

# Abano Healthcare Group Limited

## DIVIDEND REINVESTMENT PLAN OFFER DOCUMENT

18 December 2017



Dear Shareholders

**ABANO HEALTHCARE GROUP LIMITED DIVIDEND REINVESTMENT PLAN**

Abano Healthcare Group Limited has a dividend reinvestment plan under which shareholders can choose to reinvest some or all of their cash dividends in further shares in Abano.

Participation in the Plan is optional. Details of the Plan, including a summary of its key features, are set out in this Offer Document.

The Plan provides a way for shareholders to receive further Abano shares free from brokerage charges by reinvesting their dividends. The Board may determine to issue shares at a small discount to the market price after the record date for the relevant dividend.

If you would like to participate in the Plan, you should complete and return the enclosed Participation Notice.

If you require any further information, please contact us at the address above, or Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, or your investment adviser.

Yours sincerely



Trevor D Janes  
Chairman  
**Abano Healthcare Group Limited**

## **KEY FEATURES OF THE PLAN**

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### **SHARES INSTEAD OF DIVIDENDS**

Eligible Shareholders have the opportunity to reinvest the net proceeds of any cash dividends payable or credited on their Shares in Additional Shares which rank equally in all respects with existing shares. The Plan provides a convenient method for eligible Shareholders to increase their investment in the Company free of brokerage charges.

### **INVEST ALL OR SOME OF YOUR DIVIDEND**

Eligible Shareholders can elect to participate in the Plan in respect of all or some of their Shares. Participation in the Plan applies to all future dividends on Shares participating in the Plan (unless a Shareholder changes their level of participation, or ceases to participate, by completing a Participation Notice).

### **ELIGIBILITY**

All holders of Shares with registered addresses in New Zealand and Australia are eligible to participate in the Plan. Holders of shares with registered addresses outside New Zealand and Australia are currently excluded from participating in the Plan given the relatively onerous requirements that would be placed on the Company by the relevant foreign jurisdictions if the Plan was offered in those jurisdictions.

### **PRICE FOR THE SHARES**

The price for Additional Shares to be issued under the Plan will be determined by applying a formula based on the market price for Abano Shares, unless the Board determines otherwise. The method for calculating the price is described more fully in this Offer Document.

### **DETAILS WILL BE SENT TO YOU**

Shareholders who elect to participate in the Plan will receive a statement providing details of their total dividend entitlement and the number of Additional Shares issued under the Plan. This statement will be sent to Shareholders promptly after each dividend payment date.

### **PARTICIPATION ARRANGEMENTS ARE FLEXIBLE**

Shareholders can join, vary their participation or withdraw from the Plan. Notice of joining, variation or withdrawal from the Plan received by the Share Registrar after a Record Date will be effective as at the following Record Date.

### **DIVIDEND POLICY**

Shareholders can find information about Abano's dividend policy at: [www.abano.co.nz/dividend](http://www.abano.co.nz/dividend)

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1. **INTRODUCTION**

This document (**Offer Document**) contains the terms and conditions of the Abano Healthcare Group Limited (**Abano**) Dividend Reinvestment Plan (the **Plan**). Under the Plan, holders of ordinary shares in Abano (**Shareholders**) may elect to reinvest the net proceeds of cash dividends payable or credited on all or some of their ordinary shares in Abano held at any given time (**Shares**) to acquire further fully paid ordinary shares in Abano (**Additional Shares**). This Offer Document has been prepared as at 18 December 2017 and sets out the terms and conditions of the Plan.

2. **THE OFFER**

2.1 **Offer to All Shareholders**

Subject to clauses 2.3 and 2.4, Abano offers to all Shareholders the right to elect to participate in the Plan.

2.2 **Available Options**

Shareholders may elect to participate in the Plan by exercising one of the following options:

(a) **Full Participation**

For Shareholders who elect full participation, participation in the Plan will apply to all of the Shares registered in their name from time to time.

(b) **Partial Participation**

For Shareholders who elect partial participation, only the number of Shares nominated by the Shareholder will participate in the Plan. If the Shareholder holds less than the nominated number of Shares, then the Plan will apply to such lesser number of Shares.

(c) **Non-Participation**

For Shareholders who do not wish to participate and wish to receive all dividends in cash, no action is required.

2.3 **Overseas Shareholders**

(a) Abano may, in its absolute discretion, elect not to offer participation under the Plan to shareholders whose address on Abano's share register is outside of New Zealand or Australia if Abano considers that to do so would risk breaching the laws of any relevant jurisdiction outside of New Zealand or Australia and it would be unduly onerous to ensure compliance with the laws of that jurisdiction. As at the date of this Offer Document, the Board has elected not to offer participation in the Plan to shareholders whose address on Abano's share register is outside New Zealand or Australia. The Board may, in its absolute discretion, elect to amend this policy. Shareholders who are not resident in New Zealand or Australia and who hold their Shares through a New Zealand or Australian resident nominee must not allow their nominee to participate in the Plan if participation would be contrary to the laws of their country of residence.

(b) Any person residing outside New Zealand and Australia who participates in the Plan through a New Zealand or Australian resident nominee will be deemed to represent and warrant to Abano that they can lawfully participate through their nominee. Abano accepts no responsibility for determining whether a Shareholder is able to participate in the Plan under laws applicable outside of New Zealand or Australia.

(c) The offer of securities in Australia under the Plan does not need disclosure for the purposes of section 708 of the Corporations Act 2001 (Cth). Accordingly, this Offer Document will not be lodged with the Australian Securities and Investments Commission (**ASIC**). Shareholders who are resident in Australia should note that Abano is not licensed to provide financial product advice in relation to the securities offered under the Plan. There is no cooling-off regime that applies in respect of Australian shareholders' acquisition of securities offered under the Plan. This Offer Document does not take into account any shareholder's personal objectives, financial situation or needs. Australian shareholders should consider obtaining their own financial product advice in relation to the proposed offer from an independent person who is licensed by ASIC to give such advice.

2.4 **Exclusion where Liens or Charges over Shares**

Any Shares over which Abano has a lien or charge in accordance with Abano's Constitution or other requirements of law will not be eligible to participate in the Plan.

3. **METHOD OF PARTICIPATION**

3.1 **Participation Notice**

To participate in the Plan a Shareholder must:

(a) complete the participation notice which accompanies this Offer Document (the **Participation Notice**) in accordance with the instructions on that notice; and

(b) forward the completed Participation Notice to Abano's Share Registrar at:  
Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road, Takapuna, Auckland  
Private Bag 92119, Auckland 1142, New Zealand  
or such other person or address as Abano may determine (as announced to NZX by Abano).

(c) Shareholders may also complete the Participation Notice online at [www.investorcentre.com/nz](http://www.investorcentre.com/nz). Shareholders will be directed to the Computershare website, where shareholders can elect to participate in, or withdraw from, the Abano Dividend Reinvestment Plan.

- (d) Shareholders who subsequently decide that they would like to participate in the Plan can request a Participation Notice from the Share Registrar at the address above.
- (e) If the Participation Notice does not indicate the degree of participation, it will be deemed to be an application for full participation if it is otherwise correctly completed and signed.

### 3.2 Participation Effective for First Record Date

The record date for determining entitlements under the Plan is 5:00pm New Zealand time on the date fixed by Abano for determining entitlements to a dividend (**Record Date**). Participation will be effective as to net proceeds of cash dividends payable or credited on the first Record Date after receipt by Abano of a properly completed Participation Notice.

## 4. ADDITIONAL SHARE ENTITLEMENT

### 4.1 Formula for Calculation of Additional Shares

The number of Additional Shares to be issued to a Shareholder who has elected to participate in the Plan (a **Participant**) in return for a cash dividend will be calculated in accordance with the following formula:

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

#### Where:

- N** is the number of Additional Shares which the Participant will receive (with any fractional entitlements to be rounded to the nearest whole number);
- S** is the number of Shares in respect of which an election to participate in the Plan has been made by the Participant at the Record Date (**Participating Shares**);
- D** is the net proceeds per Share from Abano (expressed in cents and fractions of cents, including any supplementary dividends in respect of Participating Shares payable to non-resident Shareholders but excluding any tax credits and after deduction of any resident and non-resident withholding (or other) taxes, if any) of cash dividends paid or credited on that Share and which are to be reinvested under the Plan;
- P** is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for all Shares sold on the equity securities market operated by NZX Limited (NZX Main Board) over the five trading days immediately following the Record Date. If no sales of Shares occur during those five trading days, then the average of the volume weighted average sale price will be deemed to be the sale price for a Share on the first sale on the NZX Main Board which took place after such period.

The Board may resolve, in its sole discretion, to apply a discount to the volume weighted average sale price once determined. Further, any volume weighted average sale price so determined may be reasonably adjusted by Abano to allow for any bonus issue or dividend or other distribution expectation. If, in the opinion of the Board, any exceptional or unusual circumstances have artificially affected the volume weighted average sale price so determined, Abano may make such adjustment to that price as it considers reasonable. The determination of the price of the Additional Shares by the Board, or by some other person nominated by the Board, will be binding on all Shareholders with Participating Shares.

### 4.2 Share Price Information Publicly Available

Abano will ensure that at the time the price for the Additional Shares is set under clause 4.1, it will have no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Shares if it was publicly available.

### 4.3 Compliance with laws, listing rules and constitution

- (a) The Plan will not operate in relation to a dividend to the extent that the allotment or issue of Additional Shares under the Plan would breach any applicable law, the listing rules of the NZX Main Board or any provision of Abano's Constitution.
- (b) If and to the extent that the Plan does not operate for such reason in respect of a Participant's Participating Shares, the relevant dividend on Participating Shares will, until such time as the issue is resolved, be paid or distributed in the same manner as to Shareholders not participating in the Plan.

## 5. OPERATION OF THE PLAN

### 5.1 Issue of Additional Shares

Abano will, on the day that a Participant would otherwise have been paid a dividend, issue the Additional Shares to that Participant in accordance with clause 4.

### 5.2 Terms of Issue and Ranking of Additional Shares

Additional Shares issued to Participants under the Plan will be issued on the terms set out in this Offer Document, and subject to the rights of termination, suspension and modification set out in clause 8 will not be issued on any other terms and will all be subject to the same rights as each other. The Additional Shares issued to Participants under the Plan will, from the date of issue, rank equally in all respects with each other and with all other Shares of Abano on issue as at that date.

## 6. SOURCE OF ADDITIONAL SHARES

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

- (a) new Shares issued by Abano;

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

## 7. **STATEMENT TO PARTICIPANTS**

Subject to clauses 2.3 and 2.4, Abano will send to each Participant on each dividend payment date, a statement detailing in respect of that Participant:

- (a) the number of the Participating Shares of the Participant as at the Record Date;
- (b) the amount of the cash dividend reinvested in respect of Participating Shares, and the amount paid in respect of Shares not nominated for participation in the Plan (if applicable);
- (c) the amount of any tax deductions or withholding in respect of the cash dividend;
- (d) the issue price and number of Additional Shares issued under the Plan; and
- (e) the amount of any imputation or other taxation credit in respect of the cash dividend.

## 8. **TERMINATION, SUSPENSION AND MODIFICATION**

### 8.1 **The Board's discretion**

The Board of Abano may, in its sole discretion, at any time:

- (a) terminate, suspend or modify the Plan. If the Plan is modified, then a Participation Notice will be deemed to be a Participation Notice under the Plan as modified unless that Participation Notice is withdrawn by the Participant in accordance with clause 8.4; or
- (b) resolve that participation will not apply to the whole or part of any dividend and that the applicable part will be paid in cash; or
- (c) resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, that a Participation Notice will be deemed to be a Participation Notice in respect of the shares as subdivided, consolidated or reclassified unless such Participation Notice is subsequently changed or withdrawn by the Participant; or
- (d) resolve that a Participation Notice will cease to be of any effect; or
- (e) resolve to apply a discount to the market price of Shares at which Additional Shares may be issued, adjust the level of any discount, or resolve that no such discount will apply; or
- (f) determine that Shareholders in specific jurisdictions outside New Zealand and Australia may participate in the Plan; or
- (g) determine that the Plan may be underwritten on such terms agreed between Abano and an underwriter.

### 8.2 **Prior Notice**

Notice of any modification or termination of the Plan by Abano will be given to all Participants by sending written notification of that modification or termination to Shareholders' addresses as set out in the Abano share register.

### 8.3 **When No Notice Required**

Notwithstanding clause 8.2, Abano may at any time, without the need for any notice:

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

### 8.4 **Variation or Termination by a Participant**

A Participant may, at any time:

- (a) increase or decrease the number of Participating Shares by completing and sending a new Participation Notice to Abano's Share Registrar; or
- (b) terminate the Participant's participation in the Plan by written notice to that effect to Abano's Share Registrar.

Such variation or termination will take effect immediately upon receipt by the Share Registrar of the new Participation Notice or the written termination notice, as the case may be. Written notice of the variation or termination should be sent to the Share Registrar at the address above.

### 8.5 **Death of a Participant**

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

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

### 9.1 **Share Dispositions where Partial Participation**

Where a Participant in respect of some but not all of its Shares, disposes of some of its Shares then, unless the Participant notifies Abano otherwise in writing:

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

## 9.2 **Partial Dispositions where Full Participation**

If a Participant with full participation disposes of part of its holding of Shares without giving Abano written notice terminating the Participant's participation in the Plan, the Participant will be deemed to have terminated its participation in the Plan with respect to the Shares disposed of by it from the date Abano registers a transfer of those Shares.

## 9.3 **Dispositions of All of Shares**

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

## 10. **TAXATION**

### 10.1 **Summary only**

The taxation summary below is based on New Zealand taxation laws as at the date of this Offer Document and is, of necessity, general. It does not take into account the circumstances of individual Shareholders and the specific tax consequences to them of participation or non-participation in the Plan, which may vary considerably. The summary also does not address the New Zealand tax consequences of the Plan for Shareholders who are not tax resident in New Zealand or Australia, and does not address the tax consequences of the Plan in other tax jurisdictions outside New Zealand. Shareholders should not rely on this general summary but should seek their own tax advice. Abano does not accept any responsibility for the financial or taxation effects of a Shareholder's participation or non-participation in the Plan.

### 10.2 **New Zealand tax resident Shareholders**

Shareholders who are tax resident in New Zealand will be treated as deriving a cash dividend in the first instance which is then applied to purchase or subscribe for Shares under the Plan. Abano will deduct resident withholding tax from the dividend at the applicable rate (and after having regard to any imputation credits attached to the dividend).

The dividend (including any imputation credits attached) will be taxable to those Shareholders at their respective marginal tax rates. The tax liability should be reduced by any imputation credits attached and resident withholding tax deducted by Abano in respect of those Shares.

### 10.3 **Australian tax resident Shareholders**

Shareholders who are tax resident only in Australia will also be treated as receiving a cash dividend which is then applied to purchase or subscribe for Shares under the Plan.

Dividends which have full imputation credits attached (and which are paid together with a supplementary dividend) will be subject to non-resident withholding tax at the rate of 15%. However, the supplementary dividend should be sufficient to discharge the non-resident withholding tax liability and will be applied by Abano for that purpose.

A different New Zealand tax treatment may apply to the extent that dividends are distributed without full imputation credits and a supplementary dividend.

### 10.4 **Dispositions of Shares**

No indication is given in respect of the taxation position on dispositions of Shares received pursuant to the Plan. The specific tax consequences may vary depending on the circumstances of individual Shareholders.

## 11. **COSTS**

There are no charges for participation or withdrawal from the Plan. No brokerage costs will be incurred on the issue of Additional Shares.

## 12. **STOCK EXCHANGE LISTINGS**

### 12.1 **Quotation of Additional Shares**

The Additional Shares have been accepted for listing by NZX and will be quoted upon completion of allotment procedures. However, NZX accepts no responsibility for any statement in this Offer Document.

### 12.2 **Stock Exchange Rules**

The Plan is subject to the Listing Rules of NZX and to any rules for clearing and/or settlement which operate from time to time (together the Stock Exchange Rules) and in the event of any inconsistency between the Plan and the Stock Exchange Rules, the Stock Exchange Rules will apply.

## 13. **GOVERNING LAW**

This Offer Document and the Plan, and its operation, will be governed by the laws of New Zealand.

## 14. **OTHER INFORMATION**

Copies of Abano's most recent Annual Report and most recent financial statements complying with the Financial Reporting Act 2013 (and any auditor's report on those financial statements) are available to Shareholders free of charge by writing to:

The Chief Financial Officer  
Abano Healthcare Group Limited  
PO Box 106-514  
Auckland 1143, New Zealand

Alternatively, an electronic copy of these documents can be downloaded from Abano's website at [www.abanohealthcare.co.nz](http://www.abanohealthcare.co.nz)