is to reduce its capital in accordance with rule 28, wholly or partly by the distribution of specific assets (including by the issue of Securities or other financial products or by the transfer of securities or financial products), the Board may do one or more of the following:

- (a) if a difficulty arises in regard to that distribution, settle the matter as it determines and fix the value for distribution of the specific assets or any part of those assets;
- (b) decide that cash payments may be made, and make the payments to any shareholders on the basis of the value fixed by the Board in order to appropriately adjust the rights of all shareholders as the Board determines in its discretion;
- (c) vest any specific assets in trustees;
- (d) sell or cause to be sold any specific assets distributed (or which, save for the operation of this rule 72, would otherwise have been distributed) to any shareholders (or group of shareholders) determined by the Board in any way and on such terms as the Board determines in its discretion, including by transferring the assets to a nominee or agent determined by the Board to sell those assets on behalf of such shareholders, and distributing to such shareholders their proportion of the net proceeds of that sale (as determined by the Board);
- (e) authorise any person to make, on behalf of all the shareholders entitled to any securities or financial products, an agreement with the Company (or other relevant body corporate) providing for the issue or transfer to them of any further securities or financial products and, in executing the document, the person acts as agent and attorney for the shareholders; and

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- (f) if the Dividend or reduction of capital is by way of a distribution of shares or other securities in another corporation, then each shareholder is taken to have agreed to become a shareholder or securityholder of that corporation and to have agreed to be bound by the constitution of that corporation. Each shareholder also appoints each Director and each Secretary their agent and attorney to:
- (i) agree to the shareholder becoming a shareholder or securityholder of that corporation;
  - (ii) agree to the shareholder being bound by the constitution of that corporation; and
  - (iii) execute any transfer of shares or securities, or other document required to give effect to the distribution of shares or other securities to that shareholder.

Nothing in any of paragraphs (a) to (f) of this rule 72 limits anything in any of those other paragraphs.

### 73 Payment of Distributions

- (a) Any Dividend, interest or other money payable in cash in respect of Securities may be paid in any manner and by any means determined by the Board, at the sole risk of the intended recipient. Without limiting any other means of payment which the Board may adopt, any payment may be made:
- (i) by cheque sent through the post directed to:
    - (A) the address of the Security holder as shown in the Securities register or, in the case of joint holders, to the address shown in the Securities register as the address of the joint holder first named in that Securities register; or
    - (B) any other address as the Security holder or joint holders in writing directs or direct; or
  - (ii) by electronic funds transfer to an account with a bank or other financial institution nominated by the Security holder or joint holders in writing and acceptable to the Company.
- (b) Payments of Dividends and other distributions by the Company may be made in Australian dollars or any other currency determined by the Board in its discretion. Payments in different currencies may be made to different Security holders as determined by the Board in its discretion. If a payment is made in a currency other than Australian dollars the Board may determine in its discretion the appropriate exchange rate and the time of calculation to calculate the amount payable in the relevant currency. The determinations of the Board are, in the absence of manifest error, final.
- (c) Subject to law, all Dividends unclaimed may be invested or otherwise used by the Board for the benefit of the Company until claimed or otherwise disposed of according to law.

### Capitalisation of Profits

#### 74 Capitalisation of Profits

- (a) The Company in general meeting or the Board may resolve:
- (i) to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any reserve account, profit and loss account or otherwise available for distribution to Security holders; and



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- (ii) that the sum referred to in rule 74(a)(i) be applied, in any of the ways mentioned in rule 74(b), for the benefit of Security holders in full satisfaction of their interest in the capitalised sum, in the proportions to which those Security holders would have been entitled in a distribution of that sum by way of Dividend or if there is no proportional entitlement, as the Board determines.
- (b) The ways in which a sum may be applied for the benefit of Security holders under rule 74(a) are:
  - (i) in paying up any amounts unpaid on Securities held by Security holders;
  - (ii) in paying up in full unissued Securities to be issued to Security holders as fully paid;
  - (iii) partly as mentioned in rule 74(b)(i) and partly as mentioned in rule 74(b)(ii); or
  - (iv) any other application permitted by law.
- (c) Where the conditions of issue of a partly paid Security provide, the holder is entitled to participate in any application of a sum under rule 74(b) to a greater extent than would have been the case had those funds been distributed by Dividend but not to any greater extent than permitted by the terms of issue.
- (d) The Board may do all things that it considers necessary to give effect to the resolution and, in particular, to the extent it considers necessary to adjust the rights of the Security holders amongst themselves, may:
  - (i) fix the value for distribution of the specific assets or any part of those assets;
  - (ii) issue fractional certificates or make cash payments in cases where Securities become issuable in fractions or determine that fractions may be disregarded or that any fractional entitlements are to be increased to the next whole number;
  - (iii) vest any cash or specific assets in trustees on trust for the persons entitled as it determines; and
  - (iv) authorise any person to make, on behalf of all the Security holders entitled to any further Securities on the capitalisation, an agreement with the Company providing for the issue to them, credited as fully paid up, of any further Securities or for the payment by the Company on their behalf the amounts or any part of the amounts remaining unpaid on their existing Securities by the application of their respective proportions of the sum resolved to be capitalised and any agreement made under that authority is effective and binding on all the Security holders concerned.

### Service of Documents

#### 75 Service of Documents

In this rule 75, a reference to a document includes a notice. Subject to the Corporations Act:

- (a) A document may be given by the Company to any Security holder by, in the Company's discretion:
  - (i) serving it on the Security holder personally;
  - (ii) sending it by post to the Security holder or leaving it at the Security holder's address as shown in the Securities register or the address nominated by the Security holder to the Company for the giving of documents;
  - (iii) sending it electronically (including by providing a URL link to any document or attachment) to the electronic address nominated by the Security holder to the

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- Company for the giving of documents or by other electronic means nominated by the Security holder;
- (iv) by sending a document by any of the means referred to in rules 75(a)(i) to (iii) that notifies the holder of the electronic address where the primary notice can be accessed; or
  - (v) serving it in any manner contemplated in this rule 75(a) on a Security holder's attorney as specified by the Security holder in a notice given under rule (c).
- (b) This rule 75 applies to any notice given under this Constitution, the Corporations Act and any other notice that the Company is required to, or may elect to, give to any Security holder, including:
- (i) any document that comprises or includes an offer of Securities to any Security holder; and
  - (ii) any document that includes an offer for, or in respect of or in relation to, any Securities held by any Security holder.
- (c) By written notice to a Secretary left at or sent to the registered office of the Company or the Company's Securities registry, a Security holder may request that all documents to be given by the Company or the Board be served on the Security holder's attorney at an address, or by the electronic means, nominated in the notice and the Company may do so in its discretion.
- (d) A document may be sent to a Security holder whose address for documents is outside Australia by airmail, air courier or otherwise be sent or made available electronically (including as contemplated by rule 75(a)(iv)).
- (e) Any document sent by post is conclusively considered to have been served at the expiration of 21 Business Days after the envelope containing the document is posted and, in proving service, it is sufficient to prove that the envelope containing the document was properly addressed and posted. Any document served on a Security holder personally or left at the Security holder's registered address is conclusively considered to have been served when delivered. Any document sent to a Security holder by electronic means is conclusively considered to have been served when the electronic transmission is sent. Any document made available to a Security holder by electronic means as contemplated by rule 75(a)(iv) is conclusively considered to have been served when notification that the document is available for access by that means is sent.
- (f) Every person who, by operation of law, transfer or any other means, becomes entitled to be registered as the holder of any Securities is bound by every document that, prior to the person's name and address being entered in the Securities register in respect of the Securities, was properly given to the person from whom the person derived title to those Securities.
- (g) A document served in accordance with this Constitution is (despite the fact that the Security holder is then dead and whether or not the Company has notice of the Security holder's death) conclusively considered to have been properly served in respect of any registered Securities, whether held solely or jointly with other persons by the Security holder, until some other person is registered in the Security holder's place as the holder or joint holder. The service is sufficient service of the document on the Security holder's personal representative and any persons jointly interested with the Security holder in the Securities.

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**Winding Up****76 Winding Up**

In a winding up of the Company, the liquidator may distribute in specie the whole or any part of the Company's property among the shareholders.

**Indemnity****77 Shareholders Deed**

Subject to rule 4(d) but despite any other provision of this constitution, for so long as:

- (a) the Shareholders Deed is in force; and
- (b) the Shareholders Deed includes provisions relating to the indemnification of directors and officers, or directors' and officers' liability insurance (all of these being **D&O Insurance Provisions**);  
then:
  - (c) the D&O Insurance Provisions are deemed to be incorporated into this constitution and will apply as if set out herein; and
  - (d) in the event of any inconsistency between the D&O Insurance Provisions and any other provision of this constitution, the D&O Insurance Provisions prevail to the extent of such inconsistency.

**78 Indemnity of Officers, Insurance and Access**

- (a) The Company indemnifies each officer of the Company and, if the Board considers it appropriate, any officer of a wholly-owned subsidiary of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or the subsidiary (as the case may be) or in or arising out of the discharge of the duties of the officer, unless incurred in circumstances that the Board resolves do not justify indemnification.
- (b) Where the Board considers it appropriate, the Company may execute a documentary indemnity in any form in favour of any officer of the Company or a subsidiary of the Company, provided that such terms are not inconsistent with this rule 78.
- (c) Where the Board considers it appropriate, the Company may:
  - (i) make payments by way of premium in respect of any contract effecting insurance on behalf or in respect of an officer of the Company or a subsidiary of the Company against any liability incurred by the officer in or arising out of the conduct of the business of the Company or the subsidiary (as the case may be) or in or arising out of the discharge of the duties of the officer; and
  - (ii) bind itself in any contract or deed with any officer of the Company or a subsidiary of the Company to make the payments.
- (d) Subject to the Shareholders Deed, where the Board considers it appropriate, the Company may:
  - (i) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
  - (ii) bind itself in any contract with a Director or former Director to give the access.
- (e) In this rule 78:

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- (i) **officer** means:
  - (A) a director, secretary, or other officer; or
  - (B) a person appointed as a trustee by, or acting as a trustee at the request of, the Company or a subsidiary of the Company,and includes a former officer.
- (ii) **duties of the officer** includes, in any particular case where the Board considers it appropriate, duties arising by reason of the appointment, nomination or secondment in any capacity of an officer by the Company or, where applicable, a subsidiary of the Company to any other corporation.
- (iii) **to the relevant extent** means:
  - (A) to the extent the Company is not precluded by law from doing so;
  - (B) to the extent and for the amount that the officer is not otherwise entitled to be indemnified and is not actually indemnified by another person (including, but without limitation, a subsidiary or an insurer under any insurance policy); and
- (iv) where the liability is incurred in or arising out of the conduct of the business of another corporation or in the discharge of the duties of the officer in relation to another corporation, to the extent and for the amount that the officer is not entitled to be indemnified and is not actually indemnified out of the assets of that corporation, **liability** means all costs, charges, losses, damages, expenses, penalties and liabilities of any kind including, in particular, legal costs incurred in defending any proceedings (whether criminal, civil, administrative or judicial) or appearing before any court, tribunal, government authority or other body.

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**Consent to Terms of this Constitution**

Each of the people named below as a shareholder consents to becoming a shareholder of the Company, agrees to the terms of this Constitution and agrees to take up the number of the class of shares set out against the shareholder's name for the amount specified which will be fully paid on registration.

<b>Name and signature of shareholder</b>	<b>Number</b>	<b>and class of shares the shareholder agrees to take</b>	<b>Amount paid per share</b>	<b>Amount unpaid per share</b>
Madison Dearborn Capital Partners VIII-A, L.P.	1	ORD	\$0.01	\$0
Madison Dearborn Capital Partners VIII-C, L.P.	1	ORD	\$0.01	\$0
Madison Dearborn Capital Partners VIII Executive-A, L.P.	1	ORD	\$0.01	\$0
Madison Dearborn Capital Partners VIII Executive-A2, L.P.	1	ORD	\$0.01	\$0

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Signed for **Madison Dearborn Capital Partners VIII-A, L.P.** by its authorised representative in the presence of:



Witness Signature

Teri G Gomez

Print Name



Authorised Representative Signature

Elizabeth Q. Betten

Print Name

**Managing Director**

Position

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Signed for **Madison Dearborn Capital Partners VIII-C, L.P.** by its authorised representative in the presence of:



Witness Signature  
Teri G Gomez

Print Name



Authorised Representative Signature

Elizabeth Q. Betten

Print Name

**Managing Director**

Position

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Allens & Linklaters

Signed for **Madison Dearborn Capital Partners VIII Executive-A, L.P.** by its authorised representative in the presence of:



Witness Signature  
Teri G Gomez

Print Name



Authorised Representative Signature

Elizabeth Q. Betten

Print Name

**Managing Director**

Position



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Allens & Linklaters

Signed for **Madison Dearborn Capital Partners VIII Executive-A2, L.P.** by its authorised representative in the presence of:



Authorised Representative Signature

Elizabeth Q. Betten

Witness Signature

Teri G Gomez

Print Name

**Managing Director**

Print Name

Position

# Attachment F – Ancora TopCo Nominee Deed

## Nominee Deed

Evolution Trustees Limited (ACN 611 839 519)  
Nominee

Ancora Topco Ltd (ACN 677 564 662)  
Company

Each **Appointing Beneficiary** from time to time.

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## Nominee Deed

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### Date

**Parties** [ ] of [ ] (Nominee)

**Ancora Topco Ltd** (ACN 677 564 662) of Level 12, 680 George Street, Sydney NSW 2000 (Company)

Each person listed in Schedule 1 with the notice details set out in Schedule 1 or as notified in a Deed of Adherence (**Appointing Beneficiaries**)

### Recital

The Nominee agrees to act as trustee of each Bare Trust on the terms set out in this Deed.

---

## 1. Definitions and interpretation

### 1.1 Definitions

In this Deed:

**Authorised Person** has the meaning given to that term in clause 6.1.

**Appointing Beneficiary** means each person noted on the Trusts Register as the holder of the beneficial interest in the Bare Trust Property held by the Nominee under a Bare Trust.

**Bare Trust Property** means, in the case of each Bare Trust:

- (a) the Securities held by the Nominee for and on behalf of the relevant Appointing Beneficiary, as shown in the Trusts Register, and
- (b) all accretions, rights and benefits attaching to the Securities referred to in paragraph (a) of this definition, including all rights to receive dividends and any other distributions, and all rights to receive or subscribe for Securities, notes, options or other Securities, but excluding amounts or other property that are paid or delivered by the Company directly to the Appointing Beneficiary under this Deed and/or the Shareholders Agreement.

**Claim** means any allegation, cause of action, action, dispute, claim, debt, Liability, proceeding, investigation, inquiry, prosecution, litigation, arbitration, mediation or dispute resolution, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at law, in equity, under statute or otherwise.

**Deed** means this deed including its recitals, schedules and annexures.

**Deed of Adherence** means a deed substantially in the form set out in Annexure A or such other form approved in writing by the Company and the Nominee.

**Instruction** means an instruction to the Nominee from an Appointing Beneficiary in respect of, or in connection with, the Bare Trust of which the Nominee is the bare trustee for the Appointing Beneficiary and/or the Bare Trust Property of that Bare Trust.

**Individual Costs** means any of the following incurred by a party other than a Group Company:

- (a) advisory costs for tax, legal or other professional advice given to that party in connection with an IPO, Trade Sale, Share Sale or other relevant transaction, as applicable, which is not advice for the benefit of other parties;
- (b) Tax; and
- (c) a Liability arising out of any claim, action or proceeding of any nature in connection with an Exit or other relevant transaction, as applicable, unless otherwise approved by the Board.

**Liability** means any liability, cost, expense, loss or damage.

**Overhead Costs** means overhead expenses, including rent, office maintenance and salaries.

**Shareholders Deed** means the document dated on or about the date of this Deed between, amongst others, the Company and the shareholders of the Company in relation to the control, management and financing of the Company.

**Special Majority Resolution** means a resolution passed by at least 75% of Appointing Beneficiaries where:

- (a) only Appointing Beneficiaries can vote on the resolution;
- (b) each Appointing Beneficiary is entitled to cast a vote for each Share held on trust for, or on behalf of, the Appointing Beneficiary under this deed; and
- (c) Part 2G.2 of the Corporations Act applies as if each Appointing Beneficiary was a member of the Company.

**Trusts Register** means the register of Bare Trusts established and maintained by the Company in accordance with clause 10.

## 1.2 Interpretation

Headings are for convenience only and do not affect the interpretation of this Deed. Unless the contrary intention appears, in this Deed:

- (a) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to any document (including this Deed) is to that document as varied, notated, ratified or replaced from time to time;
- (d) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (e) the expression "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (f) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

- (g) the expression "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (h) a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this Deed;
- (i) a reference to a time of day is a reference to Sydney, New South Wales time;
- (j) a reference to "**dollar**", "**\$**" or "**A\$**" is a reference to the currency of Australia;
- (k) a reference to "**law**" includes common law, principles of equity and legislation (including regulations);
- (l) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;;
- (m) a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (n) unless a contrary intention appears, a reference to a person Disposing of any Securities, includes disposing of a beneficial interest in any of those Securities and instructing any trustee or other nominee (including the Nominee) to Dispose of a legal and/or beneficial interest in any of those Securities;
- (o) a reference to anything (including an amount) is a reference to the whole and each part of it provided that satisfaction of only part of an obligation (including payment of part of an amount) will not satisfy any obligation to pay the full amount;
- (p) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (q) if a party must do something under this Deed on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
- (r) if the day on which a party must do something under this Deed is not a Business Day, the party must do it on the next Business Day; and
- (s) this Deed must not be construed adversely to a Party just because that Party prepared it or caused it to be prepared;.

### 1.3 Definitions in Shareholders Deed

Unless expressly defined in this Deed, terms defined in the Shareholders Deed have the same meaning where used in this Deed.

### 1.4 Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Deed or any part of it or seeks to rely on any provision of this Deed.



---

## **2. Declaration of Bare Trusts**

### **2.1 Appointment of Nominee**

The Nominee agrees to act as trustee of each Bare Trust.

### **2.2 Declaration of Bare Trusts**

- (a) The Nominee declares that, in respect of each Appointing Beneficiary, it holds the right, title and interest in the Bare Trust Property on a separate bare trust for that Appointing Beneficiary absolutely.
- (b) For the avoidance of doubt, each Appointing Beneficiary has a vested and indefeasible interest in, and is absolutely entitled as against the Nominee to, the capital, assets and income of its respective Bare Trust and is the sole beneficiary of the Bare Trust in relation to its Bare Trust Property.

### **2.3 Bare Trust Property in each Bare Trust to be treated separately**

The Nominee will at all times treat the Bare Trust Property of each Bare Trust separately from the Bare Trust Property of all other Bare Trusts.

### **2.4 Appointing Beneficiary's reservation of rights**

- (a) Nothing in this Deed or the Shareholders Deed entitles the Nominee to beneficial ownership of any of the Bare Trust Property or operates to deprive an Appointing Beneficiary of the rights of beneficial ownership (including the right of possession) of the Bare Trust Property.
- (b) The Nominee declares that it has no beneficial interest whatsoever in the Bare Trust Property.

---

## **3. Nominee's Obligations**

### **3.1 Nominee to act on Appointing Beneficiary's Instructions**

The Nominee must:

- (a) do such things and execute such documents in relation to the Bare Trust Property of a Bare Trust; and
- (b) exercise all rights, powers and privileges conferred by or arising from the Bare Trust Property of a Bare Trust,

in accordance with the Instructions of the Appointing Beneficiary in respect of that Bare Trust.

### **3.2 Nominee may only act on an Appointing Beneficiary's Instructions**

- (a) The Nominee must, to the maximum extent permitted by law, and notwithstanding any other provision of this Deed, act on the Instructions of the Appointing Beneficiaries under a power of attorney or otherwise, with the intent that each Appointing Beneficiary exercises day-to-day control over the operation of the Bare Trust of which it is the Appointing Beneficiary.
- (b) The Nominee must not in its discretion, and without an Instruction by or on behalf of an Appointing Beneficiary, make any decisions or take any action or refrain from taking any action, in its discretion, over or in respect of the Bare Trust Property it holds as bare trustee for that Appointing Beneficiary.

- (c) Subject to clause 3.2(d), the Nominee will only transfer or otherwise Dispose of the Bare Trust Property of a Bare Trust as the Appointing Beneficiary in respect of that Bare Trust directs.
- (d) The Nominee and each Appointing Beneficiary acknowledge that under the Shareholders Deed, the Appointing Beneficiary has appointed certain attorneys with authority to give Instructions to the Nominee on behalf of the Appointing Beneficiary in certain circumstances specified in the Shareholders Deed. Each Appointing Beneficiary directs the Nominee to comply with, and the Nominee must comply with, any Instruction given on behalf of an Appointing Beneficiary by an attorney which the Appointing Beneficiary has appointed under the Shareholders Deed.

### **3.3 Limitations on the Nominee**

The Nominee will have no powers, duties, discretions or Liabilities under a Bare Trust except:

- (a) those expressly set out in this Deed; or
- (b) in any other document to which the Nominee is a party which is agreed to in writing by the Company and related to the subject matter of this Deed.

### **3.4 Nominee may appoint attorneys**

The Nominee may appoint any one or more persons as its attorney (jointly or severally if more than one) with power to execute documents on behalf of the Nominee for the day to day administration of a Bare Trust.

### **3.5 Notice by Nominee**

The Nominee will provide the Company with written notice of:

- (a) any Disposal of the beneficial interest in a Beneficial Security to or by an Appointing Beneficiary in accordance with the Shareholders Deed;
- (b) any purported Disposal by an Appointing Beneficiary of its beneficial interest in any Beneficial Security in breach of the Shareholders Deed;
- (c) any Instruction from an Appointing Beneficiary to the Nominee requesting that the Nominee Dispose of any Beneficial Securities; and
- (d) any other information which the Nominee becomes aware of which would lead to an update to the Trusts Register (unless the Company has been copied on a notice from the relevant Appointing Beneficiary under clause 4) or a breach of this Deed or the Shareholders Deed by an Appointing Beneficiary,

as soon as practicable, but in any case, by no later than 5 Business Days after the Nominee becomes aware of the relevant event or circumstance.

---

## **4. Appointing Beneficiaries' obligations**

### **4.1 No breach of Shareholders Deed**

Each Appointing Beneficiary undertakes to the Company and the Nominee that it will not:

- (a) take any action, or omit to take any action (including the giving of any Instruction to the Nominee or failing to give any Instruction to the Nominee) which would breach the Shareholders Deed; or

- (b) fail to give, or delay in giving, any Instruction to the Nominee which is required to enable the Appointing Beneficiary and or any of its relevant transferees to comply with the Shareholders Deed.

#### **4.2 Undertaking not to give certain Instructions**

Without limiting clause 4.1, each Appointing Beneficiary undertakes to the Company and the Nominee that it will not give an Instruction to the Nominee:

- (a) to Dispose of legal title to any of the Beneficial Securities unless permitted to do so under the Shareholders Deed;
- (b) which has the effect of cancelling or superseding an Instruction given on behalf of the Appointing Beneficiary by an attorney acting on behalf of the Appointing Beneficiary under the Shareholders Deed; or
- (c) that is otherwise not permitted by, not consistent with or will result in a breach of, the Shareholders Deed.

#### **4.3 Appointing Beneficiary to notify of changes**

Every Appointing Beneficiary must promptly notify the Nominee and the Company in writing of any change of name or address of the Appointing Beneficiary, any change to the Appointing Beneficiary's Bare Trust or Beneficial Securities of which it becomes aware and any other information which the Appointing Beneficiary becomes aware of which would lead to an update to the Trusts Register.

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## **5. Instructions from Appointing Beneficiaries**

### **5.1 Legal entitlement**

The parties recognise that the Nominee, as registered owner of the Beneficial Securities, is the person legally entitled to voting rights and dividends in respect of those Beneficial Securities and the Nominee is to be regarded as the relevant 'Shareholder' (to the exclusion of the relevant Appointing Beneficiaries) for the purposes of clauses 4 (*Board Meetings*) and 8 (*Distributions to Shareholders*) of the Shareholders Deed. However:

- (a) an Instruction may be given by a Appointing Beneficiary to the Nominee in relation to voting and other dealings in respect of that Appointing Beneficiary's Beneficial Securities; and
- (b) directions may be given by each Appointing Beneficiary to the Nominee in relation to dividends as provided in clause 8.1 below.

### **5.2 Form of Instructions**

Each Instruction given by an Appointing Beneficiary to the Nominee must:

- (a) be in writing in English;
- (b) be signed by a Appointing Beneficiary, or an Authorised Person on behalf of a Appointing Beneficiary (which includes any attorney appointed by the Appointing Beneficiary);
- (c) state that it is an Instruction for the purposes of this Deed;
- (d) where the instruction includes a requirement for the Nominee to execute a document, includes appropriate details of the terms and purpose of the instruction; and

- (e) be in accordance with this Deed and the Shareholders Deed, provided that the Nominee is entitled, in its discretion, to treat an instruction as an "Instruction" for the purposes of this Deed even if it does not satisfy paragraphs (a), (b), (c) and/or paragraph (d) (but, to avoid doubt, not paragraph (e)) of this definition.

### **5.3 Instructions continue in force**

Each Instruction continues in force until it is cancelled or superseded by a further Instruction by or on behalf of the Appointing Beneficiary.

### **5.4 Nominee to act promptly**

Without limiting clauses 5.6 and 5.7, the Nominee will give effect to an Instruction as soon as reasonably practicable and in any event, within any time period specified for the relevant action in the Shareholders Deed.

### **5.5 Nominee not required to verify Instructions**

Notwithstanding clause 5.1, the Nominee:

- (a) may accept any Instruction from an Appointing Beneficiary verbally or in writing and either from the Appointing Beneficiary personally or from any person, firm or company which the Nominee has reason to believe is giving such Instruction on behalf of or with the authority of the Appointing Beneficiary;
- (b) is not required to inquire as to whether any Instruction from an Appointing Beneficiary is genuine or proper; and
- (c) is entitled to rely solely on the relevant Appointing Beneficiary or its Authorised Person in respect of all matters relating to any Instruction and any transaction the subject of an Instruction.

### **5.6 Nominee may request further information**

The Nominee may request reasonable additional information from an Appointing Beneficiary or its Authorised Person in respect of any Instruction to the Nominee and the Appointing Beneficiary must promptly comply with any such request, provided that this clause 5.6 does not impose any obligation on the Nominee to make any such enquiries and does not otherwise limit the effect of any other provision of this Deed.

### **5.7 Nominee not required to act on certain Instructions**

The Nominee may disregard an Instruction if:

- (a) it determines that the Appointing Beneficiary is, or will be, in breach of this Deed or the Shareholders Deed in connection with the Instruction;
- (b) it has reasonable grounds to doubt the authenticity of the Instruction;
- (c) the Instruction is not given by an Authorised Person;
- (d) acting on the Instruction would cause the Nominee or the Appointing Beneficiary to breach this Deed, the Shareholders Deed or any law, regulations or any published policy statement or guideline of any Government Agency;
- (e) acting on the Instruction would be impracticable; or
- (f) the Instruction is ambiguous or the Nominee determines that the action it is being requested to take or not take in accordance with the Instruction is unclear.

## 5.8 Nominee unable to act on Instruction

If the Nominee disregards, or otherwise does not fully act on, an Instruction of an Appointing Beneficiary or its Authorised Person, it must promptly (and in any event, within 2 Business Days) notify the relevant Appointing Beneficiary and the Company providing reasons for it having disregarded, or otherwise not acted on, the Instruction. Upon receipt of such a notice, the relevant Appointing Beneficiary may either:

- (a) withdraw the instruction with which the Nominee is unable to comply; or
- (b) re-issue or clarify the Instruction, in which case the Instruction will not operate until it has been re-issued or clarified.

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## 6. Authorised Persons

### 6.1 Authorised Persons

An Appointing Beneficiary may notify the Nominee in writing of the persons who are authorised to make any written communication or take action on behalf of that Appointing Beneficiary under this Deed (the **Authorised Persons**).

### 6.2 Variation of Authorised Person

An Appointing Beneficiary may vary its Authorised Persons by written notice to the Nominee and the Company.

### 6.3 Nominee's action

The Nominee must accept all communications or actions concerning this Deed made by Authorised Persons of an Appointing Beneficiary, provided that those communications or actions are in accordance with this Deed. The Nominee is not obliged to take any action if the communication or action is not made by an Authorised Person, nor to enquire as to the identity of any person if it reasonably believes the person is an Authorised Person. The Nominee is not obliged to enquire as to the identity of any person it reasonably believes is an Authorised Person.

### 6.4 Appointing Beneficiary responsible for actions of Authorised Persons

An Appointing Beneficiary is bound by, and liable for, every any action or omission by the Nominee in reliance on any Instruction given by:

- (a) any of its Authorised Persons; or
- (b) a person reasonably believed by the Nominee to be the Appointing Beneficiary's Authorised Person,

and, without limiting any other provision of this Deed or the Shareholders Deed, the Nominee is not liable for any properly performed action or omission of the Nominee in reliance on any such Instruction.

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## 7. Meetings and information

### 7.1 Shareholder information

The Company undertakes to the Nominee that at the same time as it gives, makes available or despatches any notice, document or information to Shareholders, the Company will also give, make available or despatch that notice, document or information to each Appointing Beneficiary.

## **7.2 Shareholder meetings**

To the extent reasonably practicable, the Nominee must:

- (a) attend meetings of Shareholders which the Nominee is directed by an Instruction to attend and which the Nominee is entitled to attend (and in the absence of an Instruction, the Nominee will not attend any meetings);
- (b) vote at meetings of Shareholders as the Nominee is directed by an Instruction to vote at and at which the Nominee is entitled to vote (and in the absence of an Instruction, the Nominee will not vote at any meetings); and
- (c) if required by an Instruction, execute all proxies, powers of attorney and other documents which are necessary or desirable to enable a relevant Appointing Beneficiary or any of its Authorised Persons to vote in the place of the Nominee at any meetings of Shareholders.

## **7.3 Nominee may appoint proxy**

The Nominee may from time to time to appoint a proxy to represent the Nominee at any meeting of Shareholders which the Nominee is instructed to attend in accordance with clause 7.2.

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## **8. Dividends and other payments**

### **8.1 Dividends and distributions**

- (a) Each Appointing Beneficiary is entitled to give directions to the Company as the Nominee's attorney in respect of the payment of dividends or distributions on that Appointing Beneficiary's Beneficial Securities.
- (b) Each Appointing Beneficiary hereby directs, and the Nominee directs, the Company to pay dividends in respect of Beneficial Securities directly to the Appointing Beneficiary as the beneficial holder of the Beneficial Securities. This clause does not affect the right of any party to change the direction from time to time.

### **8.2 Appointing Beneficiary to put Nominee in funds**

- (a) Each Appointing Beneficiary must pay to the Nominee an amount equal to:
  - (i) Individual Costs in respect of that Appointing Beneficiary for which the Nominee is otherwise liable;
  - (ii) any Liabilities incurred by the Nominee which would have been incurred by that Appointing Beneficiary if it had been the registered holder of its Beneficial Securities;
  - (iii) all calls, demands and other Liabilities which the Nominee is liable to pay in respect of that Appointing Beneficiary's Bare Trust Property;
  - (iv) Liabilities suffered or incurred by the Nominee arising in connection with any action, omission or Instruction by that Appointing Beneficiary which is in breach of any legal or contractual obligation of that Appointing Beneficiary (including any breach of this Deed or the Shareholders Deed); and

- (v) Liabilities incurred as a result of any action, omission or Instruction by that Appointing Beneficiary that is unreasonable or otherwise outside the ordinary course.
- (b) The Appointing Beneficiary must pay the amounts referred to in this clause 8.2 by the later of the day that those amounts are due and payable by the Nominee and 10 Business Days of written request from the Nominee or the Company for payment.
- (c) The Nominee directs each Appointing Beneficiary to pay any amount referred to in clause 8.2(a) for which that Appointing Beneficiary is liable directly to the Company or any other relevant third party creditor from the Appointing Beneficiary's own funds, in satisfaction of the Appointing Beneficiary's obligation under clause 8.2(a). The Appointing Beneficiary must promptly notify the Nominee of any payment it makes under this clause 8.2(c).

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## **9. Company's obligations**

### **9.1 Company assistance**

The Company undertakes to the Nominee that it will promptly provide the Nominee with all information and assistance that the Nominee reasonably requests to enable the Nominee to comply with its obligations as bare trustee for the Appointing Beneficiaries.

### **9.2 Notice by Company**

The Company undertakes to the Nominee that it will provide the Nominee with written notice of:

- (a) any Disposal (or purported Disposal) of the beneficial interest in a Beneficial Security to or by an Appointing Beneficiary in accordance with the Shareholders Deed;
- (b) any other information which the Company becomes aware of which would lead to an update to the Trusts Register (unless the Nominee has been copied on a notice from the relevant Appointing Beneficiary under clause 4); and
- (c) any breach or suspected breach of this Deed or the Shareholders Deed by an Appointing Beneficiary,

as soon as reasonably practicable (and will use reasonable endeavours to do so within 5 Business Days after the Company becomes aware of the relevant event or circumstance).

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## **10. Register of Bare Trusts**

### **10.1 Register of Appointing Beneficiaries**

- (a) The Company will, at its sole cost and expense, establish and maintain a register of Bare Trusts.
- (b) The following particulars must be entered into the Trusts Register in respect of each Bare Trust:
  - (i) the name, address and description of each Appointing Beneficiary (and the Appointing Beneficiary's nominee or Nominee (if any));
  - (ii) the number, class and identifying designation of Beneficial Securities that are held on trust for that Appointing Beneficiary;

- (iii) the date or dates at which the name of the Appointing Beneficiary was noted in the Trusts Register in respect of the Bare Trust Property held on trust for that Appointing Beneficiary; and
  - (iv) any other details reasonably requested by the Nominee.
- (c) The Company undertakes to procure that the Trusts Register is updated on account of changes to the Bare Trusts, Beneficial Securities and Appointing Beneficiaries, including as a result of the termination of any Bare Trust.

### **10.2 Nominee to be provided with a copy of the Trusts Register**

The Company must provide a copy of the Trusts Register to the Nominee:

- (a) on, or as soon as practicable after the date of this Deed;
- (b) as soon as reasonably practicable following an update to any information in the Trusts Register; and
- (c) within 10 Business Days after being reasonably requested to do so by the Nominee.

### **10.3 Certificates**

Notwithstanding anything to the contrary in the Constitution:

- (a) no certificates will be issued to an Appointing Beneficiary in respect of any Beneficial Securities held under Bare Trust for that Appointing Beneficiary; and
- (b) the Company must issue separate certificates for each class of Securities held on bare trust by the Nominee under a particular Bare Trust (other than any class of Securities which is not certificated). The Nominee will hold all such certificates on behalf of the Appointing Beneficiary.

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## **11. Limitation of Liability and indemnities**

### **11.1 No Liability of Nominee for certain breaches**

- (a) Each party acknowledges that, subject to the terms of this Deed and the Shareholders Deed, the Nominee is obliged to act in accordance with the directions of the Appointing Beneficiaries in relation to their respective Beneficial Securities.
- (b) Any breach of this Deed, the Shareholders Deed or the Constitution which arises as a result of the Nominee complying with a direction given by an Appointing Beneficiary is to be construed for all purposes as a breach by the relevant Appointing Beneficiary for which the Appointing Beneficiary is personally liable (including in accordance with this Deed) and not by the Nominee and without limiting the foregoing:
  - (i) the Nominee is released from any claim or Liability in respect of any such breach, and
  - (ii) each party (other than the Nominee) covenants not to claim, sue or take any action against the Nominee in respect of any such breach.



## 11.2 Indemnity from Appointing Beneficiaries

- (a) Each Appointing Beneficiary indemnifies, and agrees to reimburse and compensate, the Company and the Nominee for, all Claims and Liabilities which the Company or the Nominee pays, suffers, incurs or is liable for (excluding all Liabilities contemplated by clause 13) arising out of or in connection with:
- (i) that Appointing Beneficiary's Bare Trust;
  - (ii) by reason of that Appointing Beneficiary's Beneficial Securities being registered in the name of the Nominee;
  - (iii) any act or omission by the Nominee at the Instruction of that Appointing Beneficiary;
  - (iv) any breach of this Deed or the Shareholders Deed by that Appointing Beneficiary or the Nominee on the Instruction of the Appointing Beneficiary; or
  - (v) in the case of the Company only, arising out of or in connection with, a Claim or Liability in respect of which the Company is obliged to indemnify, reimburse and/or compensate the Nominee in accordance with clause 12.4.
- (b) Each Appointing Beneficiary covenants with the Nominee not to make any Claim against the Nominee in relation to any matter referred to in clause 11.2(a).
- (c) The indemnity in clause 11.2(a) and the covenant in clause 11.2(a) do not apply to:
- (i) any Liability which arises as a result of the Nominee's (or any of its officers', employees', or agents') fraud, negligence, dishonesty, wilful misconduct, breach of any of its obligations under this Deed or the Shareholders Deed or breach of trust;
  - (ii) the Overhead Costs of the Nominee, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a subcustodian, nominee or other delegate of such a custodian of the Nominee; or
  - (iii) costs and expenses which the Company has agreed to pay in accordance with clause 13, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a sub custodian, nominee or other delegate of such a Nominee of the Nominee which arise in the ordinary course of the establishment and administration of the Bare Trusts.

## 11.3 Limitation of Nominee's Liability

- (a) Each party acknowledges that the Nominee enters into this Deed in its capacity as a trustee of the Bare Trusts and in no other capacity.
- (b) Any Liability of the Nominee arising under or in connection with this Deed is limited to, and can be enforced against the Nominee only to the extent to which it can be satisfied out of, the assets of the Bare Trust from which the Nominee is, or to the extent that under clause 11.2 the Nominee is, actually indemnified for the Liability. This limitation of the Nominee's Liability applies despite any other provision of this Deed and extends to all Liabilities of the Nominee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Deed or the Shareholders Deed.

- (c) No party may sue the Nominee in any capacity other than as trustee of a Bare Trust, including seeking the appointment of a receiver (except in relation to property of a Bare Trust), a liquidator, an administrator, or any similar person to the Nominee or prove in any liquidation, administration or arrangement of or affecting the Nominee (except in relation to property of the relevant Bare Trust).
- (d) The provisions of this clause 11.3 do not apply to any Liability of the Nominee to the extent that it is not satisfied under this Deed, the Shareholders Deed or by operation of law or there is a reduction in the extent of the Nominee's indemnification out of the assets of the relevant Bare Trust, as a result of the Nominee's fraud, negligence, wilful default or breach of trust.
- (e) No attorney, agent, receiver or receiver and manager appointed in accordance with this Deed has authority to act on behalf of the Nominee in a way which exposes the Nominee to any personal liability.

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## **12. Change of Nominee**

### **12.1 Retirement of the Nominee**

The Nominee may, by giving 60 Business Days' written notice (or such lesser notice period agreed in writing by the Company) to the Company and the Appointing Beneficiaries, retire as the trustee of all (but not some) of the Bare Trusts.

### **12.2 Date of retirement becoming effective**

If the Nominee retires under clause 12.1, then subject to clause 12.3(c), the retirement will have effect as at the last day of the relevant notice period.

### **12.3 New Nominee**

- (a) If the Nominee retires under clause 12.1, an independent third party trustee (who must be licensed to act as the Nominee if required to enable it to discharge its obligations under this Deed) nominated by the Company will be appointed as the replacement trustee for each Bare Trust, or if no person is nominated by the Company by the date of the Nominee's retirement, the Nominee will, acting reasonably, nominate an independent third party trustee (who must be licensed to act as the Nominee if required to enable it to discharge its obligations under this Deed) and the trustee so nominated will be appointed as the replacement trustee of each Bare Trust.
- (b) The Company, the Nominee and the Appointing Beneficiaries must do all things reasonably necessary to facilitate, or otherwise in connection with, the change of trustee including by delivering all books and records relating to the Bare Trusts and the Beneficial Securities in its possession at the relevant time to the replacement trustee.
- (c) Despite anything else in this Deed, the retirement of the Nominee and the appointment of a replacement trustee is not complete until the new trustee executes a deed by which it covenants to be bound by this Deed in the place of the Nominee on and from the date of appointment and any other documents reasonably requested by the Company to effect the replacement of the Nominee with the replacement Trustee.

### **12.4 Release of Nominee**

Subject to clause 12.3(c), when the Nominee retires in accordance with clause 12.1, the Nominee is released from all obligations in relation to the Bare Trusts arising after the time it retires provided that the Nominee is still obliged to comply with clause 12.3(b).

**12.5 Costs of replacing the Nominee**

All reasonable costs incurred by the Nominee and all costs of any new replacement trustee of the Bare Trusts in connection with the retirement or removal and replacement of the Nominee will be borne by the Company.

**13. Fees and Costs**

Without prejudice to clauses 11.2, the Company must pay to the Nominee the fees accepted and agreed between the Nominee and the Company and all costs, expenses and other Liabilities properly incurred by the Nominee in fulfilling its obligations under this Deed other than the Liabilities referred to in clause 8.2, Overhead Costs, Individual Costs of the Appointing Beneficiaries and any other cost, expense or Liability which this Deed or the Shareholders Deed provides will be paid by, or are otherwise the responsibility of, an Appointing Beneficiary.

**14. Duration of Bare Trusts****14.1 Commencement Date**

Each Bare Trust commences on the date on which the Nominee first acquires any Beneficial Securities.

**14.2 Termination and Termination Date**

Each Bare Trust will terminate on the earlier of:

- (a) the date on which the Nominee ceases to be registered on the register held by the Company as the legal owner of any Securities which are Bare Trust Property of that Bare Trust;
- (b) where the Company applies to ASIC under section 163 of the *Corporations Act 2001* (Cth) to change from a public company limited by shares to a proprietary company at a time when the Company has more than 50 non-employee beneficial owners, the date on which such change takes effect, in which case legal title to the Beneficial Shares will transfer to the relevant Appointing Beneficiary;
- (c) if the Company is wound up, the date on which of the proceeds of realisation payable in respect of any Bare Trust Property of that Bare Trust are distributed to the relevant Appointing Beneficiary or, if no proceeds of realisation are to be distributed to the relevant Appointing Beneficiary, the date on which the Company is wound up;
- (d) the date on which the Appointing Beneficiary is registered on the register held by the Company as the legal owner of all of the Securities comprising the Bare Trust Property of that Bare Trust;
- (e) the date on which the Bare Trust is terminated by the operation of any applicable laws; and
- (f) the date that is 80 years from the date of the commencement of the Bare Trust pursuant to clause 14.1.

**14.3 Termination of Deed for Appointing Beneficiaries**

This Deed terminates for an Appointing Beneficiary when.

- (a) each Bare Trust of which it is a beneficiary has terminated in accordance with clause 14.2; and
- (b) the Shareholders Deed has terminated in respect of the Appointing Beneficiary in its entirety in accordance with the terms of the Shareholders Deed.

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## **15. Adherence to this Deed**

### **15.1 Appointing Beneficiaries to adhere**

The Company will procure that each Appointing Beneficiary agrees to be bound by this Deed as an Appointing Beneficiary by:

- (a) that Appointing Beneficiary or an attorney of the Appointing Beneficiary (including an attorney appointed under the Shareholders Deed or under the Scheme) executing and delivering to the Company and the Nominee:
  - (i) in respect of an Appointing Beneficiary that acquires Securities as a result of the Scheme, the Form of election used by that person under the Scheme to receive those Securities; or
  - (ii) a Deed of Adherence; or
- (b) virtue of any provision of the Scheme which provides that by making an election to receive Securities as consideration under the Scheme, that person will be taken to have agreed to become a party to, and bound by, this Deed.

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## **16. Warranties**

Each party warrants in respect of itself to each of the other parties, as an inducement to those parties to enter into this Deed, on the date it becomes a party to this Deed (and upon signing a Deed of Adherence, each new Appointing Beneficiary warrants to the Company, the Nominee and each existing Appointing Beneficiary at that time), that:

- (a) if it is not an individual, it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) it has power to enter into this Deed, to comply with its obligations under this Deed and exercise its rights under this Deed;
- (c) the entry by it into, its compliance with its obligations and the exercise of its rights under, this Deed does not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded, or
  - (ii) any law binding on or applicable to it or its assets;
- (d) it has in full force and effect each authorisation necessary for it to enter into this Deed, to comply with its obligations, and to allow this Deed to be enforced;
- (e) its obligations under this Deed are valid and binding and are enforceable against it in accordance with its terms; and
- (f) it is not Insolvent.

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## 17. GST

### 17.1 Definitions and interpretation

For the purposes of this clause 17.

- (a) **GST Act** means the A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (b) words and phrases which have a defined meaning in the GST Act have the same meaning when used in this clause 17, unless the contrary intention appears;
- (c) unless otherwise expressly stated in this Deed, all consideration to be provided under this Deed is exclusive of GST; and
- (d) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

### 17.2 Payment of GST

- (a) If GST is payable, or notionally payable, on a supply made under or in connection with this Deed, the party providing the consideration for the supply must pay to the supplier an additional amount equal to the amount of GST payable on that supply (GST Amount).
- (b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

### 17.3 Adjustment events

If an adjustment event arises for a supply made under or in connection with this Deed, the GST Amount must be recalculated to reflect that adjustment, the supplier or the recipient (as the case may be) must make any payments necessary to reflect the adjustment and the supplier must issue an adjustment note.

### 17.4 Reimbursements

Any payment, reimbursement, indemnity or similar payment that is required to be made under this Deed which is calculated by reference to an amount paid by another party shall be reduced by the amount of any input tax credits which the other party (or the representative member of any GST group of which the other party is a member) is entitled. If the reduced payment is consideration for a taxable supply, clause 17.2 will apply to the reduced payment.

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## 18. Notices and other communications

### 18.1 Form

- (a) Unless this Deed expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this Deed must be in writing and signed by the sender (if an individual) or an authorised officer of the sender.
- (b) All communications (other than email communications) must also be marked for the attention of the person referred to in the Details, Schedule 1 or in a Deed of

Adherence (or as otherwise notified by the recipient in writing to the other parties).

- (c) Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

## **18.2 Delivery**

Communications must be:

- (a) left at the address referred to in the Details, Schedule 1 or in a Deed of Adherence (or as otherwise notified by the recipient in writing to the other parties);
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address referred to in the Details, Schedule 1 or in a Deed of Adherence (or as otherwise notified by the recipient in writing to the other parties); or
- (c) sent by email to the address referred to in the Details, Schedule 1 or in a Deed of Adherence (or as otherwise notified by the recipient in writing to the other parties).

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

## **18.3 When effective**

Communications take effect from the time they are received or taken to be received under clause 18.4 (whichever happens first) unless a later time is specified in the communication.

## **18.4 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another);
- (b) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

## **18.5 Receipt outside business hours**

Despite anything else in this clause 18, if communications are received or taken to be received under clause 18.4 after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause 18.5, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

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## **19. Amendments**

### **19.1 Amendment**

- (a) This Deed may be amended only by a document signed by:
- (i) the Company;
  - (ii) the Nominee; and
  - (iii) unless clause 19.2 applies and only if the proposed amendment would adversely effect the rights of Appointing Beneficiaries, but subject to clause 19.1(b), a majority of the Appointing Beneficiaries which are adversely affected by the amendments.
- (b) Clause 14.2(b) can only be amended by a Special Majority Resolution.

### **19.2 Complying amendments**

This Deed may be amended by a document signed by the Company and the Nominee if:

- (a) the amendment is made to cure any ambiguity, omission, manifest error, mistake or defect or inconsistency identified by the Board;
- (b) based on professional legal advice received in relation to the issue by the Company, the Board resolves that the amendment is required in order for this Deed to comply with the applicable laws;
- (c) based on professional tax advice received in relation to the issue, the Board resolves that the amendment is reasonably required to take into consideration possible adverse Tax implications in respect of this Deed and the amendment does not materially diminish the rights of, increase the obligations of, or otherwise adversely affect, an Appointing Beneficiary, or
- (d) the amendment, variation or waiver relates only to a particular party and is made with the consent of that party.

### **19.3 Ceasing to be a party**

If this Deed terminates with respect to an Appointing Beneficiary under clause 14.3, then as from that time, that former Appointing Beneficiary will cease to be a party to this Deed for the purposes of clauses 19.1 and this Deed may be amended without reference to, or the need for the signature of, that former Appointing Beneficiary.

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## **20. General**

### **20.1 Waivers**

No failure to exercise nor any delay in exercising any right, power or remedy by a party operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

### **20.2 Conflict of interest**

Each party may exercise their rights, powers and remedies in connection with this Deed even if this involves a conflict of duty or they have a personal interest in their exercise.

### **20.3 Specific performance**

The parties acknowledge that:

- (a) Securities cannot be readily purchased or sold in an open market and that damages or an account of profits may be an inadequate remedy to compensate the relevant non-breaching parties for a breach of this Deed by another party; and
- (b) each party is, to the extent permitted by law, entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by another party of this Deed, in addition to any other remedies available to them at law or in equity.

### **20.4 Indemnities and reimbursement obligations**

Any indemnity, reimbursement or similar obligation in this Deed:

- (a) is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this Deed, any settlement or any other thing;
- (b) is independent of any other obligations under this Deed; and
- (c) continues after this Deed, or any obligation arising under it, ends or terminates.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity in connection with this Deed.

### **20.5 Partial exercising of rights**

Unless this Deed expressly states otherwise, if a party does not exercise a right, power or remedy in connection with this Deed fully or at a given time, they may still exercise it later.

### **20.6 Counterparts**

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

### **20.7 Entire agreement**

This Deed, the Shareholders Deed and any other documents referred to in this Deed or executed in connection with this Deed:

- (a) embodies the entire agreement of the parties about the subject matter of this Deed; and
- (b) supersede all previous agreements, understandings and negotiations on that subject matter and all other communications.

### **20.8 Further Assurances**

- (a) Each party agrees to do all such things and execute all such deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed and the transactions contemplated by it.

### **20.9 Assignment or other dealings**

A party may not assign or otherwise Dispose of any of its rights under this Deed or allow any interest in them to arise or be varied without the prior written consent of the other parties or as otherwise expressly permitted by this Deed.



**20.10 Severability**

If any provision of this Deed is held or found to be void, invalid or otherwise unenforceable then so much of it as is necessary to render it valid and enforceable is deemed to be severed but the remainder of this Deed remains in full force and effect.

**20.11 Rules of construction**

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Deed or any part of it or seeks to rely on any provision of this Deed.

**20.12 Relationship of parties**

Unless this Deed expressly states otherwise, nothing contained or implied in this Deed constitutes any party as the partner, agent, associate, employee or representative of any other party for any purpose or creates any partnership, agency or trust between them and no party has authority to bind any other party in any way.

**20.13 Attorneys**

Each attorney executing this Deed or a Deed of Adherence states that the attorney has no notice of revocation or suspension of the power of attorney under which the attorney executes this Deed or a Deed of Adherence.

**20.14 Method of payment**

All payments required to be made under this Deed must be made by way of direct transfer of immediately available funds to the credit of an Australian bank account nominated by the payee to the payer, that nomination to be given at least 3 Business Day before, the due date for payment or by any other method agreed by the parties.

**20.15 Third Party Benefit**

If a representation, warranty, indemnity, undertaking or acknowledgment given by a party in this Deed is expressly given to or for the benefit of any Representative of the other party (such other party being referred to in this clause 20.15 as the **Recipient**) including each such person that is not a party to this Deed (**Third Party Beneficiary**), the benefit of that representation, warranty, indemnity, undertaking or acknowledgment is held by the Recipient for the benefit of, and is enforceable by, the Recipient on behalf of the Third Party Beneficiary, notwithstanding that they are not a party to this Deed.

**20.16 Certain provisions continue**

Termination of this Deed with respect to a party or all parties does not affect:

- (a) any obligation or Claim of that party or those parties, as applicable, under this Deed which accrued prior to that termination and which remains unsatisfied;
- (b) any rights, Claims or Liabilities of a party which accrued prior to such termination; or
- (c) any provision of this Deed which is expressed to come into effect on, or to continue in effect after, that termination.

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**21. Governing law**

**21.1 Governing law and jurisdiction**

The Deed is governed by the laws of the State of New South Wales. The Nominee, the Company, and each Appointing Beneficiary submit to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed.

**Schedule 1 Appointing Beneficiaries**

No.	Appointing Beneficiary	Notice Details
1.		
2.		
3.		
4.		
5.		
6.		

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**Executed** as a deed

**Company**

Date:

**Executed** by **Ancora Topco Ltd (ACN 677 564 662)** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Full name of company secretary/director

**Nominee**

Date:

**Executed** by **Evolution Trustees Limited ACN 611 839 519** in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Full name of company secretary/director

## Annexure A Deed of Adherence

### Details

#### Parties

<b>Acceding Party</b>	Name	[insert]
	[ACN]	[insert]
	Formed in	[insert]
	Address	[insert]
	Email	[insert]
	Attention	[insert]

## 1. Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply.

**Accession Date** has the meaning given to it in clause 2.1.

**Continuing Party** means each party (whether an original party or a party by accession) to the Nominee Deed, including those listed in Schedule 1 to this Deed.

**Nominee Deed** means the nominee deed dated on or about [insert] between Ancora Topco Ltd (ACN 677 564 662), [Nominee] and the Appointing Beneficiaries (as defined in that document) from time to time, as amended from time to time, a copy of which is attached as Attachment A.

### 1.2 Interpretation

Clauses 1.2 and 1.3 of the Nominee Deed apply to this Deed as if set out in full in this Deed.

### 1.3 Incorporated definitions

Unless the contrary intention appears, a term which has a defined meaning in the Nominee Deed has the same meaning when used in this Deed.

## 2. Accession

### 2.1 Accession

The Acceding Party accedes to the Nominee Deed as an Appointing Beneficiary on and from [insert relevant date] (**Accession Date**).

## 2.2 Rights and obligations of Acceding Party

Upon accession to the Nominee Deed, the Acceding Party is bound by all the terms of the Nominee Deed from the Accession Date as if the Acceding Party was, from the Accession Date, a party to the Nominee Deed with all the rights and obligations of an Appointing Beneficiary.

---

## 3. Representations and warranties

The Acceding Party represents and warrants to each Continuing Party:

- (a) if it is not an individual, it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) it has power to enter into this Deed, to comply with its obligations under this Deed and exercise its rights under this Deed;
- (c) the entry by it into, its compliance with its obligations and the exercise of its rights under, this Deed does not and will not conflict with:
  - (i) if it is with an individual, its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
  - (ii) any law binding on or applicable to it or its assets;
- (d) it has in full force and effect each authorisation necessary for it to enter into this Deed, to comply with its obligations, and to allow this Deed to be enforced;
- (e) its obligations under this Deed are valid and binding and are enforceable against it in accordance with its terms; and
- (f) it is not Insolvent.

---

## 4. Notices

### 4.1 Address of Acceding Party for notices

For the purposes of the Nominee Deed the address of the Acceding Party to which all notices must be delivered is:

To:	[insert]
Address:	[insert]
Email:	[insert]
Attention:	[insert]

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## 5. General

### 5.1 Variation and waiver

A provision of this document, or right, power or remedy created under it, may not be varied or waived except in writing signed by the party to be bound.

### 5.2 Entire agreement

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

### 5.3 Amendment

This document may be amended only by a document signed by the Acceding Party and each of the Continuing Parties.

### 5.4 Assignment

The Acceding Party may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the written consent of each of the Continuing Parties.

### 5.5 Severability

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this document or is contrary to public policy.

### 5.6 Governing law and jurisdiction

The law in force in New South Wales governs this document. The Acceding Party submits to the non-exclusive jurisdiction of the courts of that place.

Executed as a **deed poll**

Executed by [insert name] ACN [ ] by or in the presence of:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Secretary/other Director

\_\_\_\_\_  
Name of Director in full

\_\_\_\_\_  
Name of Secretary/other Director in full

# Attachment G – Conditional Transfer Agreement

Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

This Deed is made on 27 June 2024 in Chicago, Illinois.

## Parties

- 1 Each entity listed in Schedule 1 of the Conditional Transfer Agreement dated 31 May 2024 (each, an **MDP Fund**)
- 2 Ancora TopCo Ltd (ACN 677 564 662) (**TopCo**)
- 3 Ancora Midco I Pty Ltd (ACN 677 567 136) (**MidCo I**)
- 4 Ancora Midco II Pty Ltd (ACN 677 567 967) (**MidCo II**)
- 5 Ancora Midco III Pty Ltd (ACN 677 568 866) (**MidCo III**)
- 6 Ancora Bidco Pty Ltd (ACN 677 569 514) (**BidCo**)

## Recitals

- A The parties are party to a Conditional Transfer Agreement dated 31 May 2024 (the **Conditional Transfer Agreement**) in relation to the sale of the Sale Shares to TopCo, and the sale of the Sale Shares by TopCo to each MDP Fund.
- B The parties wish to amend and restate the Conditional Transfer Agreement in the manner set out in this Deed.

It is agreed as follows.

## 1 Definitions and Interpretation

### 1.1 Definitions

- (a) Words which are defined in the Conditional Transfer Agreement and which are used in this Deed have the same meaning in this Deed as in the Conditional Transfer Agreement, unless the context requires otherwise.
- (b) **Conditional Transfer Agreement** has the meaning given in the Recitals.
- (c) **Effective Date** means the date of this deed.

### 1.2 Interpretation

The provisions of clause 1.2 of the Conditional Transfer Agreement form part of this Deed as if set out at length in this Deed.

## 2 Amendments

- (a) With effect on and from the date of this Deed, the Conditional Transfer Agreement is amended and restated in the form set out in the Schedule.
- (b) On and from the Effective Date, each party is bound by the Conditional Transfer Agreement as amended by this Deed and the Conditional Transfer Agreement is to be read as a single integrated document, as set out in the Schedule.

## 3 Conflict

If there is a conflict between the Conditional Transfer Agreement and this Deed, the terms of this Deed prevail.



Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**4 Governing Law and Jurisdiction**

This Deed and, to the extent permitted by law, all related matters including non-contractual matters is governed by the laws of New South Wales, Australia. In relation to such matters each party irrevocably accepts the non-exclusive jurisdiction of courts with jurisdiction in New South Wales, Australia and waives any right to object to the venue on any ground.

**5 Counterparts**

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

Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Schedule**

**Conditional Transfer Agreement**

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**Conditional Transfer Agreement****This Agreement** is made on

2024 in Chicago, Illinois

**Parties**

- 1 Each entity listed in Schedule 1 (each, an **MDP Fund**)
- 2 Ancora TopCo Ltd (ACN 677 564 662) (**TopCo**)
- 3 Ancora Midco I Pty Ltd (ACN 677 567 136) (**MidCo I**)
- 4 Ancora Midco II Pty Ltd (ACN 677 567 967) (**MidCo II**)
- 5 Ancora Midco III Pty Ltd (ACN 677 568 866) (**MidCo III**)
- 6 Ancora Bidco Pty Ltd (ACN 677 569 514) (**BidCo**)

**Recitals**

- A The MDP Funds are the beneficial owners or entitled to be the holder of the Sale Shares.
- B Each MDP Fund has agreed to procure the sale of the Sale Shares to TopCo, and TopCo has agreed to buy the Sale Shares from each MDP Fund, on the terms of this Agreement.
- C Immediately following the sale contemplated in recital B, TopCo has agreed to procure the sale of the Sale Shares to BidCo, and BidCo has agreed to buy the sale Shares from TopCo, on the terms of this Agreement.

**It is agreed** as follows.**1 Definitions and interpretation****1.1 Definitions**

The following definitions apply unless the context requires otherwise.

**APM** means APM Human Services International Limited (ACN 639 621 766).

**APM Shares** means fully paid ordinary shares in the capital of APM.

**APM Shareholder** means a registered holder of one or more APM Shares.

**ASX Settlement Operating Rules** means the operating rules of the settlement facility of ASX Settlement Pty Limited (ACN 008 504 532) for the purposes of the Corporations Act.

**BidCo Acquisition** the acquisition of the Sale Shares by BidCo from TopCo pursuant to clause 5.

**BidCo Acquisition Completion** means completion of the BidCo Acquisition.

**BidCo Acquisition Consideration** means \$386,743,566.45.

**CHESS** means the Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia.

**Completion Date** means the Implementation Date (as defined in the Scheme Implementation Agreement).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Effective** when used in relation to the Scheme, means the coming into effect, under subsection 411(10) of the Corporations Act, of the order of a Court made under paragraph 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**MidCo I Subscription Shares** means the acquisition of 1 ordinary share in MidCo II by MidCo I pursuant to clause 7.2.

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#### Conditional Transfer Agreement

**MidCo II Subscription Shares** means the acquisition of 1 ordinary share in MidCo III by MidCo II pursuant to clause 7.3.

**MidCo III Subscription Shares** means the acquisition of 1 ordinary share in BidCo by MidCo III pursuant to clause 7.4.

**Promissory Note** means the promissory note from Buyer set out Schedule 2 (or in a form otherwise agreed between the parties).

**Sale Shares** means, in aggregate, 266,719,701 APM Shares and, in respect of each MDP Fund, the number of APM Shares held by that MDP Fund set out in Schedule 1.

**Scheme** means the compromise or arrangement (scheme of arrangement) under Part 5.1 of the Corporations Act between APM and APM Shareholders, as contemplated in the Scheme Implementation Agreement.

**Scheme Implementation Agreement** means the Scheme Implementation Deed dated on or about the date of this Agreement between BidCo and APM.

**Scheme Consideration** has the meaning given in the Scheme Implementation Agreement.

**Scheme Shares** has the meaning given in the Scheme Implementation Agreement.

**Security Interest** means an interest or power (whether existing or agreed to be granted or created):

- (a) reserved in or over any interest in any property, including any retention of title; or
- (b) created or otherwise arising in or over any interest in any property under a bill of sale, mortgage, charge, lien, pledge, hypothecation, trust or power,

by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above.

**Series A Shares** means Series A Shares in the capital of TopCo at \$0.0145 per share.

**Series B Shares** means the Series B Shares in the capital of TopCo at \$0.0145 per share.

**TopCo Acquisition** means the acquisition of the Sale Shares by TopCo from each MDP Fund pursuant to clause 3.

**TopCo Acquisition Completion** means completion of the TopCo Acquisition.

**TopCo Acquisition Consideration Shares** means the Series A Shares and Series B Shares issued to the MDP Funds in consideration for the TopCo Acquisition set out next to each MDP Fund in Schedule 1.

**TopCo Subscription Shares** means the acquisition of 1 ordinary share in MidCo I by TopCo pursuant to clause 7.1.

#### 1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) Nothing in this Agreement is to be interpreted against a party solely on the ground that the party put forward this Agreement or a relevant part of it.
- (d) The following rules apply unless the context requires otherwise.
  - (i) The singular includes the plural and the converse also applies.
  - (ii) A gender includes all genders.

**Conditional Transfer Agreement**

- (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (v) A reference to a clause, Schedule or Annexure is a reference to a clause of, or Schedule or Annexure to, this Agreement.
- (vi) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.
- (vii) A reference to writing or written includes any method of reproducing words, figures, drawings or symbols in a visible and tangible form.
- (viii) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (ix) A reference to legislation or to a provision of legislation includes any modification or re-enactment of it, a legislative provision substituted for it and all regulations or statutory instruments issued under it.
- (x) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (xi) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (xii) A reference to any professional body includes the successors of that body.
- (xiii) A reference to dollars, \$ and A\$ is to Australian currency.
- (xiv) All references to time are to Sydney, Australia time.

**2 Conditions precedent to formation of agreement**

- (a) Clause 3 and the TopCo Acquisition and clause 5 and the BidCo Acquisition do not come into force and effect, and will not bind the parties, unless and until the following conditions are satisfied:
  - (i) for the purposes of section 609(7) of the Corporations Act, APM Shareholders approve a resolution under item 7 in the table in section 611 of the Corporations Act in respect of the transactions contemplated within this Agreement; and
  - (ii) the Scheme becomes Effective,
 (the **Conditions**).
- (b) If the Conditions are satisfied, clause 3 and the TopCo Acquisition and clause 5 and the BidCo Acquisition will come into force and effect, and will bind the parties, on and from the first calendar day following satisfaction of the Conditions.

**3 TopCo Acquisition**

- (a) Each MDP Fund agrees to procure the sale of the legal and beneficial ownership in the Sale Shares free from all Security Interests and TopCo buys the Sale Shares in

#### Conditional Transfer Agreement

consideration for the issue of the TopCo Acquisition Consideration Shares, in each case on the terms set out in this Agreement.

- (b) Title to and property in the Sale Shares remains solely with the legal holder of the Sale Shares until TopCo Acquisition Completion and passes to TopCo with effect from TopCo Acquisition Completion.
- (c) Unless and until TopCo Acquisition Completion occurs, TopCo has no rights over the exercise of voting rights attached to the Sale Shares.
- (d) Each MDP Fund and TopCo acknowledge and agree that the TopCo Acquisition Consideration Shares are to be issued on the Completion Date by TopCo complying with clause 4.3(b) and 4.4.
- (e) Each MDP Fund and TopCo acknowledge that the TopCo Acquisition is a non-taxable transfer of securities to a corporation controlled by the transferor under Section 351 of the Internal Revenue Code.

#### 4 TopCo Acquisition Completion

##### 4.1 Date, time and place for TopCo Acquisition Completion

TopCo Acquisition Completion must take place:

- (a) on the Completion Date immediately prior to the time the Scheme Shares are transferred to BidCo under the Scheme; and
- (b) at the offices of the MDP Funds of 70 West Madison Street, Suite 4600, Chicago Illinois 60602, or at such other place as each MDP Fund and TopCo may agree.

##### 4.2 MDP Funds obligations on Completion

On the Completion Date, each MDP Fund must:

- (a) deliver to TopCo a duly executed instrument of transfer of the Sale Shares in favour of TopCo;
- (b) unless already provided to TopCo prior to TopCo Acquisition Completion, deliver to TopCo a copy of the holding statement(s) which disclose(s) the MDP Fund's ownership of the Sale Shares; and
- (c) in respect of any Sale Shares that are held on APM's CHESS-sponsored subregister, procure performance of all that is required by the ASX Settlement Operating Rules for the Sale Shares to be transferred to TopCo.

##### 4.3 Obligations on TopCo on Completion

On the Completion Date, TopCo must:

- (a) duly execute the transfer form received under clause 4.2(a); and
- (b) pursuant to the subscription in clause 4.4, issue the TopCo Acquisition Consideration Shares to each MDP Fund.

##### 4.4 Subscription

- (a) On the Completion Date, each MDP Fund will subscribe and TopCo will issue, the TopCo Acquisition Consideration Shares.
- (b) Each MDP Fund and TopCo acknowledges and agrees that

**Conditional Transfer Agreement**

- (i) the issue of the TopCo Acquisition Consideration Shares in TopCo pursuant to clause 4.4(a) will constitute full satisfaction by TopCo of the consideration for the purchase of the Sale Shares; and
  - (ii) the transfer of the Sale Shares to TopCo will constitute full payment by each MDP Fund of the subscription price for the subscription of shares in TopCo pursuant to clause 4.4(a).
- (c) This Agreement serves as an application by each MDP Fund for the allotment of the TopCo Acquisition Consideration Shares on the Completion Date, and accordingly it will not be necessary for each MDP Fund to provide a separate (additional) application on or prior to that time.

**4.5 Interdependency**

- (a) The obligations of each MDP Fund and TopCo under clauses 4.2, 4.3 and 4.4 are interdependent.
- (b) If any action referred to in clause 4.2, 4.3 or 4.4 does not take place on the Completion Date then TopCo Acquisition Completion will not have occurred and, without prejudice to any rights available to any party as a consequence:
  - (i) there is no obligation on any party to perform any of its obligations under clause 4.2, 4.3 or 4.4; and
  - (ii) to the extent such actions have already been undertaken, each MDP Fund and TopCo must do everything reasonably required to reverse those actions.

**5 BidCo Acquisition**

- (a) TopCo agrees to procure the sale of the legal and beneficial ownership in the Sale Shares free from all Security Interests and BidCo buys the Sale Shares for the BidCo Acquisition Consideration, in each case on the terms set out in this Agreement.
- (b) Title to and property in the Sale Shares remains solely with the legal holder of the Sale Shares until the BidCo Acquisition Completion and passes to BidCo with effect from the BidCo Acquisition Completion.

**6 BidCo Acquisition Completion****6.1 Date, time and place for Completion**

BidCo Acquisition Completion must take place:

- (a) on the Completion Date immediately after Sale Shares are transferred to TopCo pursuant to clauses 3 and 4 and immediately prior to the Scheme Shares being transferred to BidCo under the Scheme; and
- (b) at the offices of the MDP Funds of 70 West Madison Street, Suite 4600, Chicago Illinois 60602, or at such other place as TopCo and BidCo may agree.

**6.2 TopCo's obligations on Completion**

On the Completion Date, TopCo must deliver to BidCo a duly executed instrument of transfer of the Sale Shares in favour of BidCo.

**6.3 Obligations on BidCo on Completion**

On the Completion Date, BidCo must:

- (a) duly execute the transfer form received under clause 6.2; and

**Conditional Transfer Agreement**

- (b) issue to TopCo a Promissory Note, which has an aggregate face value equal to the BidCo Acquisition Consideration.

**6.4 Interdependency**

- (a) The obligations of TopCo and BidCo under clauses 6.2 and 6.3 are interdependent.
- (b) If any action referred to in clause 6.2 or 6.3 does not take place on the Completion Date then BidCo Acquisition Completion will not have occurred and, without prejudice to any rights available to any party as a consequence:
  - (i) there is no obligation on any party to perform any of its obligations under clause 6.2 or 6.3; and
  - (ii) to the extent such actions have already been undertaken, TopCo and BidCo must do everything reasonably required to reverse those actions.

**7 Subsequent subscriptions**

**7.1 TopCo subscription in MidCo I**

- (a) On the Completion Date immediately after the BidCo Acquisition Completion, TopCo will subscribe, and MidCo I will issue, 38,674,356,645 fully paid ordinary share in MidCo I for \$0.01 per share (**TopCo Subscription Shares**).
- (b) TopCo will endorse the Promissory Note to MidCo I as payment of the subscription price for the TopCo Subscription Shares.
- (c) Each of TopCo and MidCo I acknowledge and agree that endorsement of the Promissory Note from TopCo to MidCo I pursuant to clause 7.1(b) will constitute full payment by TopCo of the subscription price for the TopCo Subscription Shares.
- (d) This agreement serves as an application by TopCo for the allotment of the TopCo Subscription Shares, and accordingly it will not be necessary for TopCo to provide a separate (additional) application on or prior to that time. TopCo agrees to be bound by the Constitution of MidCo I upon the issue of the TopCo Subscription Shares.

**7.2 MidCo I subscription in MidCo II**

- (a) On the Completion Date immediately after completion of the issuance of the TopCo Subscription Shares by MidCo I to TopCo pursuant to clause 7.1, MidCo I will subscribe, and MidCo II will issue, 38,674,356,645 fully paid ordinary share in MidCo II for \$0.01 per share (**MidCo I Subscription Shares**).
- (b) MidCo I will endorse the Promissory Note to MidCo II as payment of the subscription price for the MidCo I Subscription Shares.
- (c) Each of MidCo I and MidCo II acknowledge and agree that endorsement of the Promissory Note from MidCo I to MidCo II pursuant to clause 7.2(b) will constitute full payment by MidCo I of the subscription price for the MidCo I Subscription Shares.
- (d) This agreement serves as an application by MidCo I for the allotment of the MidCo I Subscription Shares immediately after completion of the subscription of the TopCo Subscription Shares pursuant to clause 7.1, and accordingly it will not be necessary for MidCo I to provide a separate (additional) application on or prior to that time. MidCo I agrees to be bound by the Constitution of MidCo II upon the issue of the MidCo I Subscription Shares.



**Conditional Transfer Agreement****7.3 MidCo II subscription in MidCo III**

- (a) On the Completion Date immediately after completion of the issuance of the MidCo I Subscription Shares by MidCo II to MidCo I pursuant to clause 7.2, MidCo II will subscribe, and MidCo III will issue, 38,674,356,645 fully paid ordinary share in MidCo III for \$0.01 per share (**MidCo II Subscription Shares**).
- (b) MidCo II will endorse the Promissory Note to MidCo III as payment of the subscription price for the MidCo II Subscription Shares.
- (c) Each of MidCo II and MidCo III acknowledge and agree that endorsement of the Promissory Note from MidCo II to MidCo III pursuant to clause 7.3(b) will constitute full payment by MidCo II of the subscription price for the MidCo II Subscription Shares.
- (d) This agreement serves as an application by MidCo II for the allotment of the MidCo II Subscription Shares immediately after completion of the subscription of the MidCo I Subscription Shares pursuant to clause 7.2, and accordingly it will not be necessary for MidCo II to provide a separate (additional) application on or prior to that time. MidCo II agrees to be bound by the Constitution of MidCo III upon the issue of the MidCo II Subscription Shares.

**7.4 MidCo III subscription in BidCo**

- (a) On the Completion Date immediately after completion of the issuance of the MidCo II Subscription Shares by MidCo III to MidCo II pursuant to clause 7.3, MidCo III will subscribe, and BidCo will issue, 38,674,356,645 fully paid ordinary shares in BidCo for \$0.01 per share (**MidCo III Subscription Shares**).
- (b) MidCo III will endorse the Promissory Note to BidCo as payment of the subscription price for the MidCo III Subscription Shares.
- (c) Each of MidCo III and BidCo acknowledge and agree that endorsement of the Promissory Note from MidCo III to BidCo pursuant to clause 7.4(b) will constitute full payment by MidCo III of the subscription price for the MidCo III Subscription Shares.
- (d) This agreement serves as an application by MidCo III for the allotment of the MidCo III Subscription Shares immediately after completion of the subscription of the MidCo II Subscription Shares pursuant to clause 7.3, and accordingly it will not be necessary for MidCo III to provide a separate (additional) application on or prior to that time. MidCo III agrees to be bound by the Constitution of BidCo upon the issue of the MidCo III Subscription Shares.

**8 Cancellation of Promissory Note**

Immediately after the Promissory Note is endorsed to BidCo in accordance with clause 7.4(b), BidCo agrees that the Promissory note will be cancelled.

**9 Power of attorney**

- (a) Subject to TopCo Acquisition Completion occurring in accordance with this Agreement, each MDP Fund appoints TopCo to be its attorney from the Completion Date in respect of the Sale Shares until the Sale Shares are registered in the name of TopCo. Under this power of attorney, TopCo may do in the name of each MDP Fund and on its behalf everything necessary to:
  - (i) transfer the Sale Shares;

**Conditional Transfer Agreement**

- (ii) exercise any rights, including rights to appoint a proxy or representative and voting rights, attending to the Sale Shares;
- (iii) receive any dividend or other entitlement paid or credited to each MDP Fund in respect of the Sale Shares; and
- (iv) do any other act or thing in respect of the Sale Shares.

Each MDP Fund declares that all acts and things done by TopCo in exercising powers under this power of attorney will be as good and valid as if they had been done by each MDP Fund and agrees to ratify and confirm whatever TopCo does in exercising power under this power of attorney.

- (b) Subject to BidCo Acquisition Completion occurring in accordance with this Agreement, TopCo appoints BidCo to be its attorney from the Completion Date in respect of the Sale Shares until the Sale Shares are registered in the name of BidCo. Under this power of attorney, BidCo may do in the name of TopCo and on its behalf everything necessary to:

- (i) transfer the Sale Shares;
- (ii) exercise any rights, including rights to appoint a proxy or representative and voting rights, attending to the Sale Shares;
- (iii) receive any dividend or other entitlement paid or credited to TopCo in respect of the Sale Shares; and
- (iv) do any other act or thing in respect of the Sale Shares.

TopCo declares that all acts and things done by BidCo in exercising powers under this power of attorney will be as good and valid as if they had been done by TopCo and agrees to ratify and confirm whatever BidCo does in exercising power under this power of attorney.

**10 No restriction on transfer**

Notwithstanding any other provision of this Agreement, each party acknowledges and agrees that nothing in this Agreement restricts or prohibits any party from disposing of the Sale Shares at any time.

**11 Representations and warranties****11.1 Mutual representations and warranties**

- (a) Each MDP Fund and Topco represent and warrant to each other; and
- (b) Each of TopCo and BidCo represent and warrant to each other,

that each of the following statements is true and correct as at the date of this Agreement and as at TopCo Acquisition Completion (in respect of each MDP Fund and TopCo) and as at BidCo Acquisition Completion (in respect of TopCo and BidCo):

- (c) **(Status)** It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation; and
- (d) **(Power)** It has the power to enter into and perform its obligations under this Agreement, to carry out the transactions contemplated by this Agreement and to carry on its business as now conducted or contemplated.
- (e) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement.

**Conditional Transfer Agreement**

- (f) **(Documents binding)** Its obligations under this Agreement are valid and binding obligations on it enforceable in accordance with their terms, subject to any necessary stamping and registration.
- (g) **(Transactions permitted)** The execution and performance by it of this Agreement and each transaction contemplated under this Agreement did not and will not violate in any respect a provision of:
  - (i) a law or treaty or a judgment, ruling, order or decree of a government or governmental authority or agency binding on it;
  - (ii) its constitution or other constituent documents; or
  - (iii) any other document or agreement which is binding on it or its assets.

**11.2 Additional representations and warranties by sellers**

In addition,

- (a) Each MDP Fund represents and warrants to TopCo; and
- (b) TopCo represents and warrants to BidCo,

that each of the following statements is true and correct as at the date of this Agreement and as at TopCo Acquisition Completion (in respect of each MDP Fund's representing and warranting to TopCo) and as at BidCo Acquisition Completion (in respect of TopCo representing and warranting to BidCo):

- (c) **(Power to sell)** Each MDP Fund and TopCo has taken all necessary action to authorise the execution, delivery and performance of this Agreement in accordance with its terms and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase all of its Sale Shares, or any of them, and there is no restriction on the transfer of its Sale Shares to TopCo and BidCo (as applicable) on the terms of this Agreement.
- (d) **(Title)** Each MDP Fund and TopCo is the beneficial owner or entitled to be the holder of the Sale Shares and at TopCo Acquisition Completion or BidCo Acquisition Completion (as applicable) TopCo and BidCo (as applicable) will acquire full legal and beneficial ownership of the Sale Shares free from all Security Interests and any other third party rights over the Sale Shares, and there is no agreement to give or create any Security Interest over the Sale Shares.
- (e) **(Equal ranking)** To the best of its knowledge, the Sale Shares rank equally in all respects with all other APM Shares.

**11.3 No merger**

The provisions of clauses 11.1 and 11.2 will not merge on TopCo Acquisition Completion and BidCo Acquisition Completion (as applicable), and will survive TopCo Acquisition Completion and BidCo Acquisition Completion (as applicable).

**11.4 Reduction of Purchase Consideration**

Any amount payable to TopCo (in respect of the TopCo Acquisition) and BidCo (in respect of the BidCo Acquisition) for a breach of any representation or warranty in clause 11.1 or 11.2 will be treated as a reduction of the TopCo Acquisition Consideration paid by the TopCo or the BidCo Acquisition Consideration paid by BidCo (as applicable) under this Agreement. Any amount payable by:

**Conditional Transfer Agreement**

- (a) TopCo to each MDP Fund under this Agreement will be treated as an increase to the consideration given by TopCo to each MDP Fund under this Agreement; and
- (b) BidCo to TopCo under this Agreement will be treated as an increase to the BidCo Acquisition Consideration paid by BidCo under this Agreement.

**12 GST**

**12.1 Recovery of GST**

- (a) All consideration provided under this agreement is exclusive of GST unless it is specifically expressed to be GST inclusive.
- (b) If GST is payable, or notionally payable, on a supply made under or in connection with this Agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**) as calculated by the party making the supply in accordance with the GST Act. Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

**12.2 Liability net of GST**

Where any indemnity, reimbursement or similar payment under this Agreement is based on any cost, expense or other liability, it must be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant cost, expense or other liability.

**12.3 Adjustment events**

If an adjustment event occurs in relation to a supply made under or in connection with this Agreement, the GST Amount will be recalculated in accordance with the GST Act to reflect that adjustment and an appropriate payment will be made between the parties (as applicable).

**12.4 Cost exclusive of GST**

Any reference in this Agreement to a cost, expense or other similar amount (**Cost**) is a reference to that Cost exclusive of GST.

**12.5 Survival**

This clause 12 will not merge upon completion and will continue to apply after expiration or termination of this Agreement.

**12.6 Definitions**

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) will have the same meaning in this clause.

**13 Termination**

This Agreement automatically terminates by expiry if the Scheme Implementation Agreement terminates.

**Conditional Transfer Agreement****14 General****14.1 Amendment**

This Agreement may be amended only by another document executed by all the parties.

**14.2 Assignment**

- (a) Subject to paragraph (b) below, no party can assign, charge, encumber or otherwise deal with any of its rights or obligations under this Agreement, or attempt or purport to do so, without the prior written consent of the other party.
- (b) A party may assign, or grant a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest over, some or all of its rights, title and interest to and under this Agreement to:
  - (i) any persons (including, without limitation, lenders, agents and arrangers) that have committed to provide or arrange or otherwise enter into arrangements in connection with the provision of debt financing to any party, together with their affiliates, officers, directors, employees and representatives involved in such debt financing and their respective successors and assigns; and/or
  - (ii) any person or persons acting as a security trustee, security agent, collateral agent, facility agent, intercreditor agent or other agent or trustee on behalf of a person referred to in paragraph (b)(i) above.

**14.3 Costs and duty**

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All duty (including fines, penalties and interest) payable on or in connection with this Agreement and any instrument executed under or any transaction evidenced by this Agreement must be borne by TopCo (in respect of the TopCo Acquisition) and BidCo (in respect of the Bidco Acquisition).

**14.4 Governing law and jurisdiction**

This Agreement and, to the extent permitted by law, all related matters including non-contractual matters is governed by the laws of New South Wales and of the Commonwealth of Australia. In relation to such matters each party irrevocably accepts the non-exclusive jurisdiction of courts with jurisdiction there and waives any right to object to the venue on any ground.

**14.5 Counterparts**

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

## Conditional Transfer Agreement

## Schedule 1

## MDP Funds

MDP Fund	Number of Sale Shares	TopCo Acquisition Consideration Shares
Madison Dearborn Capital Partners VIII-A, L.P.	158,747,406	15,081,003,570 Series A Shares 793,737,030 Series B Shares
Madison Dearborn Capital, Partners VIII-C, L.P.	82,410,574	7,829,004,530 Series A Shares 412,052,870 Series B Shares
Madison Dearborn Capital Partners VIII Executive-A, L.P.	12,679,659	1,204,567,605 Series A Shares 63,398,295 Series B Shares
Madison Dearborn Capital Partners VIII Executive-A2, L.P.	12,882,062	1,223,795,890 Series A Shares 64,410,310 Series B Shares

## Conditional Transfer Agreement

**Schedule 2 – Promissory Note****Promissory Note****Date****Party****Promissory Note by Ancora BidCo Pty Ltd (ACN 677 569 514) (Buyer)****Recitals**

- A. The Buyer is party to a Conditional Transfer Agreement with TopCo, and other parties, dated \_\_\_\_\_, 2024 (the **CTA**), under which the Buyer has agreed to advance an amount of the Principal Sum to TopCo.

**It is agreed** as follows.

**1 Definitions and Interpretation****1.1 Definitions**

The following definitions apply unless the context requires otherwise.

**Completion Date** has the meaning given to it in the CTA or, if earlier, the date which is 9 years and 364 days from the date of this Note.

**Note** means this promissory note.

**Principal Sum** means \$386,743,566.45.

**TopCo** means Ancora TopCo Ltd (ACN 677 564 662)

**1.2 Interpretation**

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

A reference to \$ is a reference to Australian dollars.

The singular includes the plural and the converse.

A reference to a clause is a reference to a clause of this Note.

**2 Promise to Pay**

For value received, the Buyer promises to pay on demand to TopCo or any subsequent holder of this Note (the **Noteholder**) the Principal Sum.

**3 Payments**

This Note may be presented for payment on or after the date for payment at the registered office of the Buyer. The Buyer shall make all payments to the Noteholder:

- (a) by cheque or by any other means agreed by the Noteholder in writing with TopCo; and
- (b) without set-off, counterclaim or other deduction, except any compulsory deduction for taxation.

For clarity, no other amounts (eg interest) are payable under this Note.

**Conditional Transfer Agreement**

**4 Endorsement**

This Note may be endorsed by the Noteholder, and thereafter the person to whom it has last been endorsed will be the Noteholder.

**5 *Bills of Exchange Act 1909 (Cth)***

It is intended that this instrument is a promissory note for the purposes of the *Bills of Exchange Act 1909 (Cth)*.

**6 Governing Law**

This Note is governed by the laws of New South Wales. The Lender submits to the non-exclusive jurisdiction of courts exercising jurisdiction there.

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## Conditional Transfer Agreement

## Schedule 3 – Endorsement

Endorsement to	Endorsement date	Signed by endorser Noteholder
Ancora MidCo I Pty Ltd (ACN 677 567 136)		Executed by Ancora TopCo Ltd in accordance with section 127 of the <i>Corporations Act 2001</i> (Cth):  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;">           _____            Witness Signature             _____            Print Name         </div> <div style="width: 45%; text-align: center;">           _____            Director Signature             _____            Print Name         </div> </div>

Endorsement to	Endorsement date	Signed by endorser Noteholder
Ancora MidCo II Pty Ltd (ACN 677 567 967)		Executed by Ancora MidCo I Pty Ltd in accordance with section 127 of the <i>Corporations Act 2001</i> (Cth):  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;">           _____            Director Signature             _____            Print Name         </div> <div style="width: 45%; text-align: center;">           _____            Director/Secretary Signature             _____            Print Name         </div> </div>

Endorsement to	Endorsement date	Signed by endorser Noteholder
Ancora MidCo III Pty Ltd (ACN 677 568 866)		Executed by Ancora MidCo II Pty Ltd in accordance with section 127 of the <i>Corporations Act 2001</i> (Cth):  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;">           _____            Director Signature             _____            Print Name         </div> <div style="width: 45%; text-align: center;">           _____            Director/Secretary Signature             _____            Print Name         </div> </div>

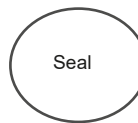
Endorsement to	Endorsement date	Signed by endorser Noteholder
Ancora BidCo Pty Ltd (ACN 677 569 514)		Executed by Ancora MidCo III Pty Ltd in accordance with section 127 of the <i>Corporations Act 2001</i> (Cth):  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;">           _____            Director Signature             _____            Print Name         </div> <div style="width: 45%; text-align: center;">           _____            Director/Secretary Signature             _____            Print Name         </div> </div>

Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Executed as a Deed**

**Signed Sealed and Delivered** by **Madison Dearborn Capital Partners VIII-A, L.P.** in the presence of:



Signature of Witness

William Ritchie

Name of Witness

Signature of Authorised Signatory

Elizabeth Q. Betten

Name of Authorised Signatory

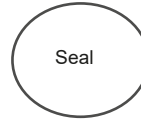
*Execution page to Amendment and Rstatement Deed – Conditional Transfer Agreement*

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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens < Linklaters

Signed Sealed and Delivered by Madison Dearborn Capital Partners VIII-C, L.P. in the presence of:



*William E. Ritchie*

Signature of Witness

William Ritchie

Name of Witness

*Elizabeth Q. Betten*

Signature of Authorised Signatory

Elizabeth Q. Betten

Name of Authorised Signatory

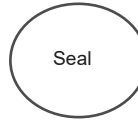
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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Signed Sealed and Delivered by Madison Dearborn Capital Partners VIII Executive-A, L.P.** in the presence of:



Handwritten signature of William E. Ritchie in black ink.

Signature of Witness

William Ritchie

Name of Witness

Handwritten signature of Elizabeth Q. Betten in black ink.

Signature of Authorised Signatory

Elizabeth Q. Betten

Name of Authorised Signatory

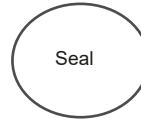
*Execution page to Amendment and Restatement Deed – Conditional Transfer Agreement*

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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens < Linklaters

**Signed Sealed and Delivered by Madison Dearborn Capital Partners VIII Executive-A2, L.P.** in the presence of:



*William E. Ritchie*

Signature of Witness

William Ritchie

Name of Witness

*Elizabeth Q. Betten*

Signature of Authorised Signatory

Elizabeth Q. Betten

Name of Authorised Signatory

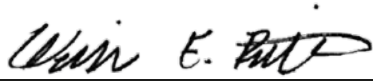
*Execution page to Amendment and Rstatement Deed – Conditional Transfer Agreement*

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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Signed Sealed and Delivered by Ancora  
TopCo Ltd (ACN 677 564 662)** in accordance  
with section 127 of the Corporations Act 2001  
(Cth):



Signature of Director



Signature of Director

William Ritchie

Name of Director (print)

Elizabeth Betten

Name of Director (print)

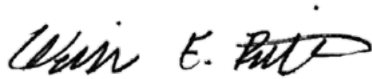
*Execution page to Amendment and Rstatement Deed – Conditional Transfer Agreement*

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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Signed Sealed and Delivered by Ancora  
Midco I Pty Ltd (ACN 677 567 136)** in  
accordance with section 127 of the Corporations  
Act 2001 (Cth):



Signature of Director



Signature of Director

William Ritchie

Name of Director (print)

Elizabeth Betten

Name of Director (print)

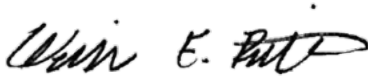
*Execution page to Amendment and Restatement Deed – Conditional Transfer Agreement*

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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Signed Sealed and Delivered by Ancora  
Midco II Pty Ltd (ACN 677 567 967)** in  
accordance with section 127 of the Corporations  
Act 2001 (Cth):



Signature of Director



Signature of Director

William Ritchie

Name of Director (print)

Elizabeth Betten

Name of Director (print)

*Execution page to Amendment and Restatement Deed – Conditional Transfer Agreement*

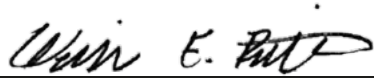
For personal use only



Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Signed Sealed and Delivered by Ancora  
Midco III Pty Ltd (ACN 677 568 866)** in  
accordance with section 127 of the Corporations  
Act 2001 (Cth):



Signature of Director



Signature of Director

William Ritchie

Name of Director (print)

Elizabeth Betten

Name of Director (print)

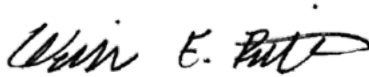
*Execution page to Amendment and Restatement Deed – Conditional Transfer Agreement*

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Amendment and Restatement Deed – Conditional Transfer Agreement

Allens & Linklaters

**Signed Sealed and Delivered by Ancora  
Bidco Pty Ltd (ACN 677 569 514)** in  
accordance with section 127 of the Corporations  
Act 2001 (Cth):



Signature of Director



Signature of Director

William Ritchie

Name of Director (print)

Elizabeth Betten

Name of Director (print)

*Execution page to Amendment and Restatement Deed – Conditional Transfer Agreement*

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# Attachment H – Notice of General Meeting

## NOTICE OF GENERAL MEETING

Notice is given that a general meeting of the holders of ordinary shares in APM (**General Meeting**) will be held as follows:

**Date:** Wednesday, 18 September 2024

**Time:** 11:00am (Sydney time)

**Venue:** Virtually through the Online General Meeting Platform at <https://meetnow.global/MTXJXGL>

### Chairperson

Neville Power is to act as Chairperson of the meeting or failing that person, Benjamin Wyatt.

### Purpose of Meeting

The purpose of the meeting is to consider, and if thought fit, to approve (with or without modification) the Item 7 Resolution as an ordinary resolution.

To enable you to make an informed voting decision, important information on the Item 7 Resolution is set out in the Scheme Booklet accompanying this Notice of General Meeting.

The Explanatory Memorandum forms part of this Notice of General Meeting. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in Section Schedule 1 of the Scheme Booklet.

### Agenda

Resolution – Item 7 Resolution

To consider, and if thought fit, to pass, with or without amendment, the following resolution:

*“That, for the purposes of item 7 of section 611 of the Corporations Act, and as outlined in the Scheme Booklet accompanying this notice of meeting, approval is given for the transfer of the APM Shares held by each Excluded Shareholder to Ancora TopCo, and subsequently the transfer of these APM Shares to be held by Ancora TopCo to Ancora BidCo (through a series of transactions) on implementation of the Scheme, on the terms set out the Conditional Transfer Agreement.”*

### APM Recommending Directors’ Recommendation

For the reasons set out in the Scheme Booklet, the APM Recommending Directors unanimously recommend that APM Shareholders vote in favour of the Item 7 Transaction in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM Shareholders.

### By order of the APM IBC



### Neville Power

Lead Independent Director on behalf of the APM IBC  
16 August 2024

## EXPLANATORY MEMORANDUM TO NOTICE OF GENERAL MEETING

### General

Notice is hereby given of a meeting of the holders of ordinary shares in APM Human Services International Limited (ACN 639 621 766) (**APM**) other than the Excluded Shareholders will be held at 11:00am (Sydney time) on Wednesday, 18 September 2024 virtually through the Online General Meeting Platform at <https://meetnow.global/MTXJXGL> (**General Meeting**).

To enable you to make an informed decision on the Item 7 Transaction, further information is set out in this Scheme Booklet, of which this Notice of General Meeting forms part. Terms used in this Notice of General Meeting have the same meaning as set out in the Glossary in Schedule 1 of this Scheme Booklet. These notes should be read in conjunction with the Notice of General Meeting.

### Required majority

The Item 7 Resolution must, pursuant to item 7 of section 611 of the Corporations Act, be agreed to by a simple majority (that is, more than 50%) of APM Shareholders present and voting (either in person or by proxy, attorney or body corporate representative), without any votes being cast in favour of that resolution by MDP or their respective Associates who hold APM Shares.

### Entitlement to vote

It has been determined that, for the purposes of the General Meeting, APM Shares will be taken to be held by the persons who are registered as members of APM as of 7:00pm (Sydney time) on Monday, 16 September 2024. Accordingly, transfers of APM Shares registered after this time will be disregarded in determining entitlements to vote at the General Meeting.

APM will disregard any votes cast in favour of the Item 7 Resolution by MDP or their Associates who hold APM Shares, unless the vote is cast by such persons as proxy for the person who is entitled to vote, in accordance with the directions on the Proxy Form.

### Voting at the General Meeting

You can vote in the following ways:

- virtually, by attending and voting at the General Meeting virtually via the Online General Meeting Platform at <https://meetnow.global/MTXJXGL>;
- by proxy, by lodging a proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) (Control Number: 183920) or by completing, signing and lodging a Proxy Form for the General Meeting in accordance with the instructions set out in this Notice of General Meeting and on the Proxy Form. To be valid, your online proxy or Proxy Form must be received by the APM Share Registry by no later than 11:00am (Sydney time) on Monday, 16 September 2024 (or if the General Meeting is adjourned, at least 48 hours before the resumption of the General Meeting in relation to the resumed part of that meeting);
- by attorney, by appointing an attorney to attend and vote at the General Meeting on your behalf and providing a duly executed power of attorney to the APM Share Registry by no later than 11:00am (Sydney time) on Monday, 16 September 2024 (or if the General Meeting is adjourned, at least 48 hours before the resumption of the General Meeting in relation to the resumed part of that meeting); or
- by corporate representative, in the case of a body corporate which is an APM Shareholder, by appointing a corporate representative to vote at the General Meeting in person on your behalf (in accordance with sections 250D and 253B of the Corporations Act) prior to or at the General Meeting.

If APM Shares are jointly held, joint holders should follow the appropriate prompts when accessing the Online General Meeting Platform. Voting will be conducted by poll.

### Voting online

The APM Recommending Directors encourage APM Shareholders to participate in the General Meeting, which will be via the Online General Meeting Platform at <https://meetnow.global/MTXJXGL>. While APM Shareholders will be able to vote on the Item 7 Resolution online during the General Meeting in real time, APM Shareholders are encouraged to vote by proxy ahead of the General Meeting by completing and lodging a Proxy Form. If you are unable to attend, please lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) (Control Number: 183920).

APM Shareholders participating in the General Meeting using the Online General Meeting Platform at <https://meetnow.global/MTXJXGL> will be able to vote between the commencement of the Meeting and the closure of voting as announced by the Chairperson during the meeting.

By participating in the General Meeting you will be able to:

- hear and view meeting slides;
- submit questions at the appropriate time while the Meeting is in progress; and
- vote during the Meeting.

If you choose to participate in the General Meeting via the Online General Meeting Platform, registration will open at 10:30am (Sydney time) on Wednesday, 18 September 2024. To participate in the General Meeting, you can log in to the meeting by entering the URL <https://meetnow.global/MTXJXGL> into a web browser on your computer, tablet or smart phone.

To participate in the Meeting follow the instructions below.

- Click on 'Join Meeting Now'.
- Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.
- Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
- Accept the Terms and Conditions and 'Click Continue'.

Instructions on how to ask questions during the General Meeting are outlined below and available in the Online Meeting Guide below. Please note, only APM Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions submitted. APM Shareholders are therefore encouraged to lodge questions prior to the General Meeting by emailing the Company Secretary, Peter Torre at [cosec@apm.net.au](mailto:cosec@apm.net.au) at least 48 hours before the General Meeting (being, 11:00am (Sydney time) on Monday, 16 September 2024).

To ask a question in writing during the Meeting, select the 'Q&A' icon on the Online General Meeting Platform, select the topic your question relates to. Type your question into the chat box at the bottom of the screen and press 'Send'.

To ask a verbal question during the Meeting, follow the instructions on the Online General Meeting Platform.

Further information regarding participating in the General Meeting online, including browser requirements, is detailed in the Online Meeting Guide attached to this Scheme Booklet at Attachment L (*Online Meeting Guide*).

### **Voting by proxy**

APM Shareholders are notified that:

- you may appoint not more than two proxies to attend and act for you;
- a proxy need not be a holder of APM Shares and may be an individual or a body corporate;
- if two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes;
- if an APM Shareholder returns their Proxy Form but does not nominate the identity of their proxy, the Chairperson of the General Meeting will automatically be their proxy. If an APM Shareholder returns their Proxy Form but their nominated proxy does not attend the General Meeting, then their proxy will revert to the Chairperson of the General Meeting;
- for resolutions determined on a poll, if an APM Shareholder's nominated proxy is either not recorded as attending the General Meeting or does not vote on the Item 7 Resolution in accordance with the APM Shareholder's directions, the Chairperson of the General Meeting is taken, before voting on the Item 7 Resolution closes, to have been appointed as the APM Shareholder's proxy for the purposes of voting on the Item 7 Resolution; and
- if you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit. Should you appoint the Chairperson as your proxy and do not instruct the Chairperson how to vote (or the Chairperson becomes your proxy by default), the Chairperson intends to vote all undirected proxies in favour of the Item 7 Resolution.

Instructions on how to complete and lodge the Proxy Form are described below and also included on the Proxy Form itself. Please note that the Proxy Form must be received by the APM Share Registry, whose details are listed below, by no later than 11:00am (Sydney time) on Monday, 16 September 2024. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney must be received by the APM Share Registry at the same time as the Proxy Form (unless previously provided to the APM Share Registry).

### **Voting by attorney**

You may appoint an attorney to participate in and vote at the General Meeting on your behalf. Your attorney need not be another APM Shareholder. Each attorney will have the right to vote on the poll and also to speak at the General Meeting.

The power of attorney appointing your attorney to participate in and vote at the meeting must be duly executed by you and specify your name, the company (that is, APM), and the attorney, and also specify the Meeting(s) at which the appointment may be used. The appointment may be a standing one.

Certified copies of powers of attorney must be received by the APM Share Registry with a completed Proxy Form by no later than 11:00am (Sydney time) at Monday, 16 September 2024 (being at least 48 hours prior to the General Meeting). A certified copy of a power of attorney and an accompanying completed Proxy Form may be submitted in the same manner as a completed Proxy Form, as described above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to attend and vote at the General Meeting, should follow the appropriate prompts when accessing the Online General Meeting Platform.

A validly appointed attorney wishing to attend and vote at the General Meeting will require the SRN/HIN and postcode/country of residence of the APM Shareholder that appointed it in order to access the Online General Meeting Platform.

#### **Voting by corporate representative (in the case of a body corporate)**

A body corporate that is an APM Shareholder, or that has been appointed as proxy, may appoint an individual to act as its representative at the relevant Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act.

To vote by corporate representative at the General Meeting, the corporate representative should follow the appropriate prompts when accessing the Online General Meeting Platform.

A validly appointed corporate representative wishing to attend and vote at the relevant Meeting will require the SRN/HIN and the post code/country of residence of the body corporate that appointed it in order to access the Online General Meeting Platform.

#### **Jointly held securities**

If APM Shares are jointly held, joint holders should follow the appropriate prompts when accessing the Online General Meeting Platform.

#### **Lodgement of proxies and queries**

A Proxy Form is enclosed with the Notice of General Meeting. Instructions on how to complete and lodge the Proxy Form are included on the form. If you appoint a proxy, APM encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

APM Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the General Meeting online and to exercise your voting instructions. Appointed proxies will need to contact the APM Share Registry prior to the meeting to obtain their login details.

Proxy Forms may be lodged using any of the following methods:

- Online: [www.investorvote.com.au](http://www.investorvote.com.au) (Control Number: 183920)
- By mobile: Scan the QR Code on your Proxy Form and follow the prompts
- By mail:  
Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia
- By facsimile:  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555
- Custodian voting: for intermediary online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### **Technical difficulties**

Technical difficulties may arise during the General Meeting. The Chairperson has discretion as to whether and how the General Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairperson will have regard to the number of APM Shareholders impacted and the extent to which participation in the business of the General Meeting is affected. Where the Chairperson considers it appropriate, the Chairperson may continue to hold the General Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, APM Shareholders are encouraged to lodge a proxy by 11:00am (Sydney time) on Monday, 16 September 2024.

#### **Changes to the current arrangement**

APM may be required to make changes to the arrangements for the General Meeting. If there are any updates, APM will ensure that APM Shareholders are given as much notice as possible. Further information will also be made available on the APM website at <https://www.apminvestors.net.au/>.

#### **Advertisement**

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from APM's website at <https://www.apminvestors.net.au/>, or from the ASX website at [www.asx.com.au](http://www.asx.com.au) or by contacting the APM Share Registry.

# Attachment I – Notice of Scheme Meeting

## NOTICE OF SCHEME MEETING

Notice is hereby given that, by an order of the Supreme Court of New South Wales made on 14 August 2024 pursuant to section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in APM Human Services International Limited (ACN 639 621 766) (**APM**) other than the Excluded Shareholders (**Scheme Meeting**) will be held as follows:

**Date:** Wednesday, 18 September 2024

**Time:** 12:00pm (Sydney time)

**Venue:** Virtually through the Online Scheme Meeting Platform at <https://meetnow.global/MXCDVLL>

### Business of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, agree to a scheme of arrangement (with or without modifications, alterations or conditions required by the Court to which APM and Ancora BidCo agree in writing) proposed to be entered into between APM and APM Shareholders as at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act, and to consider and, if thought fit, to pass the Scheme Resolution.

To enable you to make an informed voting decision, further information about the Scheme is set out in the accompanying explanatory statement (for the purposes of section 412(1) of the Corporations Act) which, together with this Notice of Scheme Meeting, forms part of the Scheme Booklet.

Capitalised terms used in this Notice of Scheme Meeting but not defined in it have the same meaning as set out in the Glossary in Schedule 1 of the Scheme Booklet.

### Business of the Scheme Meeting – Scheme Resolution

To consider and, if thought fit, to pass the following Scheme Resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

*'That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which APM and Ancora BidCo agree in writing) and the APM Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.'*

### Chairperson

The Court has directed that Neville Power is to act as Chairperson of the Scheme Meeting (and that, if Neville Power is unable or unwilling to attend, Benjamin Wyatt is to act as Chairperson of the Scheme Meeting) and has directed the Chairperson to report the result of the Scheme Resolution to the Court.

### By order of the Court and the APM IBC



### Neville Power

Lead Independent Director on behalf of the APM IBC

16 August 2024

## EXPLANATORY NOTES FOR THE SCHEME MEETING

### General

Notice is hereby given that, by an order of the Supreme Court of New South Wales made on 14 August 2024 pursuant to section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in APM Human Services International Limited (ACN 639 621 766) (**APM**) other than the Excluded Shareholders will be held at 12:00pm (Sydney time) on Wednesday, 18 September 2024 virtually through the Online Scheme Meeting Platform at <https://meetnow.global/MXCDVLL> (**Scheme Meeting**).

To enable you to make an informed decision on the Scheme, further information is set out in this Scheme Booklet, of which this Notice of Scheme Meeting forms part. Terms used in this Notice of Scheme Meeting have the same meaning as set out in the Glossary in Schedule 1 of this Scheme Booklet. These notes should be read in conjunction with the Notice of Scheme Meeting. A copy of the Scheme is set out in Attachment B (Scheme) to the Scheme Booklet.

### Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- unless the Court orders otherwise, a majority in number (i.e. more than 50%) of APM Shareholders present and voting at the Scheme Meeting (in person, virtually or by proxy, attorney or corporate representative); and
- at least 75% of the votes cast on the Scheme Resolution by APM Shareholders present and voting at the Scheme Meeting (in person, virtually or by proxy, attorney or corporate representative).

### Court approval

If the Scheme Resolution (set out in the Notice of Scheme Meeting) is approved at the Scheme Meeting by the Requisite Majorities and the other Conditions Precedent to the Scheme are satisfied or waived (if applicable) in accordance with the Scheme, APM intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details in respect of the Scheme Resolution to be put to the Scheme Meeting are set out in the Scheme Booklet.

### Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, the time for determining eligibility to vote at the meeting is 7:00pm (Sydney time) on Monday, 16 September 2024. This means that any APM Shareholders entered on the APM Share Register at that time will be entitled to attend and vote at the Scheme Meeting. Voting will be conducted by poll. Every APM Shareholder who is present virtually, in person or by proxy, representative or attorney will have one vote for each APM Share held by that APM Shareholder.

Both Ancora BidCo and its Associates are excluded from voting on the Scheme Resolution, unless:

- the vote is cast by the Associate as proxy for a person who is not excluded from voting, in accordance with that person's directions on the Proxy Form; or
- the Associate is acting solely as an investment manager, custodian, nominee, trustee, responsible entity or other fiduciary on behalf of a third party beneficiary or third party investor, who is not an Associate of Ancora BidCo.

### Voting at the Scheme Meeting

You can vote in the following ways:

- virtually, by attending and voting at the Scheme Meeting virtually via the Online Scheme Meeting Platform at <https://meetnow.global/MXCDVLL>;
- by proxy, by lodging a proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) (Control Number: 183919) or by completing, signing and lodging a Proxy Form for the Scheme Meeting in accordance with the instructions set out in this Notice of Scheme Meeting and on the Proxy Form. To be valid, your online proxy or Proxy Form must be received by the APM Share Registry by no later than 12:00pm (Sydney time) on Monday, 16 September 2024 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of that meeting);
- by attorney, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the APM Share Registry by no later than 11:00am (Sydney time) on Monday, 16 September 2024 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of that meeting); or
- by corporate representative, in the case of a body corporate which is an APM Shareholder, by appointing a corporate representative to vote at the Scheme Meeting in person on your behalf (in accordance with sections 250D and 253B of the Corporations Act) prior to or at the Scheme Meeting.



### Voting online

The APM Recommending Directors encourage APM Shareholders to participate in the Scheme Meeting, which will be via the Online Scheme Meeting Platform at <https://meetnow.global/MXCDVLL>. While APM Shareholders will be able to vote on the Scheme Resolution online during the Scheme Meeting in real time, APM Shareholders are encouraged to vote by proxy ahead of the Scheme Meeting by completing and lodging a Proxy Form. If you are unable to attend, please lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) (Control Number: 183919).

APM Shareholders participating in the Scheme Meeting using the Online Scheme Meeting Platform at <https://meetnow.global/MXCDVLL> will be able to vote between the commencement of the Meeting and the closure of voting as announced by the Chairperson during the meeting.

By participating in the Scheme Meeting you will be able to:

- hear and view meeting slides;
- submit questions at the appropriate time while the Meeting is in progress; and
- vote during the Meeting.

If you choose to participate in the Scheme Meeting via the Online Scheme Meeting Platform, registration will open at 10:30am (Sydney time) on Wednesday, 18 September 2024. To participate in the Scheme Meeting, you can log in to the meeting by entering the URL <https://meetnow.global/MXCDVLL> into a web browser on your computer, tablet or smart phone.

To participate in the Meeting follow the instructions below.

- Click on 'Join Meeting Now'.
- Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.
- Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.
- Accept the Terms and Conditions and 'Click Continue'.

Instructions on how to ask questions during the Scheme Meeting are outlined below and available in the Online Meeting Guide below. Please note, only APM Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions submitted. APM Shareholders are therefore encouraged to lodge questions prior to the Scheme Meeting by emailing the Company Secretary, Peter Torre at [cosec@apm.net.au](mailto:cosec@apm.net.au) by at least 48 hours before the General Meeting that will immediately precede the Scheme Meeting (being, 11:00am (Sydney time) on Monday, 16 September 2024).

To ask a question in writing, select the 'Q&A' icon on the Online Scheme Meeting Platform, select the topic your question relates to. Type your question into the chat box at the bottom of the screen and press 'Send'.

To ask a verbal question, follow the instructions on the Online Scheme Meeting Platform.

Further information regarding participating in the Scheme Meeting online, including browser requirements, is detailed in the Online Meeting Guide attached to this Scheme Booklet at Attachment L (Online Meeting Guide).

### Voting by proxy

APM Shareholders are notified that:

- you may appoint not more than two proxies to attend and act for you;
- a proxy need not be a holder of APM Shares and may be an individual or a body corporate;
- if two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes;
- if an APM Shareholder returns their Proxy Form but does not nominate the identity of their proxy, the Chairperson of the Scheme Meeting will automatically be their proxy. If an APM Shareholder returns their Proxy Form but their nominated proxy does not attend the Scheme Meeting, then their proxy will revert to the Chairperson of the Scheme Meeting;
- for resolutions determined on a poll, if an APM Shareholder's nominated proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution in accordance with the APM Shareholder's directions, the Chairperson of the Scheme Meeting is taken, before voting on the Scheme Resolution closes, to have been appointed as the APM Shareholder's proxy for the purposes of voting on the Scheme Resolution; and
- if you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit. Should you appoint the Chairperson as your proxy and do not instruct the Chairperson how to vote (or the Chairperson becomes your proxy by default), the Chairperson intends to vote all undirected proxies in favour of the Scheme Resolution.

Instructions on how to complete and lodge the Proxy Form are described below and also included on the Proxy Form itself. Please note that the Proxy Form must be received by the APM Share Registry, whose details are listed below, by no later than 12:00pm (Sydney time) on Monday, 16 September 2024. If you have an attorney sign a Proxy Form on your behalf, the original or a certified copy of the power of attorney must be received by the APM Share Registry at the same time as the Proxy Form (unless previously provided to the APM Share Registry).

### **Voting by attorney**

You may appoint an attorney to participate in and vote at the Scheme Meeting on your behalf. Your attorney need not be another APM Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the meeting must be duly executed by you and specify your name, the company (that is, APM), and the attorney, and also specify the Meeting(s) at which the appointment may be used. The appointment may be a standing one.

Certified copies of powers of attorney must be received by the APM Share Registry with a completed Proxy Form by no later than 11:00am (Sydney time) on Monday, 16 September 2024 (being at least 48 hours prior to the General Meeting that will immediately precede the Scheme Meeting). A certified copy of a power of attorney and an accompanying completed Proxy Form may be submitted in the same manner as a completed Proxy Form, as described above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting, should follow the appropriate prompts when accessing the Online Scheme Meeting Platform.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting will require the SRN/HIN and postcode/country of residence of the APM Shareholder that appointed it in order to access the Online Scheme Meeting Platform.

### **Voting by corporate representative (in the case of a body corporate)**

A body corporate that is an APM Shareholder, or that has been appointed as proxy, may appoint an individual to act as its representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act.

To vote by corporate representative at the Scheme Meeting, the corporate representative should follow the appropriate prompts when accessing the Online Scheme Meeting Platform.

A validly appointed corporate representative wishing to attend and vote at the relevant Meeting will require the SRN/HIN and the post code/country of residence of the body corporate that appointed it in order to access the Online Scheme Meeting Platform.

### **Jointly held securities**

If APM Shares are jointly held, joint holders should follow the appropriate prompts when accessing the Online Scheme Meeting Platform.

### **Lodgement of proxies and queries**

A Proxy Form is enclosed with the Notice of Scheme Meeting. Instructions on how to complete and lodge the Proxy Form are included on the form. If you appoint a proxy, APM encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the Proxy Form.

APM Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the Scheme Meeting online and to exercise your voting instructions. Appointed proxies will need to contact the APM Share Registry prior to the meeting to obtain their login details.

Proxy Forms may be lodged using any of the following methods:

- Online: [www.investorvote.com.au](http://www.investorvote.com.au) (Control Number: 183919)
- By mobile: Scan the QR Code on your Proxy Form and follow the prompts
- By mail:  
Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia
- By facsimile:  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555
- Custodian voting: for intermediary online subscribers (custodians) go to: [www.intermediaryonline.com](http://www.intermediaryonline.com)

**Technical difficulties**

Technical difficulties may arise during the Scheme Meeting. The Chairperson has discretion as to whether and how the Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairperson will have regard to the number of APM Shareholders impacted and the extent to which participation in the business of the Scheme Meeting is affected. Where the Chairperson considers it appropriate, the Chairperson may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, APM Shareholders are encouraged to lodge a proxy by 12:00pm (Sydney time) on Monday, 16 September 2024.

**Changes to the current arrangement**

APM may be required to make changes to the arrangements for the Scheme Meeting. If there are any updates, APM will ensure that APM Shareholders are given as much notice as possible. Further information will also be made available on the APM website at <https://www.apminvestors.net.au/>.

**Advertisement**


Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from APM's website at <https://www.apminvestors.net.au/>, or from the ASX website at [www.asx.com.au](http://www.asx.com.au) or by contacting the APM Share Registry.

# Attachment J – Sample General Meeting Proxy Form



APM Human Services International Limited  
ABN 38 639 621 766

## Need assistance?

 **Phone:**  
1300 396 568 (within Australia)  
+61 3 9415 4126 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (Sydney time) on Monday, 16 September 2024.**

## Proxy Form - General Meeting (Item 7 Transaction)

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in APM Human Services International Limited's Scheme Booklet which can be accessed on APM Human Services International Limited's announcement platform at [www.asx.com.au](http://www.asx.com.au) (unless the context requires otherwise).

### How to vote on the Item 7 Resolution

All your securities will be voted in accordance with your directions.

#### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

#### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this form when you return it.

**Companies:** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Lodge your Proxy Form: **XX**

#### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 183920**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia

#### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

For personal use only

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

## ■ Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of APM Human Services International Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of APM Human Services International Limited to be held as a virtual meeting on the Online General Meeting Platform on Wednesday, 18 September 2024 at 11:00am (Sydney time) and at any adjournment or postponement of that meeting.

### Step 2 Item of Business

**PLEASE NOTE:** If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the Item 7 Majority.

	For	Against	Abstain
Resolution - Item 7 Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>	/ / Date
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	

#### Update your communication details *(Optional)*

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number  Email Address

■ APM

3 1 0 6 7 5 A




Computershare +

# Attachment K – Sample Scheme Meeting Proxy Form



APM Human Services International Limited  
ABN 38 639 621 766

## Need assistance?

 **Phone:**  
1300 396 568 (within Australia)  
+61 3 9415 4126 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00pm (Sydney time) on Monday, 16 September 2024.**

## Proxy Form - Scheme Meeting

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in APM Human Services International Limited's Scheme Booklet which can be accessed on APM Human Services International Limited's announcement platform at [www.asx.com.au](http://www.asx.com.au) (unless the context requires otherwise).

### How to vote on the Scheme Resolution

All your securities will be voted in accordance with your directions.

#### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

#### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this form when you return it.

**Companies:** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Lodge your Proxy Form: **XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 183919**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

For personal use only

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

## ■ Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of APM Human Services International Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of APM Human Services International Limited to be held as a virtual meeting on the Online Scheme Meeting Platform on Wednesday, 18 September 2024 at 12:00pm (Sydney time) and at any adjournment or postponement of that meeting.

### Step 2 Item of Business

**PLEASE NOTE:** If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the Requisite Majorities.

	For	Against	Abstain
Business of the Scheme Meeting - Scheme Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Individual or Securityholder 1	Securityholder 2	Securityholder 3	Date
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	

**Update your communication details** (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

■ APM

3 1 0 6 7 5 B



**Computershare** +

# Attachment L – Online Meeting Guide

## ONLINE MEETING GUIDE



### GETTING STARTED

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://meetnow.global/au> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

### TO LOG IN, YOU MUST HAVE THE FOLLOWING INFORMATION:

#### Australian Residents

SRN or HIN and postcode of your registered address.

#### Overseas Residents

SRN or HIN and country of your registered address.

#### Appointed Proxies

Please contact Computershare Investor Services on +61 3 9415 4024 to request your unique email invitation link prior to the meeting day.

### PARTICIPATING AT THE MEETING

To participate in the online meeting, visit <https://meetnow.global/au>. Then enter the company name in the 'Search for meeting' field. Select and click on the displayed meeting.

#### Search for meeting

Please enter Company or Meeting Name. Enter 3 or more characters. e.g. Computershare

Or select the country where the company is based.

Australia

#### To register as a shareholder

Select 'Shareholder', enter your SRN or HIN and select your country. If Australia, also enter your postcode.

Shareholder Invitation Guest

If you are a shareholder or an appointed corporate representative, please enter the required details below.

SRN/HIN

Country

Post Code

**SIGN IN**

#### OR To register as a proxyholder

To access the meeting click on the link in the invitation e-mail sent to you. Or select 'Invitation' and enter your invite code provided in the e-mail.

Shareholder Invitation Guest

If you have received an email invitation for this meeting, please enter your invite code below.

Invite Code

**SIGN IN**

#### OR To register as a guest

Select 'Guest' and enter your details.

Shareholder Invitation Guest

If you would like to attend the meeting as a Guest please provide your details below.

First Name

Last Name

Email

Company Name

**SIGN IN**

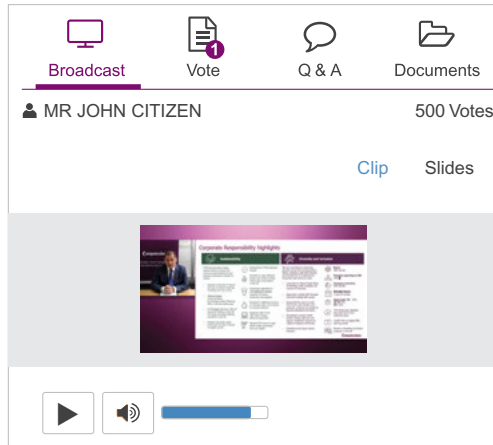
292250\_01\_V2



For personal use only

**Broadcast**

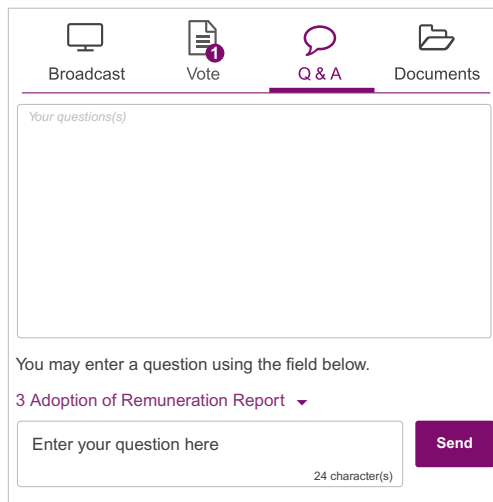
The webcast will appear automatically once the meeting has started. If the webcast does not start automatically press the play button and ensure the audio on your computer or device is turned on.



**Q & A**

To ask a question select the 'Q & A' icon, select the topic your question relates to. Type your question into the chat box at the bottom of the screen and press 'Send'.

To ask a verbal question, follow the instructions on the virtual meeting platform.



**FOR ASSISTANCE**

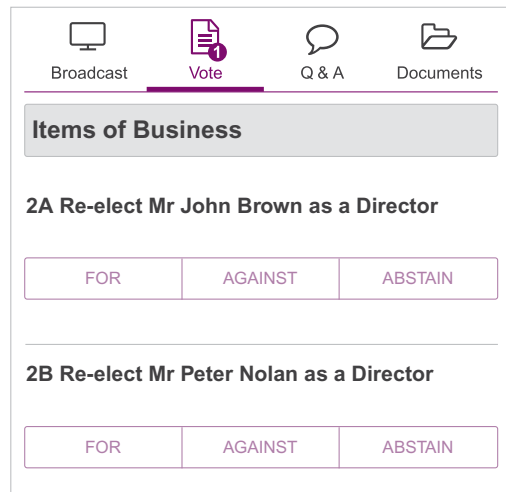
If you require assistance before or during the meeting please call +61 3 9415 4024.

**Vote**

When the Chair declares the poll open, select the "Vote" icon and the voting options will appear on your screen.

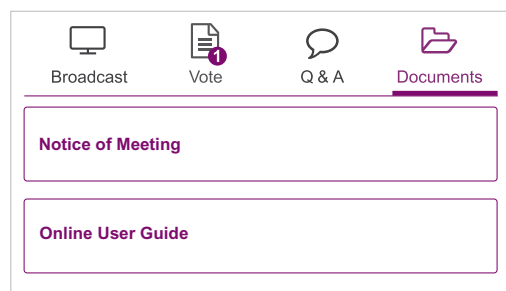
To vote, select your voting direction. A tick will appear to confirm receipt of your vote.

To change your vote, select 'Click here to change your vote' and press a different option to override.



**Documents**

To view meeting documents select the 'Documents' icon and choose the document you wish to view.





# Corporate directory

## Registered office

**APM Human Services International Limited**  
58 Ord Street  
West Perth WA 6005

## Recommending Directors

Neville Power  
Simone Blank  
Robert Melia  
Benjamin Wyatt  
Megan Wynne  
Michael Anghie

## Financial adviser

**UBS**  
Chifley Tower, Level 16  
Sydney NSW 2000

## Legal adviser

**Gilbert + Tobin**  
Level 35  
Tower Two, International Towers Sydney  
200 Barangaroo Avenue  
Barangaroo NSW 2000

## Tax adviser

**EY**  
200 George Street  
Sydney NSW 2000

## APM Share Registry

**Computershare Investor Services Pty Limited**  
Level 17, 221 St Georges Terrace  
Perth WA 6000

## Independent Expert

**Kroll Australia Pty Ltd**  
Level 32  
85 Castlereagh Street  
Sydney NSW 2000

## Shareholder Information Line

Between 8:30am and 5:30pm (Sydney time) Monday to Friday (excluding public holidays)

**Within Australia**  
1300 396 568

**Outside Australia**  
03 9415 4126

## Company Secretary

Peter Torre

## ASX Limited

ASX: APM

