

13 October 2017

ASX Announcement

Dispatch of Scheme Booklet to Shareholders

Further to its announcement on 9 August 2017, Medical Australia Limited (**MLA**) announces that the Scheme Booklet, which contains the Notice of Meeting and Proxy Form, for the meeting of MLA Shareholders to consider and vote on the proposed acquisition of all the shares in MLA by ICU Medical Inc. (**ICU**) by way of a scheme of arrangement, has now been dispatched to MLA shareholders.

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SCHEME BOOKLET

for acquisition of

all of the issued shares of

MEDICAL AUSTRALIA LIMITED

by

ICU MEDICAL INC.

pursuant to

Scheme of Arrangement

under Part 5.1 Corporations Act

NOTICE OF SCHEME MEETING

To All Shareholders,

Notice is hereby given that by an order of the Federal court of Australia (**Court**) made on 4 October 2017 pursuant to section 411(1) of the Corporations Act 2001 (Cth) (**Corporations Act**) a meeting of the holders of ordinary shares in Medical Australia Limited (ACN 096 048 912) (**MLA**) will be held at 10.00am on Wednesday 15 November 2017 at Nexia Australia, Level 16, 1 Market Street, Sydney.

The Court has also directed that Bruce Hancox act as Chairperson of the meeting or failing him Ian Mitchell and has directed the Chairperson to report the result of the meeting to the Court if the resolution is approved.

Business of the meeting – Scheme Resolution

To consider, and if thought fit, to pass the following 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 modification as approved by the Court).”

By Order of the Court

Ian Burnham Mitchell
Company Secretary
13 October 2017

Explanatory Notes

To enable you to make an informed decision on the Scheme Resolution, further information on the Scheme is set out in the 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 section 14 of the Scheme Booklet.

These notes should be read in conjunction with the Notice of Scheme Meeting.

Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- a majority in number of the holders of MLA Shares present and voting (either in person, by proxy or attorney or in the case of a corporate holder, by duly appointed corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution.

Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, MLA Shares will be taken to be held by the persons who are registered as members of MLA as of 5.00pm (Sydney time) on 13 November 2017. Accordingly, transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Voting at the meeting

You may vote in person at the meeting or appoint a proxy or attorney to attend and vote for you.

NOTICE OF SCHEME MEETING continued

1.1 Jointly held securities

If MLA Shares are jointly held, either one of the joint shareholders is entitled to vote. If more than one joint shareholder votes in respect of jointly held shares, only the vote of the shareholder whose name appears first in the register will be counted.

1.2 Corporate Shareholders

To vote at the Scheme Meeting (other than by proxy or attorney), a corporation that is a MLA Shareholder must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act. The representative must bring to the Scheme Meeting evidence of his or her appointment including any authority under which it is signed.

(a) Voting by proxy

A MLA Shareholder entitled to attend and vote at the Scheme Meeting is also entitled to vote by proxy. The proxy form is enclosed with the Scheme Booklet. You may appoint not more than two proxies to attend and act for you at the Scheme Meeting. A proxy need not be a holder of MLA Shares. 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 you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit at the Scheme Meeting.

Please refer to the enclosed proxy form for instructions on completion and lodgment. Please note that proxy forms must be received at the registered office of MLA or the Registry whose details are listed below no less than 48 hours prior to the commencement of the Scheme Meeting.

(b) Voting by attorney

Powers of attorney must be received by the Registry, or at the registered office, by no later than 10.00am on 13 November 2017 (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 the Scheme Meeting).

An attorney will be admitted to the Scheme Meeting and given a voting card upon providing at the point of entry to the Scheme Meeting written evidence of their appointment, of their name and address and the identity of their appointer.

The sending of a power of attorney will not preclude a MLA Shareholder from attending in person and voting at the Scheme Meeting if the MLA Shareholder is entitled to attend and vote.

Lodgment of proxies and queries

Proxy forms, powers of attorney and authorities should be sent to MLA at the address specified on the enclosed reply paid envelope or to the address specified below.

Post: NextRegistries,
P.O. Box H195,
Australia Square, NSW 1215

In person: NextRegistries,
Level 16, 1 Market Street,
Sydney NSW 2000

Email: mail@nextregistries.com.au

Holders of MLA Shares should contact the Registry on (02) 9276 1700 Monday to Friday between 9.00am and 5.00pm (Sydney time) (excluding public holidays) with any queries regarding the number of MLA Shares held, how to vote and lodgment of proxy forms.

Court approval

If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majorities, the implementation of the Scheme (with or without modification) will be subject, among other things, to the subsequent approval of the Court.

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ANNEXURES:

- A. Notice of Scheme Meeting- see inside front cover
- B. Scheme Implementation Agreement
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- D. Deed Poll
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1. IMPORTANT NOTICES

Defined Terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary in section 14 of this Scheme Booklet.

This Scheme Booklet

This Scheme Booklet includes the explanatory statement required to be sent to MLA Shareholders in relation to the Scheme under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out in Annexure C to this Scheme Booklet.

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

Responsibility for information

- (a) Except as provided in paragraphs (b) to (d) below, the information in this Scheme Booklet has been provided by MLA and is the responsibility of MLA. ICU Medical Inc. and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of any such MLA information.
- (b) ICU has provided and is responsible for the ICU Information. MLA and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of the ICU information.
- (c) William Buck Corporate Advisory Services has provided and is responsible for the information contained in Annexure E of this MLA Scheme Booklet. Neither MLA nor ICU assumes any responsibility for the accuracy or completeness of the information contained in Annexure E of this Scheme Booklet. William Buck does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Annexure E.
- (d) The Independent Expert, William Buck Corporate Advisory Services, has provided and is responsible for the information contained in Annexure E to this Scheme Booklet. MLA does not assume any responsibility for the accuracy or completeness of the information contained in Annexure E to this Scheme Booklet except in relation to the information given by it to the Independent Expert. ICU does not

assume any responsibility for the accuracy or completeness of the information contained in Annexure E 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 contained in Annexure E.

- (e) NextRegistries has had no involvement in the preparation of any part of this Scheme Booklet other than being named as MLA's Share Registry. NextRegistries has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

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 MLA 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 MLA Shares.

ASIC and ASX Involvement

This document is the explanatory statement for the scheme of arrangement between MLA and the holders of MLA 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 Annexure C.

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.

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:

- (a) 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
- (b) has prepared, or is responsible for the content of, the explanatory statement.

Notice regarding Second Court Hearing and if a MLA Shareholder wishes to oppose the Scheme

The date of the Second Court Hearing to approve the Scheme is 17 November 2017. The hearing will be at 10.15am (Sydney time) at the Federal Court of Australia at Law Courts Building, 184 Phillip Street, Sydney NSW 2000.

Each MLA Shareholder has the right to appear and be heard at the Second Court Hearing and may 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 MLA 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 MLA at its address for service at least one day before 17 November 2017. The address for service for MLA is Medical Australia Limited, c/- Websters, Solicitors, Level 11, 37 Bligh Street, Sydney NSW 2000
(Attention: Ian Mitchell)
(Email: reception@websters.net.au)

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 MLA or, in relation to the ICU information, 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 MLA’S and ICU’s objectives, plans, goals or expectations are or may be forward-looking statements.

The statements in this Scheme Booklet about the impact that the Scheme may have on the results of MLA’s operations, and the advantages and disadvantages anticipated to result from the Scheme, are also forward – looking statements.

Any forward-looking statements included in the ICU information have been made on reasonable grounds. Although ICU and ICU BV believe that the views reflected in any forward-looking statements included in the ICU 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 MLA have been made on reasonable grounds. Although MLA believes that the views reflected in any forward-looking statements in this Scheme Booklet (other than the ICU Information, the information in Annexure E and the information in Annexure E) 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 MLA’s or ICU and ICU BV 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. MLA Shareholders should note that the historical financial performance of MLA is no assurance of future financial

performance of MLA (whether the Scheme is implemented or not). MLA 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 MLA, nor ICU or ICU BV nor their directors give any representation, assurance or guarantee to MLA Shareholders that any forward-looking statements will actually occur or be achieved. MLA 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, MLA and ICU and ICU BV 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.

Privacy and personal information

MLA and ICU and ICU BV may collect personal information to implement the Scheme. The personal information may include the names, contact details and details of holdings of MLA Shareholders, plus contact details of individuals appointed by MLA 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.

NextRegistries advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by NextRegistries 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 NextRegistries 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 the website at nexia.com.au/privacy-policy for a copy of the NextRegistries Privacy Policy, or contact them by phone on (02) 9251 4600 9.00am to 5.00pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of their complete privacy policy.

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

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.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and factions 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.

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 7 of this Scheme Booklet).

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.

Date

This Scheme Booklet is dated 15 September 2017.

2. CHAIRMAN'S LETTER

Dear MLA Shareholder

On 10 August 2017 MLA announced that it had entered into the Scheme Implementation Agreement with ICU, under which it is proposed that ICU or its wholly owned subsidiary ICU BV, will acquire all of the issued share capital of MLA by way of the Scheme. The Scheme is subject to regulatory and shareholder approvals and other conditions precedent.

On behalf of the MLA Board, I am pleased to provide you with this Scheme Booklet which contains details of the proposed Scheme and important matters relevant to your vote in relation to the Scheme.

If the Scheme is approved and implemented, MLA Shareholders will receive a Cash Payment of \$0.086 per MLA Share that they hold on the Scheme Record Date.

The Cash Payment of \$0.086 per MLA Share represents a premium of:

- 28.4% to the closing price of MLA Shares on 9 August 2017 (\$0.067) (being the last trading day before the announcement of the entry into the Scheme Implementation Agreement);
- 35.8% to the 1 month volume weighted average price to 9 August 2017 (\$0.062);
- 37.3% to the 3 month volume weighted average price to 9 August 2017 (\$0.061);
- 59.7% to the 6 month volume weighed average price to 9 August 2017 (\$0.046); and
- 38.8% to the entitlement offer price at which MLA raised equity in November 2014 (\$0.06).

The proposal represents an implied market capitalisation of \$11.76 million an implied enterprise value of \$9.984 million for MLA.

Although we believe that MLA has significant growth prospects as an independent ASX-listed company, your Directors consider that the Scheme proposal is compelling for MLA Shareholders and recognises the inherent value of the business, including its market position in Australia.

MLA has a clear strategy as a stand-alone entity that your Directors believe will deliver improving returns for MLA Shareholders. However, no strategy is without execution risk and, on balance, your Directors believe that in the short to medium term there is greater certainty that the Scheme will deliver higher value to MLA Shareholders than MLA continuing as a stand-alone entity.

Your Directors unanimously recommend that MLA Shareholders vote in favour of the Scheme and intend to vote the shares they own or control in favour of the Scheme at the Scheme Meeting, in each case, in the absence of a Superior Proposal and subject to the independent Expert continuing to consider the Scheme to be in the best interests of MLA Shareholders.

Your Directors unanimously consider that the Scheme is in the best interests of MLA Shareholders for the following reasons:

- The Cash Payment of \$0.086 per MLA Share represents a significant premium to MLA's recent trading prices and the price at which MLA raised equity in November 2014;

- The Cash Payment is considered to provide fair value for MLA shareholders based on the risks and prospects of the Company;
- Scheme consideration in the form of cash delivers a high degree of certainty;
- The Scheme offers liquidity for all MLA Shareholders; and
- The Scheme is considered to provide an outcome which is superior to other alternatives available to MLA.

Independent Expert

Your Directors appointed William Buck as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that:

- the Cash Payment is fair and reasonable; and
- the Scheme is in the best interests of MLA Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the full underlying value of MLA at between \$0.051 and \$0.052 per MLA Share. The Cash Payment of \$0.086 per MLA Share is above this valuation range.

A complete copy of the Independent Expert's Report is included in Annexure E of this Scheme Booklet.

How to Vote

Your vote is important and your Directors encourage you to vote by attending the Scheme Meeting or alternatively by completing the Proxy Form accompanying this Scheme Booklet. The Scheme requires court approval and the approval of MLA Shareholders at a Scheme Meeting to be held at 10.00am on 15 November 2017 at Nexia Australia, Level 16, 1 Market Street, Sydney NSW 2000.

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution. If the Scheme is approved, all MLA Shareholders will receive the Cash Payment for their MLA Shares regardless of whether they vote in favour of the Scheme or not.

Further Information

This Scheme Booklet sets out important information regarding the Scheme, including the reasons for your Directors' recommendation and the Independent Expert's Report. It also sets out some of the reasons why you may wish to vote against the Scheme.

Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote. Your Directors would also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your MLA shares.

Your Directors would also like to take this opportunity to thank you for your continued support of MLA.

Yours sincerely,

Bruce Hancox,
Chairman
Medical Australia Limited

3. KEY DATES

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 7 of this Scheme Booklet). 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 ASX and notified on MLA's website at www.medaust.com

DATE	EVENT
10.00am (Sydney time) on 13 November 2017	Scheme Meeting proxies – the late date and time by which proxy forms, powers of attorney or certificates of appointment of body corporate representative for the Scheme Meeting must be received by the Registry
5.00pm (Sydney time) on 13 November 2017	Scheme meeting record date – Date and time for determining eligibility to vote at the Scheme Meeting
10.00am (Sydney time) on 15 November 2017	Scheme Meeting

IF MLA SHAREHOLDERS APPROVE THE SCHEME AT THE SCHEME MEETING

17 November 2017	Second Court Hearing to approve the Scheme
20 November 2017	Effective date – this is the date on which the Scheme comes into effect and is binding on MLA Shareholders. Court order lodged with ASIC and announced on ASX. <i>MLA Shares will be suspended from trading at the close of trading on ASX on the Effective Date. If the Scheme proceeds, this will be the last day that MLA Shares will trade on ASX.</i>
24 November 2017	Scheme Record Date – all MLA Shareholders who hold MLA Shares on the Scheme Record Date will be entitled to receive the Scheme Consideration.
29 November 2017	Implementation Date – all Scheme Shareholders will be sent the Scheme Consideration to which they are entitled on this date.

4. PURPOSE OF THIS SCHEME BOOKLET

On 10 August 2017, MLA announced that it had entered into a Scheme Implementation Agreement under which it is proposed that ICU, through ICU BV would acquire all of the MLA Shares for a Cash Payment of \$0.086 per MLA Share. Your Directors unanimously recommend that MLA Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert concluding that the Scheme is in the best interests of MLA Shareholders.

Subject to the same qualifications, each MLA Director intends to vote all MLA Shares that he controls in favour of the Scheme.

The transaction will be effected by way of a scheme of arrangement, enabling MLA Shareholders to vote on the Scheme. If the Scheme is approved and implemented, all MLA Shareholders will receive the Cash Payment for their MLA Shares regardless of whether they vote in favour of the Scheme or not. If the Scheme is not approved, no MLA Shareholders will receive the Cash Payment and MLA will continue to be listed on the ASX. Your vote is therefore extremely important in deciding the future direction of MLA.

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.

Voting will take place at the Scheme Meeting to be held at 10.00am on Wednesday 15 November 2017 at Nexia Australia, Level 16, 1 Market Street, Sydney NSW 2000. 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 MLA Shareholders in different ways depending on their individual circumstances. MLA Shareholders should seek professional advice on their particular circumstances, as appropriate.

PURPOSE OF THIS SCHEME BOOKLET

Reasons to vote in favour of the Scheme

- ✓ Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of MLA Shareholders
- ✓ The Independent Expert concluded that the Cash Payment is fair and reasonable and the Scheme is in the best interests of MLA Shareholders, in the absence of a Superior Proposal.
- ✓ The Cash Payment represents a significant premium to recent historical MLA Share prices and the price at which MLA raised equity in November 2014.
- ✓ The Scheme delivers certainty in the form of \$0.086 cash per MLA Share for your investment in MLA.
- ✓ The Scheme allows you to sell all your MLA Shares.
- ✓ You will not incur any stamp duty or brokerage charges on the transfer of your MLA Shares if the Scheme proceeds.
- ✓ No Superior Proposal has emerged as at the date of this Scheme Booklet.
- ✓ If the Scheme does not proceed, and no Superior Proposal emerges, the MLA Share price may fall.
- ✓ If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with MLA's business and general market risks.
- ✓ Your Directors believe, on balance, that in the short to medium term there is greater certainty that the Scheme will deliver higher value to MLA Shareholders than MLA continuing as a stand-alone entity.

Reasons not to vote in favour of the Scheme

- ✗ You may disagree with your Directors' recommendation and the opinion of the Independent Expert and consider that the scheme is not in your best interests.
- ✗ You may prefer to realise the potential value of MLA over the long term, and may consider that the Scheme does not capture MLA's long term potential.
- ✗ You may believe that it is in your best interests to maintain your current investment and risk profile.
- ✗ The tax consequences of the Scheme may not suit your current financial position.
- ✗ You may consider that there is the potential for a Superior Proposal to be made in the foreseeable future.

All MLA Shareholders should:

(a) Carefully read this Scheme Booklet

This is an important document and you should read it carefully and in its entirety before making a decision on how to vote at the Scheme Meeting.

(b) Vote on the Scheme

As a MLA Shareholder, you are entitled to vote on whether the Scheme should proceed at the Scheme Meeting.

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

(c) Seek further information

If you have any questions in relation to the Scheme or how to vote, please call Darryl Ellis or Michael Andrews at MLA, telephone (02) 9466 5300. If you have any questions in relation to the number of MLA Shares you hold, please call NextRegistries, telephone (02) 9276 1700.

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.

(d) Why you should vote

As a MLA Shareholder, you have a say in whether ICU, through ICU BV, will acquire all of the issued shares in MLA. This is your opportunity to play a role in deciding the future of MLA.

5. FREQUENTLY ASKED QUESTIONS

Question	Answer
AN OVERVIEW OF THE SCHEME	
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are a MLA Shareholder and MLA Shareholders are being asked to vote on a Scheme which, if approved, will result in ICU, through ICU BV, acquiring all MLA Shares for a Cash Payment of \$0.086 per MLA Share.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed.</p>
What is the Scheme?	<p>The Scheme is a scheme of arrangement between MLA and MLA's Shareholders. A scheme of arrangement is a statutory procedure that is commonly used in transactions which may result in a change of ownership or control of a company.</p> <p>On 10 August 2017, MLA announced the Scheme to ASX. If the Scheme is approved and implemented, Scheme Shareholders will receive a Cash Payment of \$0.086 for each MLA Share they own.</p>
Who are ICU and ICU BV?	<p>ICU Medical, Inc (ICU) is a US corporation listed on the NASDAQ exchange.</p> <p>ICU Medical B.V. is a wholly-owned subsidiary of ICU, organised and existing under the laws of the Netherlands.</p> <p>For more information on ICU and ICU BV, please see section 10 of this Scheme Booklet.</p>
How will the scheme be implemented?	<p>In order for the Scheme to be implemented, all conditions precedent under the Scheme Implementation Agreement must be satisfied or waived (where applicable), including that the Scheme Resolution must be approved by MLA Shareholders at the Scheme Meeting and the Scheme must be approved by the Court.</p> <p>Details of this Scheme Resolution and the majorities required to approve the Scheme Resolution are set out in section 8 of this Scheme Booklet.</p>
What do the MLA Directors recommend?	<p>The MLA Directors unanimously recommend that you vote in favour of the Scheme Resolution to approve the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider that the Scheme is in the best interests of MLA Shareholders.</p>
How are the MLA Directors Intending to vote?	<p>Each of the MLA Directors intends to vote, or cause to be voted, in favour of the Scheme all the MLA Shares they own or control, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interest of MLA Shareholders.</p>

Question	Answer
<p>What is the Independent Expert's opinion of the Scheme?</p>	<p>The Independent Expert concluded that the Scheme is in the best interests of MLA Shareholders.</p> <p>The Independent Expert has estimated the full underlying value of MLA to be in the range of \$0.051 and \$0.052 per MLA Share.</p> <p>The Independent Expert's Report is included as Annexure E to this Scheme Booklet.</p> <p>The MLA Directors recommend that you read the Independent Expert's Report carefully and in its entirety.</p>
<p>Why you may consider voting in favour of the Scheme</p>	<p>Reasons why you may consider voting in favour of the Scheme include:</p> <ul style="list-style-type: none"> • Your Directors unanimously recommended that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of MLA Shareholders; • The Independent Expert concluded that the Cash Payment is fair and reasonable and the Scheme is in the best interests of MLA Shareholders, in the absence of a Superior Proposal; • The Cash Payment of \$0.086 per MLA Share represents significant premium to recent historical MLA share prices and the price at which MLA raised equity in November 2014; • The Scheme delivers certainty in the form of \$0.086 cash per MLA Share for your investment in MLA; • No Superior Proposal has emerged as at the date of this Scheme Booklet; • The Scheme allows you to sell all your MLA Shares; • If the Scheme does not proceed, and no Superior Proposal emerges, the MLA Share price may fall; • If the Scheme does not proceed, you will continue to be subject to the risk and uncertainties associated with the MLA business and also general market risks; • You will not incur any stamp duty or brokerage charges on the transfer of your MLA Shares if the Scheme proceeds; and • Your Directors believe, on balance, and in the short to medium term that there is greater certainty that the Scheme will deliver higher value to MLA Shareholders than MLA continuing as a stand-alone entity.
<p>Why you may consider voting against the Scheme</p>	<p>Reasons why you may consider voting against the Scheme include:</p> <ul style="list-style-type: none"> • You may disagree with your Directors' recommendation and the opinion of the Independent Expert and consider that the Scheme is not in your best interests; • You may prefer to realise the potential value of MLA over the long term and may consider that the Scheme does not capture MLA's long term potential; • You may believe it is in your best interests to maintain your current investment and risk profile; • The tax consequences of the Scheme may not suit your current financial position; and • You may consider that there is the potential for a Superior Proposal to be made in the foreseeable future.

FREQUENTLY ASKED QUESTIONS continued

Question	Answer
<p>What will happen if a Competing Proposal emerges?</p>	<p>If MLA receives a Competing Proposal from a third party or a proposal that could reasonably be expected to lead to a Competing Proposal (Other Proposal), the following applies:</p> <ul style="list-style-type: none"> • MLA must notify ICU in writing promptly after receipt of the proposal of the key terms of the Other Proposal including price and the identity of the third party making or proposing the Other Proposal; • MLA must not enter into any agreement, arrangement or understanding in relation to the Other Proposal unless MLA has notified the above details (including the identity of the third party making the Other Proposal) to ICU; • ICU will be given five (5) Business Days during which it can put forward a counterproposal; • If ICU provides a counterproposal, the MLA Directors must review the counterproposal in good faith to determine whether the counterproposal is more favourable than the Other Proposal taking into account all terms and conditions of both proposals; and • If the MLA Directors determine, in good faith, that the counterproposal is more favourable, then MLA and ICU must enter into a deed amending the Scheme Implementation Agreement to reflect ICU's counterproposal or make an announcement as soon as reasonably practicable recommending ICU's counterproposal and pursue implementation of ICU's counterproposal in good faith. <p>Details of these provisions (and other provisions) of the Scheme Implementation Agreement are set out in section 8.</p>
<p>Is there a reimbursement or break fee payable by MLA?</p>	<p>Since the announcement of the entry into the Scheme Implementation Agreement on 10 August 2017 and up to the date of this Scheme Booklet, no Superior Proposal has emerged.</p> <p>Under the Scheme Implementation Agreement, MLA must pay to ICU the MLA Break Fee, which may be up to \$135,000, if certain events occur, namely:</p> <ul style="list-style-type: none"> • A Competing Proposal is announced during the Exclusivity Period is recommended by any MLA Director or a Competing Proposal is announced during the Exclusivity Period and at any time before the date six months after the end of the Exclusivity Period, the proponent of the Competing Proposal acquires voting power or an economic interest in at least 50% of MLA Shares or acquires or obtains an economic interest in at least 50% of the business or assets of the MLA Group; • At any time before the Scheme Meeting is held (or scheduled to be held), any MLA Director fails to make, withdraws or adversely changes his or her recommendation of the Scheme to MLA Shareholders, or otherwise makes a public statement indicating that he or she no longer supports the Scheme, except where the Independent Expert concludes that the Scheme is not in the best interests of MLA Shareholders or in circumstances where MLA is entitled to terminate the Scheme Implementation Agreement for

failure of a condition or because of a material breach by ICU of any term of the Scheme Implementation Agreement or of a representation or warranty given by ICU under it;

- ICU validly terminates the Scheme Implementation Agreement because of a material breach by MLA of the Scheme Implementation Agreement (or a material breach of a representation or warranty given by MLA under the Scheme Implementation Agreement).

Details of these provisions of the Scheme Implementation Agreement are set out in section 8.9

What are the risks associated with an investment in MLA if the Scheme does not become Effective?

If the Scheme does not proceed, and no Superior Proposal emerges, then the MLA Share price may fall or trade at a price below the Cash Payment of \$0.086 per MLA Share, at least in the immediate term.

MLA's strategy as a stand-alone entity has execution risks and the value generated by such a strategy may not exceed the value of the Cash Payment.

In addition, if the Scheme does not proceed and no Superior Proposal emerges, MLA Shareholders will continue to be subject to the specific risks associated with MLA's business and other general risks.

Details of these risks are set out in section 8.

What is the Cash Payment?

MLA Shareholders will receive a Cash Payment of \$0.086 for each MLA Share which they hold on the Scheme Record Date.

What is the premium of the Cash Payment to MLA's share price?

The Cash Payment of \$0.086 per MLA Share represents a premium of:

- 28.4% to the closing price of MLA Shares on 9 August 2017 (the last trading day before the announcement of the entry into the Scheme Implementation Agreement);
- 35.8% to the 1 month VWAP to 9 August 2017 (\$0.062);
- 37.3% to the 3 month VWAP to 9 August 2017 (\$0.061);
- 59.7% to the 6 month VWAP to 9 August 2017 (\$0.046);
- 38.8% to the entitlement offer price at which MLA raised equity in November 2014 (\$0.06).

ICU has undertaken to provide sufficient funding to ICU BV to ensure that it has, at all necessary times, sufficient funding and liquidity to meet any of its funding obligations under, or in connection with the Scheme. The funds to be provided by ICU to ICU BV will be met by ICU's current cash reserves.

For more information on ICU and ICU BV's funding arrangements see section 10 of this Scheme Booklet.

Who is entitled to participate in the Scheme?

Persons who hold MLA Shares on the Scheme Record Date will participate in the Scheme and, if the Scheme is approved and implemented, those persons will receive the Scheme Consideration in respect of each MLA Share held on the Scheme Record Date.

Question	Answer
When will I receive the Cash Payment?	If all conditions for the Scheme are satisfied or waived (as applicable) MLA Shareholders on the Register on the Scheme Record Date will be sent the Scheme Consideration on the Implementation Date currently scheduled for 29 November 2017.
What are the tax implications of the Scheme for you?	<p>The tax implications for Scheme Shareholders if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Scheme Shareholder.</p> <p>General information about the likely Australian tax consequences of the Scheme is set out in Annexure E of the Scheme Booklet. You should not rely on those descriptions as advice for your own affairs.</p> <p>For information about your individual financial or taxation circumstances please consult your financial, legal, taxation or other professional adviser.</p>
Will I have to pay brokerage or stamp duty?	No, you will not have to pay brokerage or stamp duty if your MLA Shares are acquired under the Scheme.
Can I sell my MLA Shares now?	You can sell your MLA shares on-market at any time before the close of trading on ASX on the Effective Date. However, if you do so you will receive the prevailing on-market price set at the time of sale which may not be the same price as the Scheme Consideration. You may also be required to pay brokerage.

SCHEME, VOTING AND APPROVALS

Are there any conditions that must be satisfied or waived in order for the scheme to be implemented?	<p>Yes there are. The conditions which remain outstanding as at the date of this Scheme Booklet are:</p> <ul style="list-style-type: none"> • Court approval of the Scheme and Court order is lodged with ASIC; • The Scheme Resolution being passed by the Requisite Majorities (see section 8.2(b) of this Scheme Booklet for further details) at the Scheme Meeting; • No prohibitive orders or restraints being issued by any Regulatory Authority preventing the implementation of the Scheme are in place; • All Regulatory Consents are obtained; • No MLA Prescribed Event or ICU Prescribed Event occurs; • No MLA Material Adverse Change occurs; • No MLA director changes his recommendation to vote in favour of the Scheme or makes a public statement indicating that he no longer supports the Scheme; • The Independent Expert continues to conclude that the Scheme is in the best interests of MLA Shareholders; • ASX All Ordinaries Index does not fall by 20% or more and remain below that level for three (3) consecutive trading days; • The MLA Employee Performance Rights holder agrees to cancellation of all MLA Employee Performance Rights; • Any options, instrument, unit or any other security or interest which is convertible into MLA Shares are cancelled, subject to the Scheme
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becoming Effective;

- No agreement or arrangement in relation to a Competing Proposal has been entered into;
- No material amendment is made to any material contract without the consent of ICU;
- Delivery of a certificate by MLA certifying that net cash in MLA Group after transaction costs is at least AUD\$1,258,820 and likely to remain so until the Implementation Date;
- An employment contract between ICU and Darryl Ellis (CEO of MLA) is entered into.

The conditions of the Scheme are summarised in further detail in section 7 of this Scheme Booklet.

MLA Shareholders should also be aware that the Scheme Implementation Agreement may be terminated in certain circumstances (details of which are summarised in section 8.7 of this Scheme Booklet). If the Scheme Implementation Agreement is terminated, the Scheme will not proceed.

As at the date of this Scheme Booklet, the MLA Directors are not aware of any reason why these conditions should not be satisfied or waived (as applicable).

What happens if these conditions are not satisfied or the Scheme Implementation Agreement is terminated?

If the conditions precedent to the Scheme becoming Effective are not satisfied or waived (as applicable) or the Scheme Implementation Agreement is terminated then the Scheme will not be implemented and, as set out in section 7 of this Scheme Booklet:

- You will retain your MLA Shares and they will not be acquired by ICU BV;
- You will not receive the proposed Cash Payment of \$0.086 per MLA Share;
- MLA will continue to operate as a stand-alone company listed on ASX; and
- If the Scheme does not proceed and no comparable proposal or Superior Proposal emerges, then the MLA share price may fall or trade at a price below the Cash Payment of \$0.086 per MLA Share, at least in the immediate near term.

What happens if the Scheme proceeds

If the Scheme becomes Effective and you remain a MLA Shareholder as at the Scheme Record Date for the Scheme, on the Implementation Date all of your MLA Shares will be transferred to ICU BV under the Scheme and you will receive a Cash Payment of \$0.086 per MLA Share.

Can the Scheme Implementation Agreement be terminated?

The Scheme Implementation Agreement may be terminated in certain circumstances, details of which are summarised in section 7. If the Scheme Implementation Agreement is terminated, the Scheme will not proceed.

Am I entitled to vote at the Scheme Meeting?

If you are registered as a MLA Shareholder on the Register at 5.00pm (Sydney time) on 13 November 2017 then you will be entitled to attend and vote at the Scheme Meeting.

Details of the Scheme Meeting and voting are on pages 17 and 18.

How do I vote?

Voting at the Scheme Meeting may be in person, by attorney, by proxy or, in the case of a corporation, by corporate representative. If you wish to vote in person, you must attend the Scheme Meeting.

If you cannot attend the Scheme Meeting, you may complete the enclosed personalised proxy form in accordance with the instructions and return it to NextRegistries using the contact details on page 18. The deadline for lodging your proxy form for the Scheme Meeting is 10.00am (Sydney time) on 13 November 2017.

Details of the Scheme Meeting and voting are on pages 17 and 18.

When and where will the Scheme Meeting be held?

The Scheme Meeting will be held at 10.00am (Sydney time) on Wednesday 15 November 2017 at Nexia Australia, Level 16, 1 Market Street, Sydney.

Is voting compulsory?

Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Requisite Majorities of MLA Shareholders so voting is important and the MLA Directors encourage you to vote. If the Scheme is approved, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.

What voting majorities are required to approve the Scheme?

For the Scheme to proceed, the Scheme Resolution must be passed by the following Requisite Majorities:

- A majority in number (more than 50%) of MLA Shareholders who vote on the Scheme Resolution (noting that the Court may waive this requirement in certain limited circumstances); and
- At least 75% of the votes cast on the Scheme Resolution.

What happens if I do not vote or if I vote against the Scheme?

If you do not vote, or vote against the Scheme, the Scheme may not be approved at the Scheme Meeting by the Requisite Majorities of MLA Shareholders. If this occurs then the Scheme will not proceed, you will not receive the Cash Payment and you will remain a MLA Shareholder. For more information on what happens if the Scheme is not implemented, please see section 7 of this Scheme Booklet.

However, if the Scheme is approved by the Requisite Majorities and the Scheme is implemented, your MLA Shares will be transferred to ICU BV under the Scheme and you will receive the Scheme Consideration for each MLA Share you hold on the Scheme Record Date whether or not you voted in favour of the Scheme. For more information on the implementation of the Scheme, please see section 8 of this Scheme Booklet.

Can I keep my MLA Shares?

If the Scheme is implemented, your MLA Shares will be transferred to ICU BV. This is so even if you did not vote at all or you voted against the Scheme Resolution at the Scheme Meeting. If the Scheme is not approved, all MLA Shares will continue to remain listed on the ASX.

When will the results of the Scheme Meeting be available?

The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX once available. Even if the Scheme Resolution is passed at the Scheme Meeting by the Requisite Majorities, the Scheme will only proceed if Court approval of the Scheme is obtained and all of the other conditions precedent are satisfied or waived (as applicable).

What do I do if I oppose the Scheme?

If you, as a MLA Shareholder, oppose the Scheme, you should:

- Call Darryl Ellis or Michael Andrews at MLA, telephone (02) 9466 5300 to obtain further information;
- Attend the Scheme Meeting either in person or by proxy and vote against the Scheme Resolution; and/or
- If shareholders pass the Scheme Resolution at the Scheme Meeting and you wish 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, you must lodge a notice of intention to appear at the Second Court Hearing, attend the hearing and indicate opposition to the Scheme. Please see the "Important notices" section for further details under the heading "Notice regarding Second Court Hearing and if a MLA Shareholder wishes to oppose the Scheme" on page 2.

FURTHER INFORMATION

What if I want further information?

If you have any questions about the Scheme or you would like additional copies of this Scheme Booklet, please contact Darryl Ellis or Michael Andrews at MLA, telephone (02) 9466 5300.

For information about your individual financial or taxation circumstances please consult your financial, legal, taxation or other professional adviser.

6. INFORMATION FOR SHAREHOLDERS – THE SCHEME MEETING

Who is entitled to vote at the Scheme Meeting:

If you are registered on the Register as a MLA Shareholder at 5.00pm (Sydney time) on 13 November 2017, then you will be entitled to attend and vote at the Scheme Meeting. Voting is not compulsory.

Joint Holders

In the case of MLA Shares held by joint holders, only one or the joint holders is entitled to vote. If more than one shareholder votes in respect of jointly held MLA Shares, only the vote of the MLA Shareholder whose name appears first in the Register will be counted.

Your vote is important

In order for the Scheme to be implemented, the Scheme Resolution must be approved by MLA Shareholders at the Scheme Meeting.

For this reason the MLA Directors unanimously recommend that you vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider that the Scheme is in the best interests of MLA Shareholders.

If you are unable to attend the Scheme Meeting, the MLA Directors urge you to complete and return, in the enclosed reply paid envelope, the personalised proxy form using one of the methods described on page 18.

Location and details of Scheme Meeting

The details of the Scheme Meeting are as follows:

Location: Nexia Australia, Level 16, 1 Market Street, Sydney.

Date: Wednesday 15 November 2017

Time: 10.00am

Scheme Meeting

A copy of the Notice of Scheme Meeting is set out in Annexure A to this Scheme Booklet.

Section 8 of this Scheme Booklet provides details of the Scheme Resolution and the voting majorities that are required for the Scheme Resolution.

Voting in person, by attorney or corporate representative

If you wish to vote in person, you must attend the Scheme Meeting.

If you cannot attend the Scheme Meeting, you may vote by proxy by completing the proxy form accompanying this Scheme Booklet.

Attorneys who plan to attend the Scheme Meeting should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

A body corporate which is a MLA Shareholder may appoint an Individual to act as its corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Scheme Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

If you wish to appoint a proxy to attend and vote at the Scheme Meeting on your behalf, please complete and signed the personalised proxy form accompanying this Scheme Booklet in accordance with the instructions set out on the proxy form and return the form to NextRegistries (contact details below). You may complete the proxy form in favour of the Chairperson of the Scheme Meeting or appoint up to two proxies to attend and vote on your behalf at the Scheme Meeting.

TO BE VALID, PROXY FORMS FOR THE SCHEME MEETING MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 10.00AM (SYDNEY TIME) ON 13 NOVEMBER 2017.

Proxy forms, duly completed in accordance with the instructions set out on the proxy form, may be returned to the Registry:

- by posting them in the reply paid envelope provided;
- by delivering them to NextRegistries Limited at Level 16, 1 Market Street, Sydney NSW 2000;
- by emailing them to mail@nextregistries.com.au;
- by faxing them to (02) 9251 7138;
- by posting them to NextRegistries, P.O. Box H195, Australia Square NSW 1215.

7. SUMMARY OF THE SCHEME

7.1 Scheme

On 10 August 2017, MLA announced that it had entered into the Scheme Implementation Agreement with ICU, under which it was proposed that ICU through ICU BV will acquire all of the MLA Shares on issue by way of the Scheme.

If the Scheme is approved by MLA Shareholders at the Scheme Meeting and by the Court, and if all other necessary approvals and conditions for the Scheme are satisfied or waived (as applicable), MLA will become a wholly-owned subsidiary of ICU BV and will be delisted from the ASX.

This Scheme Booklet contains information that the MLA Board considers is material to MLA Shareholders in making decision whether or not to vote in favour of the Scheme. You should carefully read this Scheme Booklet as part of your consideration of the Scheme.

7.2 Conditions precedent

The scheme is subject to a number of conditions precedent. The following conditions precedent are outstanding as at the date of this Scheme Booklet:

- (a) Court approval of the Scheme and Court order to be lodged with ASIC;
- (b) The Scheme Resolution being passed by the Requisite Majorities (see section 8.2(b) of this Scheme Booklet for further details) at the Scheme Meeting;
- (c) No prohibitive orders or restraints being issued by any Regulatory Authority preventing the implementation of the Scheme are in place;
- (d) No MLA Prescribed Event or ICU Prescribed Event occurs;
- (e) No MLA Material Adverse Change occurs;
- (f) No MLA director changes his recommendation to vote in favour of the Scheme or makes a public statement indicating that he no longer supports the Scheme;
- (g) The Independent Expert continues to conclude that the Scheme is in the best interests of MLA Shareholders;
- (h) ASX All Ordinaries Index does not fall by 20% or more and remain below that level for three (3) consecutive trading days;
- (i) The MLA Employee Performance Rights holder agrees to cancellation of all MLA Employee Performance Rights;
- (j) Any options, instrument, unit or any other security or interest which is convertible into MLA Shares are cancelled, subject to the Scheme becoming Effective;
- (k) No agreement or arrangement in relation to a Competing Proposal has been entered into;
- (l) No material amendment is made to any material contract without the consent of ICU;
- (m) Delivery of a certificate by MLA certifying that net cash in MLA Group after transaction costs is at least AUD\$1,258,820 and likely to remain so until the Implementation Date;
- (n) An employment contract between ICU and Darryl Ellis (CEO of MLA) is entered into.

The conditions set out in paragraphs 7.2(a) to (b) above cannot be waived.

The conditions of the Scheme are set out in clause 3 of the Scheme Implementation Agreement which is Annexure B to this Scheme Booklet.

7.3 Implementation of the Scheme

The Scheme is proposed to be undertaken pursuant to a Court approved scheme of arrangement. A scheme of arrangement is a legal arrangement that shareholders vote on and, if the Requisite Majorities of shareholders vote in favour of it and it is approved by the Court, it binds the company and all of its shareholders upon the Court orders approving the scheme of arrangement being lodged with ASIC. Approval of a scheme of arrangement requires a 50% majority of the number of shareholders voting (unless the Court orders otherwise) and a 75% majority of the total votes cast being in favour of the scheme, as well as approval by the Court.

The Scheme will become binding on MLA and MLA Shareholders only if the conditions of the Scheme are satisfied or waived (as applicable).

7.4 If the Scheme is approved

If the Scheme is approved and becomes Effective and you remain a MLA Shareholder as at the Scheme Record Date for the Scheme, each of your MLA Shares will be acquired by ICU BV on the Implementation Date.

8. IMPLEMENTATION OF THE SCHEME

8.1 Scheme Consideration

The terms of the proposed Scheme provide that MLA Shareholders will receive from ICU BV \$0.086 cash per MLA Share.

A summary of how ICU BV will be funding the Scheme Consideration is set out in section 10.

8.2 Steps for Implementing the Scheme

(a) Preliminary Steps

MLA and ICU entered into the Scheme Implementation Agreement on 9 August 2017 pursuant to which, among other things, MLA agreed to propose the Scheme.

ICU and ICU BV have executed the Deed Poll pursuant to which ICU and/or ICU BV will, subject to the Scheme becoming Effective, agree to provide to each Scheme Shareholder the Scheme Consideration to which each Scheme Shareholder is entitled under the terms of the Scheme. A copy of the proposed Scheme is set out in Annexure C to this Scheme Booklet.

A copy of the Deed Poll is set out in Annexure D to this Scheme Booklet.

(b) Scheme Meeting

The Court has ordered that the Scheme Meeting be held at 10:00am on Wednesday 15 November 2017 at Nexia Australia, Level 16, 1 Market Street, Sydney for the purposes of approving the Scheme Resolution. The Notice of Scheme Meeting for MLA Shareholders which sets out the Scheme Resolution is included in Annexure A of this Scheme Booklet.

Each MLA Shareholder who is registered on the Register at 5:00pm (Sydney time) on 13 November 2017 is entitled to attend and vote at the Scheme Meeting, either in person or by proxy or attorney or in the case of a body corporate, by its corporate representative appointed in accordance with the section 250D of the Corporations Act.

Instructions on how to attend and vote at this Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set out on pages 17 and 18 of this Scheme Booklet.

The Scheme Resolution must be approved by the Requisite Majorities, being:

- (i) a majority in number (more than 50%) of MLA Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate MLA Shareholders, by a corporate representative) (the **Headcount Test**); and
- (ii) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting.

It should be noted that the Court has the power to waive the Headcount Test.

(c) Second Court Hearing:

In the event that:

- (i) The Scheme Resolution is approved by the Requisite Majorities of MLA Shareholders at the Scheme Meeting; and
- (ii) All conditions precedent of the Scheme have been satisfied or remain capable of being satisfied, or waived (if applicable),

MLA will apply to the Court for orders approving the Scheme.

(d) Effective Date

If the Court makes orders approving the Scheme at the Second Court Hearing, MLA will lodge with ASIC an office copy of the Court orders made under section 411(4)(b) of the Corporations Act approving the Scheme. It is anticipated that this will occur on the Business Day immediately following the Court Approval Date.

Once the Scheme becomes Effective:

- (i) ICU BV will become bound to pay the Scheme Consideration to the Scheme Shareholders on the Implementation Date; and
- (ii) Subject to the payment of the Scheme Consideration by ICU and/or ICU BV as referred to in section 8.3, MLA will become bound to take the steps required for ICU BV to become the holder of all MLA Shares.

8.3 Implementation of the Scheme - payment of the Scheme Consideration

On the Implementation Date, currently anticipated to be 29 November 2017, the Scheme will be implemented by MLA and ICU and/or ICU BV undertaking the following steps.

(a) Deposit of Scheme Consideration by ICU and/or ICU BV

No later than one Business Day before the Implementation Date, ICU and/or ICU BV will deposit (or will procure the deposit of) the Scheme Consideration payable to all Scheme Shareholders in cleared funds to an account nominated by MLA to be held on trust by MLA for Scheme Shareholders

(b) Transfer of all MLA Shares to ICU

Subject to payment of the Scheme Consideration by ICU and/or ICU BV as referred to in paragraph (a), all of the MLA Shares will be transferred to ICU BV by MLA and MLA will enter the name of ICU BV in the Register in respect of all MLA Shares.

(c) Payment of Scheme Consideration

The Scheme Consideration will be paid by MLA by either:

- (i) sending a cheque for the Scheme Consideration that you are entitled to receive under the Scheme to your address shown in the Register as at the Scheme Record Date; or
- (ii) making a payment to your nominated bank account with the Registry as at the Scheme Record Date.

If you have not previously notified the Registry of your nominated bank account or you would like to change your existing nominated bank account, you should contact NextRegistries telephone (02) 9276 1700 before the Scheme Record Date.

If a Scheme Shareholder has not nominated a bank account and their whereabouts are unknown as at the Scheme Record Date, the Scheme Consideration will be paid into a separate bank account and held by MLA until claimed or applied under laws dealing with unclaimed money. If you wish to confirm your current address details with the registry, you may do so using the contact details above.

8.4 Determination of persons entitled to Scheme Consideration

(a) Dealings on or prior to the Scheme Record Date

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

- (i) In the case of dealings of the type to be effected by CHES, the transferee is registered in the Register as a holder of the relevant MLA Shares as at the Scheme Record Date; and
- (ii) In all other cases, registrable transfers or transmission applications are received at the place where the Register is maintained by 5:00pm (Sydney time) on the Scheme Record Date (in which case, MLA must register such transfers or transmission applications before 5:00pm (Sydney time) on the Scheme Record Date).

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

(b) Dealings after the Scheme Record Date

For the purposes of determining entitlements to the Scheme Consideration, MLA will, until the Scheme Consideration has been paid to Scheme Shareholders and the name and address of ICU BV has been entered in the Register as the holder of all the MLA Shares, maintain the Register in accordance with the terms of the Scheme, and the Register in this form will solely determine entitlements to the Scheme Consideration.

As from 5:00pm (Sydney time) on the Scheme Record Date, each entry currently on the Register will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of the MLA Shares relating to that entry.

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

8.5 MLA Employee Performance Rights

(a) MLA Employee Performance Rights

As at the date of this Scheme Booklet, MLA had 2,500,000 MLA Employee Performance Rights on issue, which, if they vest, convert into MLA shares on a one-for-one basis. There are no other Performance Rights in MLA on issue.

(b) Intended treatment of MLA Employee Performance Rights

The Scheme Implementation Agreement provides (in clause 14) that on or before 8.00am on the Second Court Date MLA will use its best endeavours to agree the cancellation of all then outstanding MLA Employee Performance Rights with each holder of MLA Employee Performance Rights for no consideration upon the Scheme being Effective. Any performance rights which are exercised before 5.00pm on the Second Court Date will be paid out by MLA to the holder in cash in accordance with the terms of issue and no shares will be issued to such holder thereunder.

8.6 Deed Poll

ICU and ICU BV have executed the Deed Poll, pursuant to which ICU and/or ICU BV have undertaken in favour of each Scheme Shareholder to provide each Scheme Shareholder with the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

A copy of the Deed Poll is contained in Annexure D.

8.7 Termination rights

The termination rights of MLA and of ICU are set out in clauses 3.13 and 8 of the Scheme Implementation Agreement (which is Annexure B to this Scheme Booklet). In summary:

- (a)** if a condition precedent has not been satisfied or waived (as applicable) or becomes incapable of being satisfied and is not waived (provided that the Independent Expert has not opined that the Scheme is not in the best interest of MLA Shareholders and a Superior Proposal not been received and announced by MLA) and MLA and ICU are unable to agree on a course of action; the party entitled to the benefit of that condition may terminate the Scheme Implementation

- Agreement, or either ICU or MLA may terminate the Scheme Implementation Agreement if the condition is for the benefit of both of them;
- (b) either party may terminate the Scheme Implementation Agreement if the Court refuses to make orders convening the Scheme Meeting or approving the Scheme (and ICU and MLA fail to agree on conducting an appeal and MLA is not otherwise obliged to conduct an appeal or an appeal is conducted but unsuccessful);
 - (c) ICU may terminate the Scheme Implementation Agreement if any member of the MLA Board changes, qualifies or withdraws his or her recommendation that MLA shareholders vote in favour of the Scheme or otherwise makes a public statement indicating that he or she no longer supports the Scheme unless:
 - (i) there is a Superior Proposal; or
 - (ii) the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of MLA Shareholders;
 - (d) either party may terminate the Scheme Implementation Agreement if the other party commits a material breach of any term of the Scheme Implementation Agreement or a material breach of a representation or warranty given by that party under the Scheme Implementation Agreement, and such breach is not rectified within five (5) Business Days of notification of the breach by the non-breaching party;
 - (e) If ICU amends the bid structure to become a takeover bid pursuant to Chapter 6 of the Corporations Act at an offer price per MLA Share which is at least equivalent to the Scheme Consideration;
 - (f) either party may terminate the Scheme Implementation Agreement if the MLA Board publicly announces and/or determines that a Competing Proposal is a Superior Proposal, provided that the Competing Proposal was not solicited or facilitated by MLA or its representatives in breach of the MLA exclusivity obligations described in section 8.8 below;
 - (g) MLA may terminate the Scheme Implementation Agreement if the Independent Expert concludes in the Independent Expert's Report (or any update or variation to that report) that the Scheme is not in the best interests of MLA Shareholders; and
 - (h) the parties may terminate the Scheme Implementation Agreement by mutual agreement.

8.8 Exclusivity

Under the Scheme Implementation Agreement, MLA is subject to exclusivity obligations, including no-shop, no-talk, no due diligence, notification obligations and matching rights in respect of Competing Proposals.

These provisions are set out in clause 12 of the Scheme Implementation Agreement, (which is Annexure B to this Scheme Booklet). In summary:

- (a) **(No-shop)** From the date of the Scheme Implementation Agreement, until the earlier of the valid termination of the Scheme Implementation Agreement or the Implementation Date or the Sunset Date (**Exclusivity Period**). MLA must not, and must ensure that its representatives do not, directly or indirectly:
 - (i) solicit, invite, encourage or initiate any enquiries, negotiations or discussions; or
 - (ii) communicate any intention to do any of the things listed in sub-paragraph (i), with a view to obtaining any offer, proposal or expression of interest from any person (other than ICU) in relation to a Competing Proposal or a proposal that could reasonably lead to a Competing Proposal.
- (b) **(No-talk)** During the Exclusivity Period, MLA must not, and must ensure that its representatives do not, negotiate, or enter into or participate in negotiations or discussions with any person regarding, a Competing Proposal, or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Proposal, even if:
 - (i) that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged, or initiated by MLA or any of its representatives; or
 - (ii) that person has publicly announced the Competing Proposal.

MLA's "no-talk" obligations described above do not apply to the extent that they restrict MLA or the MLA Board from taking or refusing to take any action with respect to a genuine Competing Proposal (which was not solicited, invited, encouraged or initiated by MLA or its representatives in contravention of MLA's "no-shop" obligations described above) if the MLA Board determines, in good faith and acting reasonable, that:

- (i) after consultation with its advisors, such a genuine Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (ii) after receiving written legal advice from MLA's advisers (who must be reputable and experienced in transactions of this nature) that failing to respond to such a genuine Competing Proposal would be reasonably likely to constitute a breach of the MLA Board's fiduciary or statutory obligations,

(the **Fiduciary Exception**).

(c) **(No due diligence)** Subject to the Fiduciary Exception, during the Exclusivity Period, MLA must not, and must ensure that its representatives do not, in relation to a Competing Proposal:

- (i) enable any person, (other than ICU) to undertake due diligence investigations on any member of the MLA Group or their businesses or operations; or
- (ii) make available to any person (other than ICU in the course of due diligence investigation or otherwise) or permit any such person to receive any non-public information relating to any member of the MLA Group or their businesses or operations.

(d) **(Notification obligations)** Subject to the Fiduciary Exception, during the Exclusivity Period, MLA must inform ICU as soon as practicable if MLA (or any of its representatives):

- (i) receives an unsolicited approach with respect to a Competing Proposal, in which case MLA must also disclose to ICU:
 - (A) the fact that such an approach has been made;
 - (B) all the material terms of any Competing Proposals (to the extent known by MLA); and
 - (C) details of the proposed bidder or acquirer (to the extent known by MLA),
- (ii) receives any request made by any third party for any information relating to any member of the MLA Group or any of their businesses or operations, or any request to access to the books or records of a member of the MLA Group, which MLA has reasonable grounds to suspect may be in connection with, or for the purpose of, that third party formulating, developing or finalising a Competing Proposal; or
- (iii) provides any information relating to any member of the MLA Group or any of their businesses or operations to any third party in connection with, or for the purposes of, that third party formulating, developing or finalising a Competing Proposal.

(e) **(Matching Rights)** During the Exclusivity Period, MLA must not enter into a binding agreement, arrangement or understanding to give effect to an actual, proposed or potential Competing Proposal and must use its reasonable endeavours to procure that no MLA Director withdraws or changes their recommendation in respect of the Scheme, or otherwise makes a public statement to endorse or recommend an actual, proposal or potential Competing Proposal, unless:

- (i) the Competing Proposal is a Superior Proposal;
- (ii) MLA has provided ICU with the material terms and conditions of the Competing Proposal, including price and the identity of the third party making or proposing to undertake the Competing Proposal;
- (iii) a period of five (5) Business Days after the provision of the information referred to in paragraph (ii) above has elapsed in which ICU may provide MLA with details of an offer to amend the terms of the Scheme or a proposal of any other transaction (**ICU Counterproposal**); and

- (iv) ICU has not provided an ICU Counterproposal by the expiry of the five (5) Business Day period referred to in paragraph (iii) above.

If ICU proposes an ICU Counterproposal to MLA, by the expiry of the five (5) Business Day period referred to in paragraph (iii) above, MLA must procure that the MLA Board considers the ICU Counterproposal and if the MLA Board, acting in good faith, determines that the ICU Counterproposal is more favourable to MLA Shareholders as compared to the Competing Proposal, taking into account all terms and conditions of both the Competing Proposal and the ICU Counterproposal, then:

- (i) if the ICU Counterproposal contemplates an amendment to the Scheme, MLA and ICU must enter into a deed amending the Scheme Implementation Agreement and all other necessary documents to reflect the ICU Counterproposal; or
- (ii) if the ICU Counterproposal contemplates any other transaction, MLA must make an announcement as soon as reasonably practicable recommending the ICU Counterproposal, in the absence of a Superior Proposal, and MLA and ICU must pursue implementation of the ICU Counterproposal in good faith.

8.9 MLA Break Fee and limitation on MLA's liability

The MLA Break Fee provisions are set out in clause 13 of the Scheme Implementation Agreement (which is Annexure B to this Scheme Booklet).

In summary MLA must pay to ICU a break fee of up to \$135,000 if prior to the Scheme Meeting:

- (i) any MLA director fails to recommend or withdraws or varies in an adverse manner his recommendation or states he no longer supports the Scheme except where:
 - (A) MLA is entitled to terminate the Scheme Implementation Agreement for failure of a condition or for ICU's material breach of a term of the Scheme Implementation Agreement or for a material breach of a representation or warranty made by ICU under it; or
 - (B) the Independent Expert concludes the Scheme is not in the best interests of MLA Shareholders; or
- (ii) a third party under a Competing Proposal acquires a voting power or an economic interest in at least 50% of MLA Shares or an economic interest in at least 50% of the MLA assets or business of the MLA Group; or
- (iii) a Competing Proposal is recommended by any MLA director; or
- (iv) ICU validly terminates the Scheme Implementation Agreement for MLA's material breach of a term of the Scheme Implementation Agreement or for a material breach of a representation or warranty made by MLA under it.

The maximum liability of MLA to ICU under or in connection with the Scheme Implementation Agreement (including in respect of any breach of the Scheme Implementation Agreement) is an amount equal to the MLA Break Fee, and in no event will the aggregate liability of MLA under or in connection with a breach of the Scheme Implementation Agreement exceed an amount equal to the MLA Break Fee.

8.10 ICU Break Fee and limitation of ICU's liability

The ICU Break Fee provisions are set out in clause 13 of the Scheme Implementation Agreement (which is Annexure B to this Scheme Booklet).

In summary, ICU must pay to MLA a break fee of up to \$135,000 if MLA validly terminates the Scheme Implementation Agreement due to ICU's material breach of any term of the Scheme Implementation Agreement or material breach of a representation or warranty made by ICU under it except that no fee is payable if the Scheme becomes Effective.

The maximum liability of ICU to MLA under or in connection with the Scheme Implementation Agreement (in respect of any breach of the Scheme Implementation Agreement) is \$135,000, and in no event will the liability of ICU under or in connection with a breach of the Scheme Implementation Agreement exceeds an amount equal to the ICU Break Fee.

8.11 Compliance with Law

If the Takeovers Panel, or a Court (after any reasonable appeal) determines that no, or a lesser, break fee is payable then the requirement to pay a maximum break fee of \$135,000.00 shall not apply.

8.12 Delisting

If the Scheme becomes Effective, on a date after the Implementation Date to be determined by ICU, MLA will apply for termination of the official quotation of the MLA Shares on the ASX, and to be removed from the official list of ASX.

8.13 Sunset Date

If the Scheme has not become Effective on or before 29 December 2017 (or 29 March 2018 if an Appeal is made against a decision of the Court not to approve the Scheme) or other date agreed by ICU and MLA, either MLA or ICU is able to terminate the Scheme Implementation Agreement. If the Scheme Implementation Agreement is terminated, the Scheme will not proceed.

8.14 Further questions

If you have any further questions, you should call Darryl Ellis or Michael Andrews at MLA, telephone (02) 9466 5300.

WHAT IF THE SCHEME IS NOT IMPLEMENTED?

8.15 What if the Scheme is not implemented?

If the Scheme is not implemented there will be no change to MLA and it will continue to operate on a stand-alone basis. As such, MLA will remain listed on the ASX and you will retain your MLA Shares and they will not be acquired by ICU BV. While it is not possible to predict the future performance of MLA, in deciding whether or not to vote in favour of the Scheme you should have regard to the prospects of MLA on a stand-alone basis (that is, if the Scheme is not approved and implemented).

The following are some possible implications of the Scheme not being implemented:

- MLA Shareholders will retain their MLA Shares and they will not be acquired by ICU BV;
- MLA Shareholders will not receive the Cash Payment of \$0.086 per MLA Share;
- MLA will, in the absence of another proposal, continue to operate as a stand-alone company listed on ASX and, as such, MLA Shareholders will be exposed to the risks relating to MLA's business (refer to section 8.17 for more risk related commentary); and
- If no comparable proposal or Superior Proposal emerges, then the MLA Share price may fall or trade at a price below the Cash Payment of \$0.086 per MLA share, at least in the immediate near term.

8.16 Strategy and intentions for MLA if the Scheme does not proceed

Should the Scheme not proceed or if a Superior Proposal does not emerge, MLA will continue to operate on a stand-alone basis in accordance with its publicity stated strategy. The strategy, as outlined at MLA'S FY16 results briefing and Annual General Meeting will see it continue its organic growth in the Tuta Direct business and pursue distribution agreements which complement its existing product offering. MLA will also pursue Government tender opportunities as they arise and consider establishing sales representation outside of the eastern states. The Company will also continue the expansion of its Ardo range of products into large private and public hospital maternity wards. Finally, small earnings accretive acquisitions where synergies in product and distribution channels exist, also form part of the Company's strategy.

The points above should be considered in conjunction with the comments on certain MLA risks outlined in section 8.17.

8.17 Risks associated with MLA if the Scheme is not implemented

If the Scheme is not implemented MLA will remain as a listed company and, as such MLA will continue to be subject to various risks. Some notable risks that could have an impact on MLA and therefore a continued investment in MLA Shares are set out below.

The risks described below are not to be taken as exhaustive or listed in any order of importance. The risks described below, as well as other risks not described below, could, in the future, materially and adversely affect the financial performance of MLA and the value of MLA Shares.

(a) Distribution Agreements

MLA's key distribution agreements may be terminated, not renewed or renewed on less favourable terms.

(b) Exchange Rates

A significant part of MLA's costs are denominated in foreign currency, including most significantly US Dollars. MLA's earnings will be affected by fluctuations in foreign exchange rates.

(c) **Technology**

MLA's ability to provide reliable services, efficient distribution and effective monitoring for its own operations depends on the efficient and uninterrupted operation of its core technologies. There is a risk that MLA's technology platform and communications systems may be disrupted, become outdated or cease to function efficiently.

(d) **Growth Strategy**

MLA may be unable to execute its growth strategy and growth initiatives for its current and future businesses, as it is executing a range of new untested growth initiatives, including newly developed ancillary products, new distribution partnerships and entry into new markets.

(e) **Employees**

MLA may be unable to attract and/or retain skilled personnel across all parts of its business and operations.

(f) **Increased Competition**

There is a risk that MLA experiences increased competition from existing or new competitors, which may reduce its growth, market share and/or margins.

(g) **Asset Impairment**

The MLA Board regularly monitors impairment risk. Where the value of an asset is assessed to be less than its carrying value, MLA is obliged to recognise an impairment charge in its profit and loss accounts.

Asset impairment charges may result from the occurrence of unexpected adverse events that impact MLA's expected performance. Intangible assets such as goodwill must be regularly tested for impairment or if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that could be significant and could adversely impact MLA's net profit.

MLA's balance sheet includes a significant amount of goodwill recognised as a result of various acquisitions. Intangible assets must be regularly tested for impairment. Impairment results from a diminution in value indicated by a decrease in profits below the level that supports the value of this asset. In the event that any of MLA'S intangible assets are found to be impaired to a level below their carrying value, MLA would need to write down the value of the intangible asset. This will result in an expense in the income statement and a reduction of profit for MLA.

(h) **Tax/Accounting**

Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB) and are outside MLA's control. There is a risk that changes to Australian Accounting Standards issued by the AASB or changes to the interpretation or enforcement of these standards could materially and adversely affect MLA and the financial position and performance reported in MLA's financial statements.

(i) **Interest Rate Risk**

MLA is subject to the risk of rising interest rates associated with borrowing on a floating rate basis. Movements in interest rates may have a material adverse impact on MLA's financial position, financial performance and share price. (MLA presently has no borrowings).

(j) **Legislation and Government Regulations**

MLA may be affected by changes in legislation, taxes and governmental or regulatory policies.

Changes to or repeal of policy, legislation and regulations may have a substantial impact on MLA's outlook and/or financial position or performance and may also create uncertainty concerning MLA, which in turn may adversely affect MLA's share price in the event the Scheme is not implemented.

(k) **Share Market Conditions**

The value of MLA Shares can be expected to fluctuate depending on various factors beyond the control of MLA and the MLA Directors, including, but not limited to, general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and the rate of inflation, general movements in worldwide stock markets, variations in the operating expenses, as well as in the cost of capital replacement which MLA may in the future require, announcement of new technologies or geo-political instability.

(l) **Disputes and Litigation**

MLA may be exposed to potential legal claims, disputes and litigation in the future, with respect to its operations, suppliers or customers in the ordinary course of business. Proceedings may result in high legal costs, adverse monetary judgments and/or damage to MLA's reputation, which could have an adverse effect on MLA and its financial performance.

9. INFORMATION ON MLA

9.1 About MLA:

- MLA is a public company listed on the Australian Securities Exchange. MLA's core business is the manufacture, distribution and sale of a broad range of medical devices used by healthcare facilities and critical care services in global markets. The Company is a leader in Intravenous (IV) Medication Delivery Systems, Surgical Irrigation, Suction & Laboratory equipment and Infection Control.
- MLA was established in February 2001 and listed on ASX in December 2004 however its current business activities and current range of products have been in existence since 2008. The TUTA brand has been in the market place for approximately 65 years and the Clements name for 103 years.
- MLA's current market position is one of a niche business with its strength in the ability to provide customised, low cost, quality medical devices to healthcare professionals in a timely fashion. MLA has relationships with major healthcare distributors within Australia and is on contract with most State health departments.
- MLA's recently released preliminary results for the financial year ended 30 June 2017 show net revenues of \$13.16m, EBITDA of \$0.57m and net profit of \$0.41m.

9.2 Overview of Operations:

- MLA manufactures its Tuta and Tuta based OEM range of products in China using third party manufacturers under strict quality control and with guidance from MLA management. MLA source product in its Devices business unit from Australia, Italy and Switzerland. Distribution to customers for all business units is almost entirely from the Company's Lidcombe warehouse with a small number of customers receiving shipments direct from the manufacturer. MLA's manufacturing and core operations are governed by a quality system under ISO 13485.

10. INFORMATION ON ICU MEDICAL, INC.

10.1 Overview of Operations

ICU Medical, Inc. headquartered in San Clemente, California was founded in 1984. ICU BV is a wholly - owned subsidiary of ICU, organised and existing under the laws of the Netherlands. ICU has been listed on the NASDAQ exchange since 1992 trading under the symbol ICUI. As of June 30, 2017, ICU had a market capitalization of approximately US\$3.4 billion and currently has approximately 7,100 employees.

ICU develops, manufactures and sells innovative medical devices used in vascular therapy, and critical care applications. ICU's product portfolio includes IV smart pumps, sets, connectors, closed transfer devices for hazardous drugs, cardiac monitoring systems, along with pain management and safety software technology designed to help meet clinical, safety and workflow goals. ICU's primary customers are acute care hospitals, wholesalers, ambulatory clinics and alternate site facilities, such as clinics, home health care providers and long-term care facilities.

For the six months ended June 30, 2017, ICU reported revenue and net income of US\$579.2 million and US\$18.8 million, respectively. Revenue of US\$579.2 million for the six months ended June 30, 2017 consisted of US\$427.9 in domestic revenue and US\$151.4 in international revenue. As of June 30, 2017, total assets were approximately US\$1.5 billion. ICU reports revenue by four market segments: (1) Infusion Systems; (2) Infusion Consumables; (3) IV solutions; and (4) Critical Care.

Infusion Systems

Infusion Pump Hardware – ICU's current pump platform includes four infusion pumps:

- Plum 360™: The Plum 360™ infusion pump is a ICU Medical MedNet™ ready large volume infusion pump with an extensive drug library and wireless capability.
- LifeCare PCA™: The LifeCare PCA™ infusion pump is a ICU Medical MedNet™ ready patient-controlled analgesia pump.
- SapphirePlus™: The SapphirePlus™ infusion pump is a ICU Medical MedNet™ ready large volume infusion pump with an extensive drug library and wireless capability.
- Sapphire™: The Sapphire™ infusion pump is a compact infusion system used in ambulatory and hospital settings. The Sapphire™ infusion pump comes in multi-therapy and epidural-only configurations.

During the six months ended June 30, 2017, Infusion Systems revenue was US\$119.8 million.

Infusion Consumables

Infusion Therapy

- Clave® needlefree products, including the MicroClave, MicroClave Clear, and NanoClave brand of connectors, accessories, extension and administration sets used for the administration of IV fluids and medications. Custom infusion sets are a subset of the Clave product category, and designed to meet specialised infusion therapy practice in areas such as anesthesia and pediatrics.
- Neutron® Catheter Patency Connector, used to help maintain patency of central venous catheters.
- SwabCap® Disinfecting Cap, used to protect and disinfect any needlefree connector including, including competitive brands of connectors.
- Custom infusion sets
- Tego® Hemodialysis Connector

- NovaCath® and SuperCath® Peripheral IV Catheters

Oncology Pharmacy Devices and Consumables

- ChemoLock® Closed System Transfer Device (CSTD), is a Pharmacy preferred CSTD used for the preparation and administration of hazardous drugs.
- ChemoClave® Closed System Transfer Device, is an ISO standard and universally compatible CSTD used for the preparation and administration of hazardous drugs.
- Diana™ hazardous drug compounding system, used for the preparation of hazardous drugs.

During the six months ended June 30, 2017, Infusion Consumable revenue was US\$153.2 million.

IV Solutions

- Sterile Solutions - IV solutions, normal saline, Ringers etc., used to replenish fluids and electrolytes by IV infusion.
- Irrigation Solutions - Used externally on open wounds to hydrate the wound, remove deep debris, assist with visual examination, to prevent infection and improve healing.
- Nutritionals - Solutions that feed vitamins, minerals and other natural therapeutic substances directly into the blood stream. ICU is committed to helping its customers deliver more comprehensive patient-care therapies, delivering an extensive source of nutrients for patients who cannot consume a normal diet.

During the six months ended June 30, 2017, IV Solutions revenue was US\$231.8 million.

Critical Care

- Hemodynamic Monitoring Systems
- Cogent® 2-in-1 Hemodynamic Monitoring System
- LiDCO LX1™ Noninvasive Hemodynamic Monitoring System
- CardioFlo® Hemodynamic Monitoring Sensor
- TriOx® PICC Minimally Invasive Venous Oximetry Sensor
- SafeSet® Closed Blood Sampling and Conservation System
- Transpac® Consumable Blood Pressure Transducers
- Other Critical Care Products and Accessories

During the six months ended June 30, 2017, Critical Care revenue was US\$24.3 million.

10.2 ICU's Board of Directors

ICU's Board of Directors is comprised of the following members:

Vivek Jain

Mr. Jain joined ICU as CEO and Chairman of the Board in February 2014. Mr. Jain served as CareFusion Corporation's (CareFusion) President of Procedural Solutions from 2011 to February 2014. Mr. Jain served as President, Medical Technologies and Services of CareFusion from 2009 until 2011. Mr. Jain served as the Executive Vice-President-Strategy and Corporate Development of Cardinal Health from 2007 until 2009. Mr. Jain served as Senior Vice President, Business Development and M&A for the Philips Medical Systems business of Koninklijke Philips Electronics N.V., an electronics company from 2006 to August 2007. Mr. Jain served as an investment banker at J.P. Morgan Securities, Inc., an investment banking firm, from 1994 to 2006. Mr. Jain's last position with J.P. Morgan was as Co-Head of Global Healthcare Investment Banking from 2002 to 2006.

George A. Lopez, M.D.

Dr. Lopez has been a director since 1984. He is the founder of ICU and served as Chairman of the Board, President and CEO from 1989 to February 2014. Dr. Lopez has extensive experience with ICU

and industry knowledge provides an invaluable insight to the Board of Directors on issues involving ICU and its goals.

Joseph R. Saucedo

Mr. Saucedo has been a director since 2001. He has been Chairman and President of Bolsa Resources, Inc., a business management consulting firm that provides both management consulting and financial accounting function support to manufacturing companies. Mr. Saucedo's 30 years of financial and accounting experience include serving as President and CEO of a financial institution where he was responsible for overseeing the performance of the company, as an auditor for a major auditing firm, and currently, the review, analysis and evaluation of clients' financial statements and financial consulting to manufacturing concerns at ICU.

Robert S. Swinney, M.D.

Dr. Swinney has been a director since 1998, and previously served as a director from 1989 to October 1995. Dr. Swinney has more than 30 years of experience as a critical care physician in a large, public teaching hospital, where he has formerly served as the critical care unit director of the ICU Committee and Chair of the ICU Committee. Dr. Swinney also has experience in private primary care practice and emergency medicine. He holds two patents for medical products and, in his daily work, is frequently called upon to examine and evaluate new medical products. The Board of Directors benefits from Dr. Swinney's medical and leadership experience, including Dr. Swinney's work with patents, which has provided him with a high level of technical expertise, which keep him current on new developments in medical technology.

David C. Greenberg

Mr. Greenberg has been a director since 2015. He has been Executive Vice President, Strategy of Medline Industries, Inc. ("Medline") since June, 2008. Medline is a privately held manufacturer and distributor of medical supplies uniquely positioned to provide products, education and support across the continuum of care. In that capacity, Mr. Greenberg is a member of Medline's Executive Board and advises top leadership/ownership on all aspects of the business. Mr. Greenberg is responsible for Strategy, Business Development and M&A. Additionally, Mr. Greenberg is a Group President and has responsibility for Medline's distribution business and several manufacturing and marketing divisions. Mr. Greenberg has served on the board of directors for Amendia, Inc., a spinal implant company. Previously, Mr. Greenberg spent thirteen years in a variety of leadership positions within Aon Corporation, including Chief Financial Officer of its Aon Global subsidiary. Mr. Greenberg is a director at Potrero Medical, Inc., the latest spinout of medical device incubator TheraNova, LLC.

Elisha W. Finney

Ms. Finney has been a director since January 2016. Ms. Finney, now retired, previously served as Vice President, Finance and CFO of Varian Medical. Varian Medical Systems is a leading manufacturer of medical devices and software for treating cancer and other medical conditions with radiotherapy, radiosurgery, proton therapy and brachytherapy. Ms. Finney assumed a wide variety of finance functions over her last 27 years with Varian. Prior to joining Varian, Ms. Finney was with the Fox Group in Foster City, CA, and Beatrice Foods, a major food processing company, in Chicago, IL. Ms. Finney has served on the board of iRobot Corporation, a robotics technology company, since January 2017. Ms. Finney previously served on the boards of directors of: Laserscope from August 2005 until July 2006 when Laserscope was sold to American Medical Systems; Thoratec, a developer, manufacturer and marketer of proprietary medical devices for mechanical circulatory support from July 2007 to May 2013; and Altera Corporation, a manufacturer of programmable logic devices from September 2011 until December 2015, when Altera was sold to Intel.

Douglas E. Giordano

Mr. Giordano has been a director since February 2017. Mr. Giordano has been Senior Vice President of Worldwide Business Development at Pfizer Inc. since June 2010, President and Treasurer at Pfizer subsidiary Medivation, Inc., a biopharmaceutical company that develops and commercializes medically innovative therapies, since September 2016 and Vice President of Pfizer subsidiary Icagen, Inc., a platform for drug discovery and development services to pharmaceutical and biotechnology companies, since October 2011. Mr. Giordano is responsible for Pfizer's mergers and acquisitions, licensing and partnering activities. Mr. Giordano has had a series of strategy, business development and operating roles at Pfizer. He has been a key contributor to a variety of Pfizer transactions - including Pfizer's acquisition and integration of Wyeth, Hospira, Medivation, and Anacor and the partnerships with Merck KGa, Eli Lilly, and BMS. Mr. Giordano also lead a variety of innovative US commercialization initiatives including the creation and launch of the Pfizer/Microsoft/IBM collaboration, Amicore, and the launch of the Pfizer for Living ShareCard and Pfizer Helpful Answers programs. Earlier in his Pfizer career Mr. Giordano worked in a mergers and acquisitions role within Pfizer's Medical Technology Group - playing a key role in Pfizer's acquisitions, technology licensing, and divestiture activity within medtech. Mr. Giordano is a director at ViiV Healthcare Limited, a private pharmaceutical company that develops HIV therapies and served as a director at Zoetis Inc., the world's largest producer of medicine and vaccinations for pets and livestock, from July 2012 to June 2013.

10.3 Rationale for ICU's proposed acquisition of MLA

ICU's business strategy is to expand through both organic and strategic acquisitions, including international markets. ICU believes expansion in Australia and New Zealand via an acquisition of MLA allows ICU to extend its geographic footprint in infusion therapy, in which it is highly experienced.

10.4 Funding arrangements for the Scheme Consideration

The Scheme Consideration is 100% cash.

Under the terms of the Deed Poll, ICU has undertaken in favour of each Scheme Shareholder to pay the Scheme Consideration into a trust account for the benefit of the Scheme Shareholders at least one Business Day before the Implementation Date, conditional on the Scheme being Effective.

If the Scheme is implemented, each Scheme Shareholder will become entitled to secure the Scheme Consideration of A\$0.086 per MLA Share. Based on MLA's total issued capital as at the date of this Scheme Booklet, the total amount of cash required to be paid by ICU is A\$11,761,878.70.

As of June 30, 2017, ICU (on a consolidated basis) had cash and cash equivalents equal to US\$240,923,000. On the basis of ICU's cash position, ICU is of the opinion that it has reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its payment obligations under the Scheme, as well as the costs associated with the Scheme.

10.5 ICU's intentions if the Scheme is implemented

This section sets out ICU's current intentions on the basis of facts and information concerning MLA and the general business environment which are known to ICU at the time of the preparation of the Scheme Booklet.

Accordingly, other than where the disclosure below expressly states that ICU has determined to do something, the statements set out in this section are statements of current intention only and may change as new information becomes available or as circumstances change.

- (a) Operations
Based on the information available to ICU at the date of this Scheme Booklet, ICU believes that it can realise value by:
- Integrating the supply chains of each company; and
 - Leveraging the combined MLA's business with that of ICU's business to expand sales and accelerate growth of MLA and ICU products in Australia and New Zealand.
- (b) MLA to be delisted
If the Scheme is implemented, ICU will procure that MLA apply to the ASX for MLA to be removed from the official list of the ASX after implementation of the Scheme.
- (c) Board of directors
If the Scheme is implemented, ICU will replace the board members of MLA and its subsidiaries with nominees of ICU (who are yet to be identified).
- (d) Business continuity
ICU currently expects that the focus of its business planning will be on expanding sales in Australia and New Zealand based on the strength of customer relationships of both MLA and ICU, and a broader product offering.
- (e) Management and employees
The ICU group considers MLA employees to be an integral part of the past and future success of the business. It is ICU's current intention to leave MLA's management structure substantially intact post implementation. Other than normal adjustments which result from MLA ceasing to be a public listed company, ICU currently does not have any definitive plans in relation to MLA's employees more generally.
- (f) Head office
If the Scheme is implemented, it is currently intended that MLA head office will remain in or around Sydney, Australia.

10.6 ICU's interests in MLA Shares

- (a) Interest in MLA Shares
As of the date of this Scheme Booklet, none of ICU or any of its Associates has any Relevant Interest or voting power in any MLA Shares.
- (b) Dealing in MLA Shares in previous four months
None of ICU or any of its Associates has provided or agreed to provide consideration for any MLA Shares under any other transaction during the period of four months before the date of this Scheme Booklet.
- (c) Benefits to holders of MLA Shares
During the fourth months before the date of this Scheme Booklet, none of ICU or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to: vote in favour of the Scheme; or dispose of MLA Shares, where the benefit was not offered to all MLA Shareholders.
- (d) Benefits to MLA officers
None of ICU or any of its Associates will be making any payment or giving any benefit to any current officers of MLA as compensation or consideration for, or otherwise in connection with their resignation from their respective offices if the Scheme is implemented.

11. MLA'S DIRECTORS' RECOMMENDATION AND MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

11.1 Recommendation

The MLA Directors unanimously recommend that MLA Shareholders vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of MLA Shareholders. Subject to the same qualifications, each MLA Director who holds or controls MLA Shares intends to vote, or cause to be voted, those MLA Shares in favour of the Scheme.

11.2 Reasons for recommendation and advantages of the Scheme

The factors that the MLA Directors have taken into account in recommending the Scheme to MLA Shareholders include:

- (a) **Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of MLA Shareholders.**

In reaching their recommendation, your Directors have assessed the Scheme having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Scheme Booklet.

In the absence of a Superior Proposal, each of your Directors intends to vote all MLA Shares held or controlled by them in favour of the Scheme. The interests of MLA Directors are set out in section 13.

- (b) **The Independent Expert concluded that the Scheme is in the best interests of MLA Shareholders, in the absence of a Superior Proposal**

Your Directors appointed William Buck to prepare the Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of MLA Shareholders. The Independent Expert concluded that the Scheme is in the best interests of MLA Shareholders, in the absence of a Superior Proposal. The Independent Expert, in arriving at this opinion, assessed whether the Scheme was fair and reasonable to MLA Shareholders.

The basis for this conclusion is that the Cash Payment of \$0.086 per MLA Share is within the valuation range (as concluded by the Independent Expert) of \$0.051 to \$0.052 per MLA Share.

A complete copy of the Independent Expert's Report is included as Annexure E in this Scheme Booklet and your Directors encourage you to read this report in its entirety.

- (c) **The Cash Payment represent a significant premium to recent historical MLA Share prices and the price at which MLA raised equity in November 2014.**

Under the terms of the Scheme, subject to the Scheme becoming Effective, Shareholders will receive \$0.086 Cash per MLA Share held on the Scheme Record Date.

MLA's DIRECTORS' RECOMMENDATION AND MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME continued

The Cash Payment represents a premium of:

- 28.4% to the closing price of MLA Shares on 9 August 2017 (the last trading day before the announcement of the entry into the Scheme Implementation Agreement on 10 August 2017);
- 35.8% to the 1 month VWAP to 9 August 2017 (\$0.062);
- 37.3% to the 3 month VWAP to 9 August 2017 (\$0.061);
- 59.7% the 6 month VWAP to 9 August 2017 (\$0.046); and
- 38.8% to the entitlement offer price at which MLA raised equity in November 2014 (\$0.06).

Since market close on 9 August 2017, the All Ordinaries price index has decreased 0.06% up to the Last Practicable Trading Date.

(d) You will receive certain value of \$0.086 cash per MLA Share for your investment in MLA

The Cash Payment of \$0.086 per MLA Share provides you with certainty of value for your MLA Shares (subject to the Scheme becoming Effective).

The certainty of the Cash Payment should be compared with the risks and the uncertainties of remaining a MLA Shareholder if the Scheme is not implemented, which include, but are not limited to the risks set out in section 8.17

(e) No Superior Proposal has emerged as at the date of this Scheme Booklet

From the announcement of the entry into the Scheme Implementation Agreement to the ASX on 10 August 2017 to the date of this Scheme Booklet, no Superior Proposal has emerged and your Directors are not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge. Even if one did emerge, there is no certainty that it would be implemented.

(f) The Scheme allows you to sell all of your MLA Shares

The Scheme provides you with an opportunity to dispose of all your MLA Shares in a single transaction for certain cash value.

(g) If the Scheme does not proceed, and no Superior Proposal emerges, the MLA Share price may fall

If the Scheme is not implemented and in the absence of a Superior Proposal, the price of MLA Shares on the ASX may fall particularly given that MLA's share price increased from a closing price of \$0.067 on 9 August 2017 (prior to announcement of the Scheme) to a closing price of \$0.083 on 10 August 2017 (the day the Scheme was announced).

Since market close on 9 August 2017 the last trading day prior to the announcement of the Scheme Implementation Agreement, MLA's share price has increased 18.3% up to \$0.082 on the Last Practicable Trading Date.

Your Directors are unable to predict the price at which MLA Shares will trade in the future, but consider that, in the absence of implementation of the Scheme, and in the absence of a Superior Proposal, the price of MLA Shares may fall.

(h) If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with the MLA business and general market risks

Your Directors consider that the underlying profitability and overall outlook for MLA remains strong and the MLA has significant growth prospects, including from current growth initiatives, as an independent ASX-listed company. Nevertheless, these initiatives will take time to fully implement and carry execution risks, some of which are outside the control of MLA.

If the Scheme does not proceed, MLA Shareholders will continue to be subject to these execution risks, as well as other specific risks inherent in MLA's business, including those risks summarised in more detail in section 8.17

The Scheme removes these risks and uncertainties for MLA Shareholders and allows MLA Shareholders to exit their investment in MLA at a price that your Directors consider to be attractive.

(i) You will not incur any stamp duty or brokerage charges on the transfer of your MLA Shares if the Scheme proceeds

You should not incur any brokerage or stamp duty on the transfer of your MLA Shares to ICU BV pursuant to the Scheme.

If you sell your MLA Shares on the ASX (rather than disposing of them via the Scheme), you may incur brokerage charges (and, potentially GST on those charges).

11.3 Reasons why MLA Shareholders may consider voting against the Scheme and disadvantages of the Scheme

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

(a) You may disagree with your Directors' recommendation and the opinion of the Independent Expert and consider that the Scheme is not in your best interests

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

(b) You may prefer to realise the potential value of MLA over the long term, and may consider that the Scheme does not capture MLA's long term potential

If the Scheme is approved and implemented, it is expected to complete on 29 November 2017. This time frame may not be consistent with your investment objectives and you may consider your MLA Shares have greater value over the longer term.

You may consider that MLA has stronger long term growth potential and that the Cash Payment does not fully reflect your views on long term value. You may therefore prefer to retain your listed MLA Shares and realise the value of your MLA Shares over the longer term.

(c) You may believe it is in your best interests to maintain your current investment and risk profile

You may wish to keep your MLA Shares as you may want to preserve your investment in a publicly listed company with the specific characteristics of MLA. In particular, you may consider that, despite the risk factors relevant to MLA's potential future operations (including those set out in section 8.17 of this Scheme Booklet), MLA may be able to return greater value from its assets by remaining independent, or seeking alternative commercialisation strategies.

(d) The tax consequences of the Scheme may not suit your current financial position

Implementation of the Scheme may trigger taxation consequences for MLA Shareholders. A general guide to the taxation implications of the Scheme is set out in Annexure E. This guide is expressed in general terms only and MLA Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

(e) You may consider that there is the potential for a Superior Proposal to be made in the foreseeable future

It is possible that a more attractive proposal for MLA Shareholders could materialise in the future. However, as at the date of this scheme Booklet, your Directors have not received or become aware of any Superior Proposal and are not aware of any Superior Proposal that is likely to emerge.

12. TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS

The following comments provide a general summary of the potential Australian income tax, capital gains tax (CGT), GST and stamp duty issues for MLA Shareholders who participate in the Scheme.

The comments in this summary are applicable only to those MLA Shareholders (including individuals, complying superannuation entities, companies, trusts or partnerships) who hold their MLA Shares on capital account for Australian income tax purposes.

This summary does not consider the consequences for MLA Shareholders who are insurance companies or banks. MLA Shareholders that hold their MLA Shares on revenue account or carry on a business of trading in shares. MLA Shareholders who acquired their MLA Shares in connection with an employee share scheme, or MLA Shareholders who are exempt from Australian income tax. This summary also does not cover the consequences for MLA Shareholders who are subject to Division 230 of the Tax Act (the Taxation of Financial Arrangements or TOFA regime) with respect to their MLA Shares.

This summary is based on the Australian tax laws (together with established interpretations of those laws) in force as at the date of this Scheme Booklet, which are subject to change. This summary does not take into account the tax laws of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law.

Given that the precise tax implications of the Scheme will depend upon the specific circumstances of each MLA Shareholder, MLA Shareholders should obtain independent advice on the taxation implications of participating in the Scheme, taking into account their specific circumstances (including whether they are an Australian tax resident).

12.1 Disposal of MLA Shares under the Scheme

(a) Australian Tax Resident MLA Shareholders

The disposal of a MLA Share under the Scheme should give rise to a CGT event. A capital gain should arise to the extent that the capital proceeds on disposal exceed the cost base of the MLA Share (being, broadly, the amount paid to acquire the MLA Share plus certain non-deductible transaction costs). Where the MLA Shareholder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising any capital gain arising from the disposal of a MLA Share (according to their proportionate holdings).

The capital proceeds from the disposal of a MLA Share should equal the Cash Payment received in respect to the disposal of the MLA Share.

A CGT discount may be applied against any capital gain (after reducing the capital gain, by applying against it any applicable capital losses of the taxpayer) where the entity which realises the capital gain is an individual, complying superannuation entity or trustee. The CGT discount may be applied in these circumstances, provided that the MLA Share has been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been satisfied. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after off-setting current year or prior year capital losses.

If the MLA Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT

discount flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. MLA Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss should be realised to the extent that the reduced cost base of a MLA Share (which should generally be calculated in a similar manner to the cost base) exceeds the capital proceeds from its disposal. It is important to note that any capital loss should be calculated by subtracting from the reduced cost base of a MLA Share the Cash Payment received in respect of the disposal of the MLA Share.

Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to any applicable loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income. As with capital gains, where the MLA Shareholder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising the capital loss (according to their proportionate holdings). By contrast, any capital loss realised by a MLA Shareholder who is the trustee of a trust should not flow through to the beneficiaries of the trust, but may be utilised by the MLA Shareholder to offset capital gains in the same income year or future income years, subject to the satisfaction of applicable loss recoupment tests.

(b) Non-Australian Tax Resident MLA Shareholders

The disposal of a MLA Share by MLA Shareholder who is not a tax resident of Australia should give rise to a CGT event. A capital gain may initially arise to the extent that the capital proceeds on disposal exceed the cost base of the MLA Share (refer Annexure E.1(a) for further details).

However, any capital gain initially arising as a result of the CGT event should be disregarded unless the MLA Share constitutes “taxable Australian property”. In the ordinary case, a MLA Share should not constitute taxable Australian property unless both of the following requirements are satisfied:

- The MLA Shareholder (together with any associates of the MLA Shareholder) holds an interest of at least 10% in MLA at the time of the disposal of the MLA Share, or has held such an interest throughout a 12 month period in the 24 months preceding the disposal; and
- MLA is land rich for Australian income tax purposes (broadly, because more than 50% of the value of MLA’s assets, including those of certain downstream subsidiaries, is comprised by Australian real property interests (including leasehold interests) and/or certain interests in respect of Australian minerals).

A MLA Share should also constitute taxable Australian property if it is used by a MLA Shareholder in carrying on a business in Australia through a permanent establishment (for example, a fixed place of business, such as an office, which is located in Australia).

Based on MLA’s asset profile as at the date of this Scheme Booklet, MLA is not anticipated to be land rich for Australian income tax purposes. Accordingly, unless a MLA Shareholder who is not a tax resident of Australia holds their MLA Share through an Australian permanent establishment (as mentioned above), any capital gain arising on disposal of the MLA Share is likely to be disregarded.

In the event that a MLA Shareholder who is not a tax resident of Australia realises a capital gain in connection with the disposal of a MLA Share that constitutes taxable Australian property, the MLA Shareholder should ordinarily be required to lodge an Australian income tax return including the capital gain. In such circumstances, the MLA Shareholder should generally not be

entitled to claim the benefit of the CGT discount to reduce the amount of the capital gain included (refer Annexure E.1(a) for further details), but may be able to offset the capital gain with available capital losses, subject to any applicable loss recoupment tests being satisfied. The amount of the capital gain, after application of available capital losses, should be subject to Australian income tax at the MLA Shareholder's marginal tax rate.

A capital loss should initially be realised by a MLA Shareholder who is not a tax resident of Australia to the extent that the reduced cost base of a MLA Share exceeds the capital proceeds from its disposal (refer Annexure E.1(a) for further details). However, as with capital gains, a capital loss should be disregarded by the MLA Shareholder unless the MLA Share being disposed of constitutes taxable Australian property. Capital losses which are not disregarded may only be offset against capital gains from the disposal of taxable Australian property in the same income year or future income years, subject to any applicable loss recoupment tests being satisfied.

(i) *Non-resident CGT withholding:*

New rules have recently been introduced which can apply to the disposal of certain taxable Australian property under contracts entered into from 1 July 2016. Pursuant to the new rules, a 10% non-final withholding tax may be applied to such transactions at settlement.

Based on the existing asset profile of MLA, the new rules are not anticipated to apply in respect of the Scheme as MLA is not anticipated to be land rich for Australian income tax purposes.

12.2 GST

A MLA Shareholder should not be liable for CGT as a result of participating in the Scheme. A MLA Shareholder may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with the Scheme. Separate GST advice should be sought by MLA Shareholders in this respect.

12.3 Stamp Duty

A MLA Shareholder should not be liable for stamp duty as a result of participating in the Scheme.

13. ADDITIONAL INFORMATION

13.1 Interests of MLA Directors in MLA securities

The table below lists the Relevant Interests of MLA Directors in MLA Shares and MLA Employee Performance Rights as at the date of this Scheme Booklet.

MLA Director	Position	Relevant Interest in MLA Shares	Relevant interest in MLA Employee Performance Rights
Bruce Hancox	Independent Chairman	Nil	Nil
Darryl Ellis	Managing Director	Nil	2,500,000
Ian Mitchell	Non-Executive Director	1,386,382	Nil
Geoff Cumming	Non-Executive Director	40,000	Nil

MLA Directors who hold MLA Shares will be entitled to vote at the Scheme Meeting and receive the Cash Payment along with other Scheme Shareholders.

Each MLA Director intends to vote any MLA Shares held or controlled by him in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of MLA Shareholders.

13.2 Interests held by MLA Directors in contracts of a ICU Group Member

No MLA Director has an interest in any shares or contract entered into by a ICU Group Member.

13.3 Other interests of MLA Directors

No MLA Director has any interest, whether as a director, member or creditor of MLA or otherwise, which is material to the Scheme, other than in their capacity as a holder of MLA Shares or MLA Employee Performance Rights.

13.4 Darryl Ellis (the Managing Director of MLA) is the holder of 2,500,000 MLA Employee Performance Rights. For the treatment of such rights upon the Scheme becoming Effective Shareholders are referred to section 8.5(b) of this Scheme Booklet.

13.5 Payments and other benefits to directors, secretaries or executive officers of MLA

Other than as described in section 13.4 above, no payment or other benefit is proposed to be made or given to a director, secretary or executive officer of MLA or any member of MLA Group as compensation for loss of, or as consideration for or in connection with their retirement from, office in MLA or any member of MLA Group as a result of the Scheme.

13.6 Suspension of trading of MLA Shares

If the Court approves the Scheme, MLA will immediately notify ASX. It is expected that suspension of trading on ASX in MLA Shares will occur at the close of business on the Effective Date.

13.7 Warranty by Scheme Shareholders about their MLA Shares

The effect of clause 7.4 of the Scheme is that all Scheme Shareholders, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted to ICU BV and MLA that their MLA Shares are fully paid and not subject to any of the encumbrances specified in that clause, and that they have full power and capacity to transfer their MLA Shares to ICU BV together with any rights and entitlements attaching to those MLA Shares. Clause 7.2 of the Scheme is set out in Annexure C to this Scheme Booklet.

13.8 ASIC Relief

Regulation 5.1.01 of the Corporations Regulations requires that, unless ASIC allows otherwise, the Scheme Booklet must contain all of the matters set out in Part 3 of Schedule 8 to 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.

Clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires the Scheme Booklet to disclose the extent to which the financial position of MLA has materially changed since the date of the last balance sheet laid before MLA's general meeting, being its financial statements for the financial year ended 30 June 2016.

ASIC has allowed MLA to confine its disclosure in this Scheme Booklet to all material changes to MLA's financial position between 30 June 2017 (being the date of the latest financial statements for MLA in the annual accounts lodged with the ASX) and the date of this Scheme Booklet on the basis that:

- (a) MLA has complied with Division 2 of Part 2M.3 of the Corporations Act in respect of the year ended 30 June 2017;
- (b) MLA discloses all material changes to its financial position occurring after the year ended 30 June 2017 and prior to the date of this Scheme Booklet, in the Scheme Booklet and/or in announcements to the ASX;
- (c) MLA discloses in announcements to the market operated by ASX 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;
- (d) the Scheme Booklet states that MLA will give a copy of the financial reports for the financial year ended 30 June 2017 free of charge to anyone who requests a copy before the Scheme to which the Scheme Booklet relates is approved by order of the Court; and
- (e) the Scheme Booklet sent to Scheme Shareholders is substantially in the form given to ASIC on 15 September 2017;

13.9 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) NextRegistries as the manager of the Registry;
 - (ii) William Buck Independent Expert in relation to the Scheme; and
 - (ii) Websters as legal adviser to MLA in relation to the Scheme.
- (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 Annexure E 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) Each of ICU and ICU BV has given and has not withdrawn its consent to be named in this Scheme Booklet and in relation to the inclusion of the ICU Information in this Scheme Booklet in the form and context in which that information is included.
- (d) Each person named in this section 13:
 - (i) has not authorised or caused the issue of this Scheme Booklet;
 - (ii) does not make, 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 13; and

- (iii) to the maximum extent permitted by law, 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 part as specified in this section 13.

13.10 Documents available

An electronic version of this Scheme Booklet including the Independent Expert's Report and the Scheme Implementation Agreement are available for viewing and downloading online at MLA's website at www.medaust.com

13.11 Continuous disclosure

MLA is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. MLA has an obligation (subject to limited exceptions) to notify ASX immediately upon becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of MLA Shares. Copies of documents filed with ASX may be obtained from ASX's website at www.asx.com.au.

13.12 Supplementation Information

If MLA 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 material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- 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, MLA may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to MLA Shareholders at their registered address as shown in the Register; or
- posting a Statement on MLA's website at www.medaust.com

as MLA in its absolute discretion considers appropriate.

13.13 Other

(a) Lodgment of the Scheme Booklet with ASIC

This Scheme Booklet was lodged with ASIC on 15 September 2017 in accordance with section 411(2)(b) of the Corporations Act.

(b) 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 Annexures to this Scheme Booklet, there is no other information that is material to the making of a decision by a MLA Shareholder whether or not to vote in favour of the Scheme Resolution to approve the Scheme, being information that is known to any MLA Director and which has not previously been disclosed to MLA Shareholders.

14. GLOSSARY

In this Scheme Booklet unless the context otherwise requires:

TERM	MEANING
\$	means Australian Dollars unless otherwise stated
AIFRS	means the International Financial Reporting Standards as adopted in Australia
ASIC	means the Australian Securities and Investments Commission
Associate	has the meaning given in Annexure E of the Corporations Act
ASX	means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires
ASX Listing Rules	means the Listing rules of the ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX
ATO	means the Australian Taxation Office
Business Day	means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales or San Clemente, California
Cash Payment	means AUD\$0.086 per MLA Share if the Scheme becomes Effective
CGT	means capital gains tax
CHESS	means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia
Competing Proposal	means any proposal, offer or transaction by a third party (other than the parties or their Related Bodies Corporate) that, if complied with, would mean: (a) a person would acquire a relevant interest or voting power in 20% or more of the issued shares of MLA or of the securities of any of MLA's Related Bodies Corporate; (b) a person would directly or indirectly acquire or obtain an interest (including an economic interest or an interest by way of a licence) in all or a substantial part or material part of the business conducted by, or assets or property of, MLA or its Related Bodies Corporate; (c) a person would acquire Control of MLA or any Related Bodies Corporate; (d) a person may otherwise acquire, or merge with, MLA or any Related Bodies Corporate (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or (e) MLA will issue, on a fully diluted basis, 20% or more of its capital as consideration for the assets or share capital of another person.

TERM	MEANING
	Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.
Control	has the meaning given in section 50AA of the Corporations Act and Controller has the corresponding meaning
Corporations Act	means the Corporations Act 2001 (Cth), as amended from time to time
Court	means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by MLA and ICU
Court Approval Date	means the date when the Court grants its approval to the Scheme under section 411(4) of the Corporations Act
Deed Poll	means the deed poll in the form of Annexure D to this Scheme Booklet, executed by ICU and ICU BV in favour of Scheme Shareholders
EBITDA	means earnings before interest, tax, depreciation and amortisation'
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 the Scheme
Effective Date	means the date on which the Scheme becomes Effective
Exclusivity Period	has the meaning given to that term in section 8.8
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 <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
Headcount Test	has the meaning given to it in section 8.2(b)
ICU	means ICU Medical Inc.
ICU Break fee	has the meaning given to that term in section 8.10
ICU BV	means ICU Medical B.V., a wholly-owned subsidiary of ICU existing under the laws of the Netherlands
ICU Group Member	means ICU and each of its Subsidiaries, and ICU Group Member means any of those entities
ICU Prescribed Event	means ICU resolving that it be wound up or ordered to be wound up or a liquidator, provisional liquidator, administrator of ICU being appointed or a receiver or receiver and manager being appointed to the whole or a substantial part of ICU's property or ICU executing a Deed of Company Arrangement.

TERM	MEANING
Implementation Date	means 29 November 2017 or such other date as MLA and ICU agree
Independent Expert	means the Independent Expert appointed by MLA, being William Buck
Independent Expert's Report	means the report prepared by the Independent Expert, a copy of which is set out in Annexure E to this Scheme Booklet
ICU Information	means the information set out in section 10
Last Practicable Trading Date	means 14 September 2017 , being the last practicable trading date before the date of this Scheme Booklet
MLA	means Medical Australia Limited (ACN 096 048 912)
MLA Board	means the board of directors of MLA
MLA Break Fee	has the meaning given to that term in section 8.9
MLA Director or your director	means a director of MLA as at the date of this Scheme Booklet
MLA Employee Performance Right	means a Performance Right issued to an employee of the MLA Group to acquire by way of issue a MLA share
MLA Group	means MLA and each of its Subsidiaries, and MLA Group Member means any of those entities
MLA Information	means the information contained in this Scheme Booklet, other than the ICU Information and the information set out in Annexure E
MLA Material Adverse Change	means an occurrence or any fact, matter or circumstance that becomes known to ICU that is reasonably likely to: <ul style="list-style-type: none"> (a) materially adversely affect the status or terms of any Regulatory Consent that is applicable to MLA Group; or (b) would be likely to prevent MLA from discharging its obligations under the Scheme Implementation Agreement; or (c) diminishes the total consolidated net assets of MLA Group (calculated on the basis of AIFRS) by \$1 million or more; or (d) diminishes the annualised consolidated net profit after tax of MLA Group (calculated on the basis of AIFRS) by \$500,000 or more; or (e) otherwise materially adversely affect the business, assets, financial condition, results, operations, reputation or prospects of MLA Group (as a whole) including: <ul style="list-style-type: none"> (i) any material default by any member of the MLA Group under their existing financing facilities; or (ii) any material litigation threatened or commenced against any member of MLA Group; or (iii) the termination of any material contract of MLA Group;

TERM	MEANING
	Except where such an occurrence is as a result of a change in applicable law or is required to be undertaken by MLA in connection with the Scheme or the Scheme Implementation Agreement
MLA Prescribed Event	<p>means the occurrence of any of the following:</p> <ul style="list-style-type: none"> (a) MLA or any of its Subsidiaries converts any of its shares into a larger or smaller number of shares or resolves to reduce its share capital in any way or enters into a buy-back agreement; (b) MLA declares, pays or distributes any dividend, bonus or other share of its profits or assets or agrees to return any capital to its members or issues securities or grants an option over its shares; (c) MLA disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; or other than in the ordinary course of business, creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property, or resolves that it be wound up or is wound up or a liquidator, provisional liquidator or administrator or receiver or receiver and manager is appointed or MLA executes a Deed of Company Arrangement; (d) MLA makes any material change or amendment to its constitution, or makes any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards or AIFRS; <p>Except where ICU has otherwise approved or MLA is required to undertake the event in connection with the Scheme.</p>
MLA Share	means a fully paid ordinary share issued in the capital of MLA
MLA Shareholders	means each person who is registered in the Register of MLA as the holder of MLA Shares
NextRegistries	means NextRegistries, Level 16, 1 Market Street, Sydney NSW 2000
Register	means the register of MLA shareholders kept by MLA and Registry means the manager from time to time of the Register (current NextRegistries)
Regulatory Authority	<p>means a:</p> <ul style="list-style-type: none"> (a) government, whether foreign, federal, state, territorial or local; (b) department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or (c) commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local, <p>and includes ASX, ASIC, the Australian Competition and Consumer Commission, the Foreign Investment Review Board and the Takeovers Panel</p>
Regulatory Consents	means all approvals or consents required from any Regulatory Authority to implement the transactions envisaged by the Scheme Implementation Agreement (other than the approval of the Court of the Scheme under section 411(4)(b) of the Corporations Act), including any consents and approvals required from ASIC and ASX and all other acts which are necessary or reasonably desirable to implement the Scheme

TERM	MEANING
Related Body Corporate	has the meaning given to that term in the Corporations Act
Relevant Interest	has the same meaning as given by sections 608 and 609 of the Corporations Act
Requisite Majorities	means the threshold for approval of the Scheme Resolution set out in section 7.3, being votes in favour of the resolution received from: <ul style="list-style-type: none"> (a) a majority in number (more than 50%) of MLA Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate MLA Shareholders, by a corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting
Scheme	means a members' scheme of arrangement pursuant to Part 5.1 of the Corporations Act between MLA AND Scheme Shareholders, on the terms described in Annexure C to this Scheme Booklet, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act
Scheme Booklet	means this scheme booklet in relation to the Scheme
Scheme Consideration	means, in respect of each MLA Share held by a Scheme Shareholder on the Scheme Record Date a cash payment of AUD\$0.086
Scheme Implementation Agreement	means the Scheme Implementation Agreement dated 9 August 2017 between MLA and ICU in the form set out in Annexure B of this Scheme Booklet
Scheme Meeting	means the meeting of MLA Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting
Scheme Record Date	means 5.00pm (Sydney time) on 24 November 2017 following the Effective Date (or such other date as MLA and ICU agree)
Scheme Resolution	means a resolution of MLA Shareholders to approve the Scheme, the form of which is set out in the Notice of Scheme Meeting in Annexure A to this Scheme Booklet
Scheme Shareholder	means a holder of MLA Shares on the Scheme Record Date
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

TERM	MEANING
Subsidiary	of an entity means another entity which: (i) controls the composition of that entity's board; or (ii) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of that entity; or (iii) holds more than one-half of the issued share capital of that entity; or (iv) is a subsidiary of a subsidiary of the other entity
Sunset Date	has the meaning given in section 8.13
Superior Proposal	means a Competing Proposal which the MLA Board in good faith determines is, or is reasonably likely to result in, a proposal by the person making the Competing Proposal that is more favourable to MLA Shareholders than the Scheme, taking into account all terms and conditions of the Competing Proposal and having regard to matters including financial value to MLA Shareholders, conditionality, funding, certainty and timing
Takeovers Panel	means the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001 (Cth)</i> ;
VWAP	means volume weighted average price
William Buck	means William Buck Corporate Advisory Services (NSW) Pty Limited

CORPORATE DIRECTORY

Medical Australia Limited

Unit 4B
128-130 Frances Street
Lidcombe NSW 2141
Phone: (02) 9466 5300
Website: www.medaustr.com

Directors:

Bruce Hancox (Chairman)
Darryl Ellis (Managing Director)
Ian Mitchell
Geoff Cumming

Company Secretary:

Ian Mitchell

Independent Expert:

William Buck Corporate Advisory Services
(NSW) Pty Limited
Level 29, 66 Goulburn Street,
Sydney NSW 2000

Auditor:

Nexia Sydney Audit Pty Limited
Level 16, 1 Market Street,
Sydney NSW 2000

Legal Adviser:

Websters,
Level 11,
37 Bligh Street
Sydney NSW 2000

Share Registry:

NextRegistries
P.O. Box H195
Australia Square, NSW 1215
Phone: (02) 9276 1700
Fax: (02) 9251 7138
Email: mail@nextregistries.com.au

“B”

**SCHEME
IMPLEMENTATION
AGREEMENT**

Scheme Implementation Agreement

Medical Australia Limited

ICU Medical, Inc.

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Title **Scheme Implementation Agreement**

Date 9 August 2017

Parties **Medical Australia Limited** ABN 30 096 048 912 of Unit 4B, 128-130 Frances Street, Lidcombe NSW 2141, Australia (**Target**)

ICU Medical, Inc., a company incorporated in Delaware, United States of 951 Calle Amanecer, San Clemente, California CA 92673, United States (**Bidder**)

Recitals

- A Bidder (itself or through a wholly owned Subsidiary) wishes to acquire all of the fully paid ordinary shares of Target by means of a scheme of arrangement under Part 5.1 of the Corporations Act.
- B The Target Board unanimously considers that the Scheme is in the best interests of Target and Target Shareholders, subject to the findings of the Independent Expert and no superior Competing Proposal emerging.
- C Target and Bidder propose to implement the Scheme on the terms and conditions of this Agreement.

Operative provisions

1. Definitions and interpretation

Definitions

- 1.1 In this Agreement, unless the context otherwise requires:

Adviser means, in relation to an entity, its legal, financial or other expert adviser (not including the Independent Expert).

AIFRS means the International Financial Reporting Standards as adopted in Australia.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this Agreement and Target were the designated body.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

Bidder Confidential Information means any of the business, commercial, financial or technical information of the Bidder Group disclosed or otherwise supplied by or on behalf of any such entities to Target or any of its Representatives, and in whatever form or medium and includes notes, records and copies made by Bidder or any of its Representatives of such information but excludes:

- (a) information which is in the public domain (other than as a result of a breach of this Agreement); and
- (b) the Bidder Scheme Information.

Bidder Group means Bidder and each of its Subsidiaries.

Bidder Indemnified Party means each member of the Bidder Group and their respective Representatives.

Bidder Prescribed Event means the occurrence of any of the following:

- (a) Bidder resolving that it be wound up;
- (b) a liquidator, provisional liquidator or administrator of Bidder being appointed;
- (c) the making of an order by a court for the winding up of Bidder;
- (d) Bidder executing a deed of company arrangement; or
- (e) a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of Bidder being appointed,

however, none of the above events will constitute a Bidder Prescribed Event where Bidder has first consulted, in reasonable detail, with Target in relation to the proposed event, and Target has approved in writing the proposed event.

Bidder Scheme Information means information about Bidder which is provided to Target by or on behalf of Bidder to enable the Scheme Booklet to be prepared in accordance with all applicable laws, applicable ASIC guidance and policies and the Listing Rules, or to the Independent Expert to enable it to prepare its report, including information regarding the arrangements Bidder has in place to fund the Scheme Consideration and Bidder's intentions with respect to the assets, business and employees of Target if the Scheme is implemented.

Bidder Warranties means the representations and warranties of Bidder set out in clause 7.4.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales or San Clemente, California.

Cancellation of Performance Rights Deed means a deed in a form agreed between the parties.

Cash in respect of a person, means cash (as recorded in the normal ledger) at bank credited to an account in the name of that person with a reputable commercial bank and to which that person is beneficially entitled and which is repayable on demand (or within 30 days of demand) without condition, plus the amount of any cheques held by that person which have not yet been cashed or dishonoured, less the amount of any cheques written by that person which have not yet been cashed.

Claim means a demand, claim, action or proceeding, however arising and whether present, unascertained, immediate, future or contingent, including any claim for specific performance.

Competing Proposal means any proposal, offer or transaction by a third party (other than the Parties or their Related Bodies Corporate) that, if complied with, would mean:

- (a) a person would acquire a relevant interest or voting power in 20% or more of the issued shares of Target or of the securities of any Target Related Bodies Corporate;

- (b) a person would directly or indirectly acquire or obtain an interest (including an economic interest or an interest by way of a licence) in all or a substantial part or material part of the business conducted by, or assets or property of, the Target or its Related Bodies Corporate;
- (c) a person would acquire Control of the Target or any Related Bodies Corporate;
- (d) a person may otherwise acquire, or merge with, Target or any Related Bodies Corporate (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or
- (e) Target will issue, on a fully diluted basis, 20% or more of its capital as consideration for the assets or share capital of another person.

Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

Completion means completion of the implementation of the Scheme on the Implementation Date.

Confidential Information means Target Confidential Information or Bidder Confidential Information as the context requires.

Control has the meaning given under section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means a court of competent jurisdiction under the Corporations Act.

Deed Poll means the deed poll to be executed by Bidder substantially in the form of Annexure 2 under which Bidder covenants in favour of Target Shareholders to perform its obligations under this Agreement and the Scheme.

Dispatch Date means the day that the Scheme Booklet is dispatched to Target Shareholders.

Dormant Companies means Bio Medical Developments International Pty Ltd (ACN 106 455 207) and BMDi Pty Ltd (ACN 096 997 643).

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the Court order made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which an office copy of the Court order made under section 411(4)(b) of the Corporations Act approving the Scheme is lodged with ASIC.

Exclusivity Period means the period between the date of this Agreement and the earliest of:

- (a) the Implementation Date;
- (b) the date this Agreement is terminated in accordance with its terms; and
- (c) the Sunset Date.

Fairly Disclosed means disclosed in sufficient detail so as to enable a reasonable and sophisticated buyer (or one of its Representatives) experienced in transactions similar to the Scheme and experienced in a business similar to any business conducted by the Target Group, to identify the nature and scope, budgeted cost (if any) and the intended timing (where applicable) for implementation of the relevant matter, event or circumstance.

Financial Debt in respect of a person, means the aggregate of any monetary liability or indebtedness (whether present or future, actual or contingent) of that person for or in respect of:

- (a) money borrowed or raised from and debit balances at bank or financial institutions;
- (b) its obligations as lessee under any finance lease or capital lease, except a lease in the nature of an operating lease;
- (c) any indemnity obligation in respect of any guarantee, indemnity, bond or letter of credit or similar instrument issued by a financial institution, other than those issued or provided in the ordinary course of its business;
- (d) any guarantee, indemnity, letter of credit or similar assurance in respect of financial loss given in connection with any indebtedness referred to in any other paragraph of this definition of another person, other than those issued or provided in the ordinary course of its business;
- (e) any amount payable in connection with the redemption of any redeemable preference share issued by that person;
- (f) amounts raised under or in connection with any bill acceptance, endorsement or discounting arrangement;
- (g) amounts raised under or in connection with any bond, debenture, note, loan stock or similar instruments;
- (h) receivables sold or discounted (other than to the extent they are sold on a non-recourse basis);
- (i) any futures contract, forward exchange or forward purchase contract, any swap, hedge, cap, collar, ceiling or floor or option contract in respect of any currency, interest rates or any commodity or any similar transaction in connection with borrowings or the raising of money, except those arising in the ordinary course of its business;
- (j) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession where the advance or deferred payment is arranged primarily as a method of raising finance or financing or refinancing the acquisition of that asset;
- (k) amounts raised under any other transaction or series of transactions having the commercial effect of a borrowing or raising of money;
- (l) any amounts owing to suppliers, including but not limited to minimum purchase obligations;
- (m) dividends declared and payable; and
- (n) accrued but unpaid interest, prepayment and redemption premiums or penalties (if any), unpaid fees or expenses and other monetary obligations on any financial indebtedness referred to in paragraphs (a) to (l) above,

but excludes trade debts of the person and its Subsidiaries arising in the ordinary course of their businesses on arm's length terms (other than those set out in paragraph (l) of this definition). This definition does not operate to double count any liability or indebtedness.

First Court Date means the date of the hearing by the Court of the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Government Agency means a:

- (a) government, whether foreign, federal, state, territorial or local;
- (b) department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or
- (c) commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local,

and includes ASX, ASIC, the Australian Competition and Consumer Commission, the Foreign Investment Review Board and the Takeovers Panel.

GST means goods and services tax as defined in *A New Tax Systems (Goods and Services Tax) Act 1999* (Cth), or any like tax.

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 Scheme Meeting is passed by a majority in number of Target Shareholders present and voting, either in person or by proxy.

Implementation means the implementation of the Scheme, on it becoming Effective under section 411(10) of the Corporations Act.

Implementation Date means the third Business Day, or such other Business Day as the Parties agree, after the Scheme Record Date.

Independent Expert means an expert independent of the Parties engaged by Target to opine (and prepare a report for inclusion in the Scheme Booklet) on whether the Scheme is in the best interests of Target Shareholders.

Listing Rules means the listing rules of ASX as amended from time to time.

Material Contracts means each of the following contracts between a member of the Target Group and the following entities and/or any of their Related Body Corporates:

- (a) Health Administration Corporation (NSW);
- (b) Terumo Australia Pty Ltd
- (c) Ramsay Health Care Investments Pty Ltd;
- (d) Health Purchasing Victoria;
- (e) Amsino Healthcare (Shanghai) Co., Ltd;
- (f) Hanscent (Ningbo) Co., Ltd;
- (g) R R Taylor Pty Ltd;
- (h) Catheter Connections, Inc.;
- (i) Ardo Medical AG; and
- (j) Australian Breastfeeding Association.

Net Cash means Cash of the Target Group *less* the Financial Debt of the Target Group, in each case on a consolidated basis.

Officer means, in relation to an entity, its directors, officers and employees.

Performance Right means a right granted under Target's executive performance rights plan to acquire by way of issue a Target Share subject to the terms of such plan.

Performance Rights Holder means a person who holds a Performance Right.

Performance Rights Plan Rules means the rules of Target's executive performance rights plan.

Register means the register of shareholders of Target.

Regulatory Consents has the meaning given to that term in clause 3.1(f).

Related Body Corporate has the meaning given to that term in the Corporations Act.

Representative means a person's Related Bodies Corporate, officers of the person and its Related Bodies Corporate, senior management and advisors.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Target and Target Shareholders as described in clause 4, in a form the Parties agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Target and Bidder.

Scheme Booklet means the document including the information described in clause 6.1(a) to be approved by the Court and dispatched to Target Shareholders.

Scheme Consideration means \$0.086 in respect of each Scheme Share.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Scheme Record Date means 7.00 pm on the fifth Business Day after the Effective Date.

Scheme Share means a Target Share as at the Scheme Record Date.

Scheme Shareholder means each person who holds Scheme Shares.

Second Court Date means the date of the hearing by the Court of the application to approve the Scheme under section 411(4)(b) of the Corporations Act.

Share Splitting means the splitting by a holder of Target Shares of those Target Shares into two or more parcels of Target Shares whether or not it results in any change in beneficial ownership of the Target Shares.

Subsidiary has the meaning given to that term in the Corporations Act.

Sunset Date means:

- (a) 5.00 pm on 29 December 2017 or, if clause 6.4 applies, 29 March 2018 (or any earlier date agreed between Target and Bidder in accordance with clause 6.4(b)); or
- (b) such other date and time agreed in writing between Target and Bidder.

Superior Proposal means a Competing Proposal which the Target Board in good faith determines is, or is reasonably likely to result in, a proposal by the person making the Competing Proposal that is more favourable to Target Shareholders than the Scheme, taking

into account all terms and conditions of the Competing Proposal and having regard to matters including financial value to Target Shareholders, conditionality, funding, certainty and timing.

Target Board means the board of directors of Target as constituted from time to time.

Target Confidential Information means any of the business, commercial, financial or technical information of the Target Group disclosed or otherwise supplied by or on behalf of any such entities to Bidder or any of its Representatives, and in whatever form or medium and includes notes, records and copies made by Bidder or any of its Representatives of such information but excludes:

- (a) information which is in the public domain (other than as a result of a breach of this Agreement); and
- (b) the Target Scheme Information.

Target Due Diligence Information means all information disclosed or made available by or on behalf of Target and its Representatives (including all responses to requests for information and any disclosure letter) to Bidder or its Representatives.

Target Group means Target and each of its Subsidiaries.

Target Indemnified Party means each member of the Target Group and their respective Representatives.

Target Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring) that is announced or becomes known to Bidder that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have one of the following effects:

- (a) to materially adversely affect the status or terms of any Regulatory Consent that is applicable to the Target Group;
- (b) to prevent or would be likely to prevent Target from materially discharging its obligations under this Agreement;
- (c) to diminish the total consolidated net assets of the Target Group (calculated on the basis of AIFRS) by \$1 million or more;
- (d) to diminish the annualised consolidated net profit after tax of the Target Group (calculated on the basis of AIFRS) by \$500,000 or more; or
- (e) to otherwise materially adversely affect the business, assets, financial condition, results, operations, reputation or prospects of the Target Group (as a whole) including:
 - (i) any material default by the Target Group or any member of the Target Group under their existing financing facilities; or
 - (ii) any material litigation threatened or commenced against any member of the Target Group; or
 - (iii) the termination of any Material Contract of the Target Group,

unless that occurrence, fact, matter or circumstance:

- (a) was Fairly Disclosed in the Target Due Diligence Information at least two Business Days prior to the date of this Agreement;

- (b) was publicly announced by Target or otherwise Fairly Disclosed in publicly available filings by Target or any of its Subsidiaries with ASX or ASIC prior to the date of this Agreement;
- (c) comprises a change in applicable law after the date of this Agreement; or
- (d) is required to be undertaken by Target or its Subsidiary (as the case may be) in connection with the Scheme or this Agreement.

Target Prescribed Event means the occurrence of any of the following:

- (a) Target or any of its Subsidiaries converting all or any of its shares into a larger or smaller number of shares;
- (b) Target or any of its Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Target or any of its Subsidiaries entering into a buy-back agreement, or resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Target declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (e) Target or any of its Subsidiaries issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option;
- (f) Target or any of its Subsidiaries issuing or agreeing to issue securities or other instruments convertible into shares or debt securities;
- (g) Target or any of its Subsidiaries disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (h) other than in the ordinary course of business and consistent with past practice, Target or any of its Subsidiaries creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;
- (i) Target or any of its Subsidiaries resolving that it be wound up;
- (j) a liquidator, provisional liquidator or administrator of Target or any of its Subsidiaries being appointed;
- (k) the making of an order by a court for the winding up of Target or any of its Subsidiaries;
- (l) Target or any of its Subsidiaries executing a deed of company arrangement;
- (m) a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of Target or any of its Subsidiaries being appointed;
- (n) Target or any of its Subsidiaries making any material change or amendment to its constitution; or
- (o) Target or any of its Subsidiaries making any change to their accounting practices or policies, other than to comply with generally accepted Australian accounting standards or AIFRS,

however none of the above events will constitute a Target Prescribed Event where:

- (a) Target has first consulted, in reasonable detail, with Bidder in relation to the proposed event, and Bidder has approved in writing the proposed event;
- (b) the event was Fairly Disclosed in the Target Due Diligence Information at least two Business Days prior to the date of this Agreement;
- (c) the event was publicly announced by Target or otherwise Fairly Disclosed in publicly available filings by Target or any of its Subsidiaries with ASX or ASIC prior to the date of this Agreement;
- (d) Target or its Subsidiary (as the case may be) is required to undertake the event in connection with the Scheme or this Agreement; or
- (e) the event is a buy-back or cancellation of Target Shares under an employee share scheme, or the periodic issue of shares under an employee share scheme in accordance with an arrangement in place at the date of this Agreement and which was disclosed to Bidder in the Target Due Diligence Information at least two Business Days prior to the date of this Agreement.

Target Scheme Information means all information included in the Scheme Booklet other than the Bidder Scheme Information and the Independent Expert's report.

Target Share means an issued fully paid ordinary share in Target.

Target Shareholder means each person who is registered in the Register as a holder of Target Shares.

Target Shareholder Approval means a resolution by Target Shareholders in favour of the Scheme passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act or, in the circumstances contemplated by clause 3.4, the majority required under section 411(4)(a)(ii)(B) of the Corporations Act.

Target Warranties means the representations and warranties of Target set out in clause 7.1.

Timetable means the indicative timetable set out in Annexure 1.

Transaction Costs means all fees, costs and other expenses incurred or payable by the Target in connection with the Scheme.

voting power has the meaning given to that term in Chapter 6 of the Corporations Act.

Interpretation

1.2 In this Agreement:

- (a) unless the context requires another meaning, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document (including this Agreement) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iv) to an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (v) to a party means a party to this Agreement;

- (vi) to an item, Recital, clause, Schedule or Annexure is to an item, Recital, clause, Schedule or Annexure of or to this Agreement;
- (vii) to a notice means a notice, approval, demand, request, nomination or other communication given by one party to another under or in connection with this Agreement;
- (viii) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency;
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators; and
 - (C) a reference to the representative member of the GST group to which the person belongs to the extent that the representative member has assumed rights, entitlements, benefits, obligations and liabilities which would remain with the person if the person were not a member of a GST group;
- (ix) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
- (x) to proceedings includes litigation, arbitration and investigation;
- (xi) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal;
- (xii) to time is to prevailing Sydney time; and
- (xiii) to \$ means the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this Agreement;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

Construction

- 1.3 This Agreement may not be construed adversely to a party only because that party or its legal advisers were responsible for preparing it.

Payments

- 1.4 Unless otherwise expressly provided in this Agreement, where an amount is required to be paid to a party (the **Receiving Party**) by another party under this Agreement, that amount must be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the Parties agree; and
- (b) without deduction, withholding or set-off.

In this clause 1.4, a Receiving Party does not include a Scheme Shareholder.

Best and reasonable endeavours

- 1.5 Any provision of this Agreement which requires a party to use best endeavours, or reasonable endeavours, or to take all steps reasonably necessary or desirable, (including to procure that something is performed or occurs) does not include an obligation:
- (a) to pay any significant sum of money or to provide any significant financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Government Agency or fees to any professional advisers; or
 - (b) to commence any legal proceeding against any person,
- except in accordance with the express terms of this Agreement.

2. Agreement to propose Scheme

- 2.1 Target will propose and seek to implement the Scheme in accordance with this Agreement and the Corporations Act.
- 2.2 Bidder will comply with its obligations under the Scheme and the Deed Poll, and provide reasonable assistance to Target in proposing and implementing the Scheme in accordance with this Agreement.

3. Conditions

Conditions

- 3.1 Subject to this clause 3, the Scheme will not become Effective and the obligations of the Parties in relation to the Scheme (including the obligations of Bidder to pay the Scheme Consideration to Scheme Shareholders under the Deed Poll) will not become binding until each of the following conditions is satisfied or waived in accordance with clauses 3.5 to 3.11:
- (a) **(Orders convening Scheme Meeting)** The Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act.
 - (b) **(Target Shareholder Approval)** Target Shareholder Approval is obtained at the Scheme Meeting.
 - (c) **(Court approval of Scheme)** The Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme on the Second Court Date.
 - (d) **(Order lodged with ASIC)** An office copy of the Court order approving the Scheme is lodged with ASIC as contemplated by section 411(10) of the Corporations Act on or before the Sunset Date.

- (e) **(No prohibitive orders)** Prior to 8.00 am on the Second Court Date, no Government Agency takes any action, or imposes any legal restraint or prohibition, to prevent the implementation of the Scheme (or any transaction contemplated by the Scheme), which remains in force at 8.00 am on the Second Court Date.
- (f) **(Regulatory Consents)** All approvals or consents required from any Government Agency to implement the transactions envisaged by this Agreement (other than the approval of the Court of the Scheme under section 411(4)(b) of the Corporations Act) are obtained (or deemed obtained) on terms reasonably acceptable to the Bidder, and not withdrawn by 8.00 am on the Second Court Date, including ASIC and ASX provide all consents and approvals and do all other acts which are necessary or reasonably desirable to implement the Scheme (**Regulatory Consents**);
- (g) **(No Target Prescribed Event)** No Target Prescribed Event occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (h) **(No Bidder Prescribed Event)** No Bidder Prescribed Event occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (i) **(No Target Material Adverse Change)** No Target Material Adverse Change occurs between the date of this Agreement and 8.00 am on the Second Court Date.
- (j) **(No change of Target Board recommendation)** Between the date of this Agreement and Target Shareholders voting on the Scheme at the Scheme Meeting, one or more of the Target directors do not change, qualify or withdraw their recommendation to Target Shareholders to vote in favour of the Scheme or otherwise make a public statement indicating that he or she no longer supports the Scheme.
- (k) **(Independent Expert's report)** The Independent Expert issues its report before the date on which the Scheme Booklet is provided to ASIC and the Independent Expert concludes that the Scheme is in the best interest of Target Shareholders (and does not change that conclusion prior to 8.00 am on the Second Court Date).
- (l) **(Market fall)** Between the date of this Agreement and the close of the Business Day immediately prior to the Second Court Date, the ASX All Ordinaries Index (or any successor or replacement index) does not fall by 20% or more on any ASX trading day and remain below that level at all times during three consecutive ASX trading days.
- (m) **(Cancellation of Performance Rights)** On or before 8.00 am on the Second Court Date, each Performance Rights Holder agrees to the cancellation of all outstanding Performance Rights on the terms set out in a Cancellation of Performance Rights Deed.
- (n) **(Cancellation of convertible rights)** On or before 8.00am on the Second Court date, Target has complied with its obligations under clause 14.4.
- (o) **(Target Warranties)** Each of the Target Warranties that is qualified as to materiality is true and correct, and each Target Warranty that is not so qualified is true and correct in all material respects, in each case on the date or dates specified in clause 7.1.
- (p) **(Bidder Warranties)** Each of the Bidder Warranties that is qualified as to materiality is true and correct, and each Target Warranty that is not so qualified is true and correct in all material respects, in each case on the date or dates specified in clause 7.2.

- (q) **(No Competing Proposal)** As at 8.00am on the Second Court Date, Target has not entered into any agreement, arrangement or understanding with a third party in relation to a Competing Proposal.
- (r) **(No amendment to Material Contracts)** Prior to 8.00 am on the Second Court Date, no material amendment is made to a Material Contract without the prior written approval of Bidder.
- (s) **(Net Cash Certificate)** On the Business Day immediately prior to the Second Court Date, Target delivers to Bidder a certificate duly signed by two directors or a director and company secretary of Target, on terms reasonably satisfactory to Bidder, certifying that the Net Cash after subtracting the Transaction Costs is at least AUD1,258,820 and, in the reasonable opinion of the Target Board, is likely to remain so until the Implementation Date.
- (t) **(Employment contract)** Before the Second Court Date, the Bidder enters into an employment arrangement with Darryl Ellis that is acceptable to it (acting reasonably).

Reasonable endeavours

3.2 Each of Target and Bidder must use its reasonable endeavours to procure that:

- (a) each of the conditions in clause 3.1 is satisfied as expeditiously as possible and in any event on or before the Sunset Date and continues to be satisfied at all times until the last time it is required to be satisfied (as the case may require), including providing all reasonable assistance to the other party which is necessary to satisfy such conditions; and
- (b) there is no occurrence within the control of Target or Bidder (as the context requires) or their Subsidiaries that would prevent the conditions in clause 3.1 from being satisfied.

3.3 Without limiting clause 3.2, Target or Bidder (as the context requires) must:

- (a) promptly apply for all relevant Regulatory Consents and provide the other party with a copy of all those applications;
- (b) take all the steps for which it is responsible as part of the Regulatory Consent process, including responding to requests for information at the earliest practicable time;
- (c) provide the other party with all information reasonably requested in connection with the applications for Regulatory Consents. Where the information is confidential or commercially sensitive to the party, it may provide the information directly to the relevant Government Agency; and
- (d) consult with the other party in advance in relation to all material communications with any Government Agency relating to any Regulatory Consent and, so far as it is able, allow the other party and its Representatives the opportunity to be present at any meetings with any Government Agency.

Share splitting

3.4 If the Scheme is not approved by Target Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Target and Bidder agree (acting reasonably) that Share Splitting or some other abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied, then Target must:

- (a) apply for an order of the Court of the type contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (b) make such submissions to the Court and file such evidence as counsel engaged by Target to represent it in Court proceedings related to the Scheme, in consultation with Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

Waiver of conditions

- 3.5 The conditions in clauses 3.1(e) and (f) are for the joint benefit of Target and Bidder and may only be waived jointly by them.
- 3.6 The conditions in clauses 3.1(h), (k) and (p) are for the sole benefit of Target and may only be waived by Target.
- 3.7 The conditions in clauses 3.1(g), (i), (j), (l), (m), (n), (o), (q), (r), (s) and (t) are for the sole benefit of Bidder and may only be waived by Bidder.
- 3.8 The conditions in clauses 3.1(a), (b), (c) and (d) cannot be waived.
- 3.9 To be effective, any waiver of the breach or non-fulfilment of any condition in clause 3.1 must be in writing and a copy of the waiver must be provided to the other party prior to 8.00 am on the Second Court Date to be effective.
- 3.10 Subject to clause 3.11, a waiver of any condition in clause 3.1 precludes the party who has the benefit of the condition from suing the other party for any breach of this Agreement that resulted from any breach or non-fulfilment of the condition.
- 3.11 A party entitled to waive a condition under this clause 3 may do so in its absolute discretion. If the party who has the benefit of a condition in clause 3.1 waives a breach or non-fulfilment of the condition on one or more terms, and the other party agrees to those terms, then those terms will apply notwithstanding any inconsistency with clause 3.9. If the other party does not agree to the terms of any waiver, the relevant condition will not be waived.

Failure of condition

- 3.12 Subject to clause 6.4, if a condition in clause 3.1:
 - (a) is not satisfied or (where capable of waiver) waived by the date specified for its satisfaction; or
 - (b) becomes incapable of being satisfied by the date specified for its satisfaction and is not waived,
 and neither of the following has occurred:
 - (c) the Independent Expert has opined to the effect that the Scheme is not in the best interest of Target Shareholders; or
 - (d) a Superior Proposal has been received and announced by Target, following compliance by Target at all times prior to such public announcement with its obligations under clause 13,

then Target and Bidder must consult in good faith with a view to determining whether:

- (e) the Scheme may proceed by way of alternative means or methods;
 - (f) to extend the relevant time or date for satisfaction of the Conditions;
 - (g) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by Target and Bidder; or
 - (h) to extend the Sunset Date.
- 3.13 If Target and Bidder are unable to reach agreement under clause 3.12 within five Business Days of the date on which they both become aware that the condition is not satisfied or has become incapable of being satisfied (or, if earlier, by 8.00 am on the Second Court Date), or the Parties are not required in the circumstances to consult under clause 3.12, then unless the relevant condition is waived (and subject to clause 3.14) the party entitled to the benefit of that condition, or either Target or Bidder in the case of a condition which is for the benefit of both of them, may terminate this Agreement at any time prior to 8.00 am on the Second Court Date with immediate effect by written notice to the other party.
- 3.14 A party may not terminate this Agreement under clause 3.13 if the relevant condition in clause 3.1 has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the relevant condition being satisfied by the date specified in this Agreement for its satisfaction, as a result of an act or omission by that party or any of its Related Bodies Corporate which results in a breach of this Agreement and either alone or together with other circumstances prevents that condition being satisfied or capable of being satisfied.
- 3.15 Subject to the rights of the Parties under clauses 7.7, 9, 10, 13 and 14 of this Agreement, following any termination under clause 3.13 no party will have any liability to the other Parties in respect of this Agreement, other than in respect of a breach of this Agreement occurring prior to that termination.

Notice of changes

- 3.16 Target must promptly notify Bidder, and Bidder must promptly notify Target, after it becomes aware that any condition in clause 3.1 has been satisfied, has become incapable of being satisfied or is not reasonably capable of being satisfied (having regard to the respective obligations of each party under clauses 3.2 and 3.3).
- 3.17 Upon receipt of notice given under clause 3.16, Target or Bidder, as applicable, must give notice to the notifying party as soon as practicable as to whether or not it waives the breach or non-fulfilment of any condition in clause 3.1 which has become incapable of being satisfied.
- 3.18 Target must promptly notify Bidder, and Bidder must promptly notify Target, of any change, matter, event or circumstance causing, or which is reasonably likely to cause:
- (a) a representation or warranty in this Agreement to be breached; or
 - (b) a material breach of this Agreement,
- and must provide Bidder or Target (as applicable) with reasonable details of the relevant breach.

Certificates

- 3.19 On the Second Court Date:

- (a) Bidder and Target will provide a joint certificate to the Court confirming whether or not the conditions set out in clauses 3.1(e) and (f) have been satisfied or waived in accordance with the terms of this Agreement;
 - (b) Target will provide a certificate to the Court confirming whether not the conditions set out in clauses 3.1(a), (b), (g), (i), (j), (k), (l), (m), (n), (o), (q), (r), (s) and (t) have been satisfied or waived in accordance with the terms of this Agreement; and
 - (c) Bidder will provide a certificate to the Court confirming whether or not the conditions set out in clauses 3.1(h), (p) and (t) have been satisfied or waived in accordance with the terms of this Agreement.
-

4. Scheme of Arrangement

Scheme

- 4.1 Target will propose a scheme of arrangement under which, subject to the Scheme becoming Effective, all the Scheme Shares will be transferred to Bidder.

Scheme Consideration

- 4.2 In consideration of the Scheme Shareholders transferring their Scheme Shares to Bidder at Completion, Bidder covenants in Target's favour (in its own right and separately as trustee or nominee for each Scheme Shareholder) that Bidder will, on the Implementation Date and immediately prior to the transfer of the Scheme Shares to Bidder, pay to each Scheme Shareholder, the Scheme Consideration.

Deed Poll

- 4.3 Bidder covenants in favour of Target (in its own right and separately as trustee for each of the Target Shareholders) to execute and deliver prior to the First Court Date and (subject to its terms) perform the Deed Poll.

Bidder Nominee

- 4.4 Bidder may by notice to Target not later than five Business Days before an advanced draft of the Scheme Booklet is submitted to ASIC for review, nominate a wholly owned Subsidiary of Bidder (**Nominee**) to pay the Scheme Consideration and to be the entity to which the Scheme Shares will be transferred in accordance with this Agreement and the Scheme if the Scheme becomes Effective.
- 4.5 From the date of receipt by Target of the notice referred to in clause 4.4 (**Notification Date**) Bidder must procure that the Nominee complies with this Agreement as if the Nominee were a party to it in place of Bidder.
- 4.6 Despite the above, Bidder will continue to be bound by all of the obligations of Bidder under this Agreement and will not be released from any obligations or liabilities under this Agreement following the Notification Date. However, Target agrees that Bidder will not be in breach of this Agreement for failing to discharge an obligation of Bidder under this Agreement if the Nominee fully discharges that obligation.

5. Co-operation

Giving effect to Scheme

- 5.1 Each party must use its reasonable endeavours to give effect to the Scheme and must execute all documents and do all acts and things as may be necessary or desirable for the Implementation of the Scheme substantially in accordance with the Timetable, subject to compliance with their respective obligations, powers and duties under this Agreement, their constituent documents and all applicable laws and the proper performance by the directors of each of Target and Bidder of their fiduciary duties.

Scheme Booklet

- 5.2 Target and Bidder must each use all reasonable endeavours and utilise all reasonable resources (including management, shareholder, marketing and corporate relations resources, as well as the resources of external advisers) to produce the Scheme Booklet as soon as reasonably practicable, and substantially in accordance with the Timetable, subject to compliance with their respective obligations, powers and duties under this Agreement.

6. Implementation

Target's obligations

- 6.1 Target must take all reasonably necessary steps to propose and implement the Scheme in accordance with all necessary laws and regulations as soon as is reasonably practicable and substantially in accordance with the Timetable, including doing anything required on behalf of Target Shareholders which Target is authorised to do. This includes:
- (a) **(Scheme Booklet)** Preparing the Scheme Booklet and dispatching the Scheme Booklet to Target Shareholders. The Scheme Booklet must:
 - (i) include:
 - (A) the Scheme;
 - (B) a notice of the Scheme Meeting and proxy forms;
 - (C) an explanatory statement in relation to the Scheme issued under section 412 of the Corporations Act and registered by ASIC;
 - (D) a copy of the Independent Expert's report, a copy of this Agreement (without the schedules or annexures) and a copy of the executed Deed Poll;
 - (E) a statement that each Target director recommends that Target Shareholders vote in favour of the Scheme, which may be expressed as subject to the findings of the Independent Expert and to be given in the absence of a Superior Proposal; and
 - (F) a statement that each Target director with a relevant interest in Target Shares intends to vote those Target Shares in favour of the Scheme, which statement may be expressed as subject to the findings of the Independent Expert and to be given in the absence of a Superior Proposal; and

comply with all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules.

- (b) **(Consultation)** Providing Bidder with drafts of the Scheme Booklet including an extract of the draft Independent Expert's report that relates to Bidder (for the purpose of reviewing its factual accuracy only), giving Bidder a reasonable opportunity to comment on the content and presentation of the Scheme Booklet and obtaining Bidder's consent to include the Bidder Scheme Information in the form and context in which it appears.
- (c) **(Access to information)** During the Exclusivity Period, providing Bidder and its Representatives with reasonable access during normal business hours and within a reasonable time of a request by Bidder, to:
 - (i) the Target Group's senior executives and directors, offices, properties and other facilities and information concerning the Target Group for the purpose of implementing the Scheme; and
 - (ii) all information about Target and its Subsidiaries that Bidder or its Representatives reasonably require to prepare the necessary documentation for obtaining any Regulatory Consents.
- (d) **(Engage the Independent Expert)** Engaging the Independent Expert to prepare and provide its report for inclusion in the Scheme Booklet, and providing all reasonable assistance and information to the Independent Expert to enable it to do so.
- (e) **(Approval of draft for ASIC)** As soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procuring that a meeting of the Target Board, or of a committee of the Target Board appointed for this purpose, is convened to consider, and if thought fit, approve, that draft as being in a form appropriate for provision to ASIC for review.
- (f) **(Liaison with ASIC)** As soon as practicable after the date of this Agreement, providing an advanced draft of the Scheme Booklet, in a form approved in accordance with clause 6.1(e), to ASIC for review and approval for the purposes of section 411(2) of the Corporations Act and:
 - (i) liaising with ASIC during the period of ASIC's consideration of that draft of the Scheme Booklet; and
 - (ii) keeping Bidder informed of any matters raised by ASIC in relation to the Scheme Booklet, and using all reasonable endeavours in co-operation with Bidder to resolve any such matters.
- (g) **(Approval of Scheme Booklet)** As soon as practicable after the conclusion of the review by ASIC of the Scheme Booklet, procuring that a meeting of the Target Board, or of a committee of the Target Board appointed for this purpose, is convened to consider, and if thought fit, approve, the Scheme Booklet for dispatch to Target Shareholders, subject to the approval of the Court.
- (h) **(Registration)** Requesting ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.
- (i) **(Section 411(17)(b) statement)** Applying to ASIC for a statement under section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme.

- (j) **(Engage suitable counsel)** Engaging suitable counsel to represent Target in all Court proceedings related to the Scheme.
- (k) **(Regulatory notifications)** Without limiting any obligation of Target under any other provision of this Agreement, lodging with each Government Agency within the relevant time periods all necessary documentation and filings in relation to the Scheme and the transactions contemplated by this Agreement.
- (l) **(Court direction)** Applying to the Court for orders under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting.
- (m) **(Scheme Meeting)** Taking all reasonable steps necessary to comply with the orders of the Court, including dispatching the Scheme Booklet to Target Shareholders and convening and holding the Scheme Meeting.
- (n) **(Target Scheme Information)** Taking all reasonable steps to ensure that the Target Scheme Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) as at the Dispatch Date.
- (o) **(Target new information)** Providing to Target Shareholders any further or new information which arises after the Dispatch Date and prior to the Scheme Meeting which is necessary to ensure that the information contained in the Scheme Booklet is not false, misleading or deceptive in any material respect (whether by omission or otherwise).
- (p) **(Court approval)** If Target Shareholder Approval is obtained at the Scheme Meeting and, if necessary, Bidder and Target agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the conditions in clause 3.1 will be satisfied or waived on or prior to 8.00 am on the proposed Second Court Date, applying (and, to the extent necessary, re-applying) to the Court for orders approving the Scheme.
- (q) **(Lodge copy of Court order)** Lodging an office copy of the Court order approving the Scheme (if made) with ASIC no later than 10.00 am on the next Business Day after the order is made.
- (r) **(Registration)** If the Scheme becomes Effective, executing proper instruments of transfer of, and effecting and entering in the Register the transfer of, the Scheme Shares to Bidder under the Scheme on the Implementation Date.
- (s) **(Register information)** Providing Bidder and its share registry with all information necessary, or reasonably requested, in order to assist Bidder to pay the Scheme Consideration.
- (t) **(Listing)** Taking all reasonable steps to maintain Target's listing on ASX, notwithstanding any suspension of the quotation of Target Shares, up to and including the Implementation Date, including making any appropriate applications to ASX and ASIC.
- (u) **(Incentive plans)** Subject to Court approval of the Scheme, but with effect from the Effective Date or such later date agreed by the Parties acting reasonably, terminate all executive and employee incentive plans of the Target Group that will or could result in securities in Target being issued to directors or employees of the Target Group.
- (v) **(Deregistration)** Using best endeavours to take all steps necessary to ensure all the Dormant Companies are deregistered by ASIC by the Implementation Date.

- (w) **(Medivet)** Using best endeavours to take all reasonable steps to ensure that Medivet Pty Ltd (ACN 130 317 010) is in a position to commence the deregistration process as soon as the legal proceedings concerning it are resolved.

Bidder's obligations

- 6.2 Bidder must take all reasonably necessary steps to implement the Scheme in accordance with all necessary laws and regulations as soon as is reasonably practicable and substantially in accordance with the Timetable. This includes:
- (a) **(Deed Poll)** Executing the Deed Poll.
 - (b) **(Bidder Scheme Information)** Preparing and providing to Target, in a form appropriate for inclusion in the Scheme Booklet, the Bidder Scheme Information.
 - (c) **(Independent Expert's report)** Providing all reasonable assistance and information to the Independent Expert in connection with the preparation of its report for inclusion in the Scheme Booklet.
 - (d) **(Representation)** Procuring that it is represented by counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme, at which, through its counsel, Bidder will undertake (if requested by the Court) to do all things and take all steps within its power that may be necessary to ensure the fulfilment of its obligations under the Scheme, and, to the extent that leave of the Court is required for Bidder to be represented at those Court hearings, apply for that leave.
 - (e) **(Review of Scheme Booklet)** As soon as reasonably practicable after delivery, reviewing the drafts of the Scheme Booklet prepared by Target and providing comments on those drafts in good faith.
 - (f) **(Approval of draft for ASIC)** As soon as reasonably practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procuring that a meeting of the appropriate decision-making body of Bidder is held to consider approving those sections of the draft that relate to Bidder as being in a form appropriate for provision to ASIC for review.
 - (g) **(Approval of Scheme Booklet)** As soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet, procuring that a meeting of the appropriate decision-making body of Bidder is held to consider approving those sections of the Scheme Booklet that relate to Bidder as being in a form appropriate for despatch to Target Shareholders, subject to approval of the Court.
 - (h) **(Accuracy of Bidder Scheme Information)** Before the Dispatch Date, verifying to Target the accuracy of the Bidder Scheme Information contained in the Scheme Booklet, and consenting to the inclusion of that information in the form and context in which it appears in the Scheme Booklet, in each case subject to Bidder being reasonably satisfied as to those matters.
 - (i) **(Bidder Scheme Information)** Taking all reasonable steps to ensure that the Bidder Scheme Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) as at the Dispatch Date.
 - (j) **(Bidder new information)** Providing to Target any further or new information about Bidder which arises after the Dispatch Date and prior to the Scheme Meeting which is necessary or reasonably required by Target to ensure that the Bidder Scheme

Information disclosed to Target Shareholders is not false, misleading or deceptive in any material respect (whether by omission or otherwise).

- (k) **(Scheme Consideration)** If the Scheme becomes Effective, paying the Scheme Consideration in accordance with clause 4.2 on Completion.
- (l) **(Regulatory notifications)** Without limiting any obligation of Bidder under any other provision of this Agreement, lodging with each Government Agency within the relevant time periods all necessary documentation and filings required by law to be lodged by Bidder in relation to the Scheme and the transactions contemplated by this Agreement.
- (m) **(Reasonable assistance)** Without limiting any obligation of Bidder under any other provision of this Agreement, providing any assistance or information reasonably requested by Target in relation to the Scheme.

Timetable

- 6.3 Each of Target and Bidder must use its reasonable endeavours to perform its obligations (and procure its Representatives to assist in that performance) substantially in accordance with the Timetable.

Conduct of appeals

- 6.4 If the Court refuses to grant an order convening the Scheme Meeting or approving the Scheme, then Target and Bidder must consult with each other in good faith as to whether to appeal the Court's decision. If, in the opinion of both senior counsel engaged by each party within five Business Days of the Court's decision, there are reasonable prospects of successfully appealing the Court's decision then:
 - (a) Target must appeal the Court's decision, the cost of which is to be borne equally by Target and Bidder; and
 - (b) the Sunset Date will be extended to 29 March 2018 (or any earlier date agreed to by Target and Bidder) to account for the period for determination of the appeal on an expedited basis.

Conduct of business

- 6.5 During the Exclusivity Period, Target must, and must ensure that its Subsidiaries, conduct their businesses in the ordinary and proper course of business.
- 6.6 Without limiting clause 6.5, during the Exclusivity Period, Target must, and must procure that each of its Subsidiaries:
 - (a) use reasonable endeavours to preserve its relationships with customers, suppliers, licensors, licensees and joint venturers and others with whom it has business dealings;
 - (b) subject to clause 6.6(j)(iv), use reasonable endeavours to retain all directors and senior managers of the Target Group holding such positions on the date of this Agreement;
 - (c) operate their businesses consistent with the business plans and budgets disclosed to Bidder prior to the date of this Agreement and otherwise on a basis consistent with those business plans and budgets adopted in the previous two years;
 - (d) maintain its assets in good working order as is reasonably necessary to operate all material aspects of its business;

- (e) upgrade or replace (as necessary) infrastructure and operating equipment necessary to operate all material aspects of its business;
- (f) have in place, and maintain until the Implementation Date, insurance over its assets and business to at least the same extent as that in place at the date of this Agreement;
- (g) consult with Bidder in relation to any occurrence or matter which Target considers is reasonably likely to constitute a Target Material Adverse Change;
- (h) promptly notify Bidder of any Claim which may be threatened, brought, asserted or commenced against any member of the Target Group, or their Officers, and consult with Bidder in relation to such matter to the extent Bidder reasonably requires;
- (i) manage working capital requirements in the ordinary course of business in a manner consistent with the prior 12 months;
- (j) Not:
 - (i) undertake or agree to undertake capital expenditure in excess of \$75,000 in aggregate in respect of the Target Group and in excess of \$18,500 in relation to any individual capital expenditure;
 - (ii) enter into any contract or commitment involving annual expenditure in excess of \$75,000, other than in the ordinary course of conducting the businesses of the Target Group;
 - (iii) enter into any new collective work place agreements or make any representations to unions as to terms that may apply under such agreements with respect to the employees of the Target Group;
 - (iv) except as required by law or any existing contract or agreement, enter into or vary any individual employment contract under which the total remuneration package (including the value of any share or other equity participation or benefit received as part of the package) is \$87,500 or more per annum or will increase by more than \$10,000 per annum as a result of the variation;
 - (v) acquire or dispose of any business, asset, entity or undertaking, the value of which exceeds \$17,500, individually or (other than in respect of assets) \$75,000 when aggregated with all such businesses, entities or undertakings, other than in the ordinary course of conducting the businesses of the Target Group;
 - (vi) accelerate the rights of any of its officers to benefits of any kind, excluding Performance Rights under clause 14.3;
 - (vii) pay an Officer a termination payment, other than as provided for in an existing employment contract in place as at the date of this Agreement, a current and complete copy of which has previously been provided to Bidder; or
 - (viii) (except as required by law or by this Agreement) agree to do or announce and intention to do any of the things referred to in this clause 6.6(j)(i) through 6.6(j)(vii);
- (k) not:
 - (i) in relation to money borrowed or raised by the Target Group from, and debit balances of the Target Group with, any bank or other financial institution,

increase the levels of those borrowings or debit balances from their levels as at the date of this Agreement (except for drawdowns on existing working capital or overdraft facilities);

- (ii) guarantee, indemnify or provide security for the obligations of any person (except as may be required under this Agreement); or
 - (iii) exceed current bank borrowing or cash reserve limitations;
- (l) not enter into, or agree to enter into, any joint venture, partnership or similar arrangement; and
- (m) not take any action which would be reasonably expected to give rise to a Target Prescribed Event.

6.7 Any restriction on conduct which is imposed in clause 6.6 does not apply to the extent that:

- (a) the conduct is undertaken by a member of the Target Group in conducting its businesses in the ordinary course of business;
- (b) the conduct, or the intention to carry out the conduct, was Fairly Disclosed in the Target Due Diligence Information at least two Business Days prior to the date of this Agreement; or
- (c) the conduct is required to be undertaken by Target or its Subsidiary (as the case may be) in connection with the Scheme or this Agreement; or
- (d) the conduct is approved by Bidder (which approval must not be unreasonably withheld or delayed).

Appointing directors

6.8 As soon as practicable on the Implementation Date after the transfer of the Scheme Shares to Bidder under the terms of the Scheme, subject to receipt by Target of signed consents to act from the nominee directors of Bidder, Target must:

- (a) take all actions necessary to cause the appointment of the nominees of Bidder to the Target Board and the board of directors of each member of the Target Group; and
- (b) procure that those directors on the Target Board and the board of directors of each member of the Target Group which Bidder nominates resign with effect from the Implementation Date and that each such director must provide written notice to the effect that he or she has no claim outstanding for loss of office, remuneration or otherwise against Target.

Third party consents

6.9 Without limiting any obligations of either party under this Agreement in relation to obtaining the Regulatory Consents, the Parties agree to use their respective reasonable endeavours to ensure that all approvals and consents other than the Regulatory Consents which Bidder reasonably considers necessary or desirable to implement the Scheme are obtained prior to the Implementation Date.

6.10 Target must use its best endeavours to involve Bidder in meetings or discussions with third parties relating to the obtaining of any third party approval or consent required by Bidder under clause 6.9 and without limitation must:

- (a) keep Bidder informed of progress in obtaining any such third party approval or consent;
- (b) provide Bidder with drafts of any material written communications to be sent to any person in relation to the third party approval or consent and make such amendments as Bidder reasonably requires; and
- (c) provide Bidder with copies of any written communications sent to or received from a third party in relation to an third party consent approval or promptly upon despatch or receipt (as the case may be).

7. Warranties

Target Warranties

7.1 Target represents and warrants to Bidder (on its own behalf and separately as trustee for each of the other Bidder Indemnified Parties) at the date of this Agreement and on each subsequent day until and including 8:00 am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:

- (a) it and each of its Subsidiaries is a corporation validly existing under the laws of its place of incorporation;
- (b) it and each of its Subsidiaries has not had:
 - (i) a liquidator or provisional liquidator appointed;
 - (ii) a receiver, receiver and manager, trustee, controller, official manager or similar officer appointed;
 - (iii) an administrator appointed, whether under Part 5.3A of the Corporations Act or otherwise; or
 - (iv) an application made for the appointment of an administrator, liquidator or provisional liquidator;

over all or part of its business, assets or revenues and neither Target nor any of its Subsidiaries or any of their respective boards of directors have passed a resolution for any such appointment; or
- (v) an application made for its winding up;
- (c) it has taken all necessary corporate action to authorise entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
- (d) it has full corporate power to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- (e) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
- (f) this Agreement does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which any member of the Target Group is a party or is subject or by which any member of the Target Group is bound;

- (g) it has obtained (or will have obtained prior to 8.00 am on the Second Court Date) all necessary consents and approvals to enable it to enter into and perform this Agreement. However, it does not represent or warrant that the Regulatory Consents will necessarily be obtained;
- (h) as at the date of this Agreement its issued equity securities comprise:
 - (i) 136,766,031 ordinary shares; and
 - (ii) 2,500,000 Performance Rights,
 and there are no other options, preference shares of any class, rights, performance rights, shares, convertible notes or other securities on issue, and neither it nor any of its Subsidiaries are under any obligation to issue and have not granted any person the right to call for the issue of any such securities in it or any of its Subsidiaries;
- (i) so far as it is aware (after making reasonable enquiries), all information provided by or on behalf of Target to Bidder during the course of negotiations in relation to the Scheme and preparation of the Scheme Booklet is complete, accurate and not misleading in all material respects (including by omission);
- (j) Target has not knowingly or recklessly:
 - (i) omitted to disclose information to Bidder prior to the date of this Agreement, the disclosure of which might reasonably be expected to have resulted in Bidder not entering into this Agreement or not agreeing to implement the Scheme, or entering into this Agreement on materially different terms;
 - (ii) omitted anything from the Target Due Diligence Information such as to make any part of that information materially false or misleading; or
 - (iii) included anything materially false or misleading in the Target Due Diligence Information;
- (k) the Target Scheme Information:
 - (i) will comply in all material respects with the requirements of all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules; and
 - (ii) be provided on the understanding that each of the Bidder Indemnified Parties will rely on that information for the purposes of preparing the Bidder Scheme Information and implementing the Scheme;
- (l) as at the Dispatch Date, the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the Bidder Scheme Information and the Independent Expert's report) will not be misleading or deceptive in any material respect (whether by omission or otherwise); and
- (m) it is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules or the Corporations Act and, subject to the announcement of the Scheme and the execution of this Agreement in accordance with clause 9.1, as at the date of this Agreement Target is not relying on Listing Rule 3.1A to withhold any information from disclosure under the Listing Rules.

Target indemnity

- 7.2 Target agrees with Bidder (on Bidder's own behalf and separately as trustee for each of the other Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all Claims, liabilities and loss which any of the Bidder Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 7.1.
- 7.3 For the purpose of clause 7.2, Bidder is taken to be acting as agent and trustee on behalf of and for the benefit of each of the Bidder Indemnified Parties. Target acknowledges that Bidder and each of the Bidder Indemnified Parties may bring action directly against Target in respect of any breach of the Target Warranties.

Bidder Warranties

- 7.4 Bidder represents and warrants to Target (on its own behalf and separately as trustee for each of the other Target Indemnified Parties) at the date of this Agreement and on each subsequent day until and including 8:00 am on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date) that:
- (a) it is a corporation validly existing under the laws of its place of incorporation;
 - (b) no Bidder Prescribed Event has occurred;
 - (c) it has taken all necessary corporate action to authorise the entry into this Agreement and has taken or will take all necessary corporate action to authorise the performance of this Agreement and to carry out the transactions contemplated by this Agreement;
 - (d) it has full corporate power to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
 - (e) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
 - (f) this Agreement does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which it, or any of its Subsidiaries, is a party or is subject or by which it or any of its Subsidiaries is bound;
 - (g) it has obtained (or will have obtained prior to 8.00 am on the Second Court Date) all necessary consents and approvals to enable it to enter into and perform this Agreement. However, it does not represent or warrant that the Regulatory Consents will necessarily be obtained;
 - (h) as at the Dispatch Date, the Bidder Scheme Information, in the form and context in which it appears in the Scheme Booklet registered by ASIC under section 412(6) of the Corporations Act will not be false, misleading or deceptive in any material respect (whether by omission or otherwise);
 - (i) the Bidder Scheme Information provided to Target in accordance with clause 6.2(i) for inclusion in the Scheme Booklet will:
 - (i) comply in all material respects with the requirements of all applicable laws, including the Corporations Act, applicable ASIC guidance and policies and the Listing Rules; and

- (ii) be provided on the understanding that each of the Target Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- (j) all Bidder Scheme Information provided by or on behalf of Bidder to the Independent Expert to enable the Independent Expert's report to be prepared and completed will be provided on the understanding that the Independent Expert will rely upon that information for the purposes of preparing the Independent Expert's report for inclusion in the Scheme Booklet;
- (k) so far as it is aware (after making reasonable enquiries), all information provided by or on behalf of Bidder to Target during the course of negotiations in relation to the Scheme and preparation of the Scheme Booklet is complete, accurate and not misleading in all material respects (including by omission);
- (l) as at the date of this Agreement, Bidder has available to it sufficient cash amounts from internal cash resources to satisfy Bidder's obligation to pay the Scheme Consideration in accordance with its obligations under this Agreement and the Deed Poll; and
- (m) at 8.00 am on the Second Court Date, Bidder will have available to it sufficient cash amounts from internal cash resources to satisfy Bidder's obligation to pay the Scheme Consideration in accordance with its obligations under this Agreement and the Deed Poll.

Bidder indemnity

7.5 Bidder agrees with Target (on Target's own behalf and separately as trustee for each of the other Target Indemnified Parties) to indemnify and keep indemnified the Target Indemnified Parties from and against all Claims, liabilities and loss which any of the Target Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 7.4.

7.6 For the purposes of clause 7.5, Target is taken to be acting as agent and trustee on behalf of and for the benefit of each of the Target Indemnified Parties. Bidder acknowledges that Target and each of the Target Indemnified Parties may bring action directly against Bidder in respect of any breach of the Bidder Warranties.

Release

7.7 Each party:

- (a) releases its rights against, and will not make any Claim against, any past or present Representative of any other party in relation to anything done or purported to be done in connection with the Scheme, any transaction contemplated by or warranty given in this Agreement, any information provided to it by another party or in relation to its execution or delivery this Agreement to the extent that the past or present Representative has acted in good faith and has not engaged in any wilful misconduct. Nothing in this clause 7.7(a) excludes any liability that may arise from wilful misconduct or bad faith on the part of any person; and
- (b) holds the releases in clause 7.7(a) in respect of its past and present Representatives as trustee for those Representatives.

7.8 Each representation and warranty in clauses 7.1 and 7.4:

- (a) is severable;
- (b) will survive termination of this Agreement; and
- (c) is given with the intent that liability under it is not confined to breaches which are discovered before the date of termination of this Agreement.

Survival of indemnities

- 7.9 Each indemnity in this Agreement (including those in clauses 7.2 and 7.5):
- (a) is severable;
 - (b) is a continuing obligation;
 - (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this Agreement; and
 - (d) will survive termination of this Agreement.

No other warranties or reliance

- 7.10 Each party acknowledges that no other party (nor any person acting on that other party's behalf) has made any warranty, representation or other inducement to it to enter into this Agreement, except for the representations and warranties expressly set out in this Agreement.
- 7.11 Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any warranty, representation or other inducement by or on behalf of any other party, except for any warranty or representation expressly set out in this Agreement.

8. Termination

Termination for breach

- 8.1 Without prejudice to any other rights of termination under this Agreement, either party may terminate this Agreement by giving the other party written notice at any time before 8.00 am on the Second Court Date if:
- (a) the other party is in material breach of any term of this Agreement, or there has been a material breach of a representation or warranty given by the other party under clauses 7.1 or 7.4 (as applicable) on or before the Second Court Date; and
 - (b) the party wishing to terminate this Agreement has given the other party a written notice setting out details of the breach and stating its intention to terminate this Agreement; and
 - (c) the breach has not been remedied within five Business Days (or any shorter period ending immediately before 8.00 am on the Second Court Date) from the date the notice under clause 8.1(b) is given.

Automatic termination

- 8.2 This Agreement will terminate automatically without the need for action by any party in the event that:
- (a) subject to paragraph (b), Target Shareholder Approval is not obtained at the Scheme Meeting; or

- (b) if clause 3.4 requires Target to apply for the order referred to in that clause, the order is refused with the result that the Scheme is not approved by Target Shareholders.

Termination by Target or Bidder

- 8.3 Either of Bidder or Target may terminate this Agreement by giving the other party written notice if:
- (a) the Court refuses to grant an order convening the Scheme Meeting or approving the Scheme and either:
 - (i) Bidder and Target fail to agree on conducting an appeal under clause 6.4 within five Business Days of the Court's decision and Target is not otherwise obliged to conduct an appeal in accordance with clause 6.4; or
 - (ii) Bidder and Target agree to conduct an appeal under clause 6.4 within five Business Days of the Court's decision but the appeal is unsuccessful;
 - (b) the Scheme is not approved by the Court under section 411(4)(b) of the Corporations Act on or before the Sunset Date; or
 - (c) Bidder changes the transaction structure from the Scheme to a takeover bid under Chapter 6 of the Corporations Act, provided that the takeover bid is at an offer price per Target Share which is at least equal to the Scheme Consideration.
- 8.4 This Agreement may not be terminated by a party under clause 8.3 if the relevant event described in clause 8.3 is a result of (either alone or together with other events or circumstances) an act or omission by that party or any of its Related Bodies Corporate that results in a breach of this Agreement.

Termination following Superior Proposal

- 8.5 Without prejudice to any other rights of termination under this Agreement, but subject to clause 12.6, either Bidder or Target may terminate this Agreement by giving the other party written notice at any time before 8.00 am on the Second Court Date if:
- (a) the Target Board publicly announces and/or determines that a Competing Proposal is a Superior Proposal; and
 - (b) in the case of a termination by Target, at all times prior to announcement of a Competing Proposal Target has complied with its obligations under clause 12 in relation to the Competing Proposal.

Effect of termination

- 8.6 If either Target or Bidder terminates this Agreement under clauses 3 or 8, this Agreement and the Parties' obligations under it cease, other than obligations under this clause and clauses 7.2, 7.3, 7.5, 7.6, 7.7, 7.9, 9, 10, 13, 15, 16 and 17 which will survive termination.
- 8.7 Termination of this Agreement under clauses 3 or 8 does not affect any accrued rights of a party in respect of a breach of this Agreement prior to termination.

9. Public announcements

Announcement of the Scheme

9.1 Immediately after the execution of this Agreement, Target must issue a public announcement in a form agreed between the Parties.

Public announcements

9.2 Except as permitted under clause 9.1, neither party may make a public announcement about this Agreement (including any termination of this Agreement), the Scheme Booklet or the Scheme unless:

- (a) the other party has given its prior written approval to the form of the announcement (acting reasonably); or
- (b) applicable law or the Listing Rules requires an announcement to be made, subject to clause 9.4.

9.3 The Parties must use all reasonable endeavours to participate constructively and promptly with respect to the approvals and consultation contemplated by clauses 9.2 and 9.4.

Required disclosure

9.4 If applicable law or the Listing Rules require a party to make an announcement or disclosure about the subject of this Agreement, the Scheme Booklet or the Scheme, that party may only do so after it has given the other party prior notice (of at least one Business Day if possible, subject to complying with all applicable laws and the Listing Rules) and consulted with the other party about the form and content of the announcement or disclosure.

Statements on termination

9.5 Without limiting clause 9.2, the Parties must act in good faith and use all reasonable endeavours to issue an agreed statement or announcement in respect of any termination of this Agreement.

10. Confidentiality

Confidentiality Agreement

10.1 The Parties acknowledge and agree that they are bound by the terms of the Confidentiality Agreement except that if there is any conflict or inconsistency between the terms of this Agreement and the Confidentiality Agreement, the terms of this Agreement will prevail to the extent of the conflict or inconsistency.

Target's obligations

10.2 Target acknowledges and agrees that it will:

- (a) use Bidder Confidential Information exclusively to produce the Scheme Booklet and implement the Scheme and not for anything else;
- (b) not use Bidder Confidential Information or any part of it to the competitive disadvantage of Bidder or any of its Subsidiaries;
- (c) keep all Bidder Confidential Information in confidence;

- (d) only disclose Bidder Confidential Information:
 - (i) to those Representatives of Target who:
 - (A) require Bidder Confidential Information to produce the Scheme Booklet; and
 - (B) are informed of Target's obligations under this clause 10.2 and agree to comply with such obligations as if they were Target;
 - (ii) to the extent required by law or the Listing Rules, subject to first observing the terms of clause 9.4;
 - (iii) to the extent that the disclosure is necessary for the purpose of implementing the Scheme, including obtaining all necessary Regulatory Consents, and enforcing the provisions of this Agreement;
 - (iv) to the extent that such information is required for inclusion in the Scheme Booklet or in any documents to be made available to the Court in support of the Scheme; or
 - (v) with Bidder's prior written consent; and
- (e) on Bidder's request, return to Bidder or destroy (at Bidder's election) all Bidder Confidential Information provided to Target and its Representatives, together with any copies or other documents incorporating Bidder Confidential Information generated by any of those people provided that Target and its Representatives are not obliged to return or destroy any Bidder Confidential Information:
 - (i) contained in Target's directors' papers, or the minutes of Target's board or any committee of that board to the extent that such papers and minutes contain the level of detail consistent with the normal practices of Target;
 - (ii) to the extent that Target or any of its Representatives, as applicable, are required by law or the rules of any Government Agency to retain that information;

however, Target and its Representatives, as applicable, must keep such retained information confidential in accordance with this clause 10.2.

Bidder's obligations

10.3 Bidder acknowledges and agrees that it will:

- (a) only use Target Confidential Information or any part of it in relation to the Scheme and its implementation and not for anything else;
- (b) not use Target Confidential Information or any part of it to the competitive disadvantage of Target or any of its Subsidiaries;
- (c) keep all Target Confidential Information in confidence;
- (d) only disclose Target Confidential Information:
 - (i) to those Representatives of Bidder who:
 - (A) require Target Confidential Information to produce the Bidder Scheme Information or review the Scheme Booklet; and

- (B) are informed of Bidder's obligations under this clause 10.3 and agree to comply with such obligations as if they were Bidder; or
- (ii) to the extent required by law or the Listing Rules, subject to first observing the terms of clause 9.4;
- (iii) to the extent that the disclosure is necessary for the purpose of implementing the Scheme, including obtaining all necessary Regulatory Consents, and enforcing the provisions of this Agreement;
- (iv) to the extent that such information is required for inclusion in any documents to be made available to the Court in support of the Scheme; or
- (v) with Target's prior written consent; and
- (e) on Target's request, return to Target or destroy (at Target's election) all Target Confidential Information provided to Bidder and its Representatives, together with any copies or other record of Target Confidential Information generated by any of those people provided that Bidder and its Representatives are not obliged to return or destroy any Bidder Confidential Information:
 - (i) contained in Bidder's directors' papers, or the minutes of Bidder's board or any committee of that board to the extent that such papers and minutes contain the level of detail consistent with the normal practices of Bidder;
 - (ii) to the extent that Bidder or any of its Representatives, as applicable, are required by law or the rules of any Government Agency to retain that information;

however, Bidder and its Representatives, as applicable, must keep such retained information confidential in accordance with this clause 10.3.

Takeover bid

- 10.4 Nothing in this Agreement precludes Bidder from making a takeover bid for Target at an offer price per Target Share which is at least equal to the Scheme Consideration. In these circumstances, Bidder may disclose Target Confidential Information in a bidder's statement under the Corporations Act for this purpose and without complying with the procedure set out in clause 9 provided that it has Target's prior written consent.

Privacy Act

- 10.5 Each party acknowledges that the other has obligations under the *Privacy Act 1988* (Cth) in relation to personal information (defined as any information identifying or potentially identifying an individual) in its possession and forming part of the information provided by or on behalf of that party to the other party. If a party receives information containing personal information from or on behalf of the other party, the party undertakes to comply with the obligations under the *Privacy Act 1988* (Cth) to the same extent and degree as the party from whom it has obtained the information is bound to observe them.

11. Conduct of Court proceedings

- 11.1 Nothing in this Agreement gives any party any right or power to make undertakings to the Court for or on behalf of another party without that party's written consent.

- 11.2 Each party agrees to give all undertakings to the Court in all Court proceedings which it is reasonably required to give (on an individual basis) to obtain Court approval and confirmation of the Scheme as contemplated by this Agreement.
-

12. Exclusivity

Termination of existing discussions

- 12.1 Target represents and warrants that, as at the date of this Agreement, it and its Representatives have terminated all negotiations or discussions in respect of any Competing Proposal or that could reasonably lead to a Competing Proposal.
- 12.2 Target represents and warrants that prior to the date of this Agreement it has requested the return or destruction of all confidential information of the Target Group to the extent it is legally entitled to do so under the terms of each confidentiality agreement with a third party who has conducted due diligence investigations on the Target Group prior to the date of this Agreement.

No-shop restriction

- 12.3 During the Exclusivity Period, Target must ensure that neither it, nor any of its Representatives, directly or indirectly, solicits, invites, encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal or a proposal that could reasonably lead to a Competing Proposal.

No-talk restriction

- 12.4 Subject to clause 12.9, during the Exclusivity Period, Target must ensure that neither it nor any of its Representatives:
- (a) enters into, continues or participates in any negotiations or discussions with any person regarding a Competing Proposal or which may reasonably be expected to lead to a Competing Proposal;
 - (b) facilitate or permit any person to undertake due diligence investigations or provides any non-public information regarding the Target Group's businesses or operations to a person (other than Bidder, or its Representatives) for the purposes of enabling or assisting that person to make a Competing Proposal; or
 - (c) enters into any agreement, arrangement or understanding in relation to, or which may reasonably be expected to lead to, an expression of interest, offer or proposal from any other person in relation to a Competing Proposal,
- even if:
- (d) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Target; or
 - (e) the other person has publicly announced the Competing Proposal.

Notification

- 12.5 During the Exclusivity Period, if a Competing Proposal or a proposal that could reasonably be expected to lead to a Competing Proposal is put to Target (**Other Proposal**) then Target must (subject to clause 12.9) promptly inform Bidder of that fact, the identity of the person or

persons involved in the Other Proposal and the key terms of the Other Proposal (**Other Proposal Notice**). For the purposes of this clause, a material variation to an Other Proposal which has previously been notified to Bidder is taken to be a new Other Proposal to which this clause applies.

Bidder's right to match Other Proposal

- 12.6 Target must not enter into any agreement, arrangement or understanding in relation to an Other Proposal, or rely on any clause in this Agreement as a result of an Other Proposal, unless:
- (a) Target gives Bidder an Other Proposal Notice in relation to the Other Proposal;
 - (b) a period of five Business Days has elapsed from the date on which Bidder receives the Other Proposal Notice.
- 12.7 If Target gives an Other Proposal Notice, Bidder will have the right, but not the obligation, at any time until the expiration of five Business Days following receipt of the Other Proposal Notice to:
- (a) offer to amend the terms of the Scheme; or
 - (b) to propose any other transaction,
- which offer or proposal must be submitted to Target in writing (each a **Bidder Counterproposal**), and if Bidder does so, the Target Board must review the Bidder Counterproposal in good faith to determine whether the Bidder Counterproposal is more favourable to Target Shareholders than the Other Proposal taking into account all terms and conditions of both proposals.
- 12.8 If the Target Board determines, in good faith and after having obtained written advice from its Adviser, that the Bidder Counterproposal is more favourable to Target Shareholders than the Other Proposal, then:
- (a) Either:
 - (i) if the Bidder Counterproposal contemplates an amendment to the Scheme, the Parties must enter into a deed amending this Agreement and all other necessary documents to reflect the Bidder Counterproposal; or
 - (ii) if the Bidder Counterproposal contemplates any other transaction, Target must make an announcement as soon as reasonably practicable recommending the Bidder Counterproposal, in the absence of a Superior Proposal, and the Parties must pursue implementation of the Bidder Counterproposal in good faith; and
 - (b) Target must not enter into any agreement, arrangement or understanding in relation to the Other Proposal.

Exception

- 12.9 Despite anything else in this Agreement, the restrictions and obligations in clauses 12.4 and 12.5 do not apply to the extent that the Target Board has determined, in good faith and after having obtained written advice from its Adviser, that complying with clauses 12.4 and 12.5 (as applicable) would be likely to constitute a breach of the Target Board's fiduciary or statutory duties.

Normal provision of information

12.10 Nothing in this clause 12 prevents Target or its Representatives from the following (provided that such disclosure is subject to the confidential provisions among the parties):

- (a) providing information to its Representatives, rating agencies or any Government Agency;
- (b) providing information to customers, joint venturers and suppliers in the ordinary course of their businesses; or
- (c) making presentations to brokers, portfolio investors or analysts in the ordinary course of their businesses.

13. Break fees

Target Break Fee

13.1 Subject to clauses 13.3, 13.4 and 13.5, if:

- (a) at any time before the Scheme Meeting is held (or is scheduled to be held), any Target director fails to recommend the Scheme to Target Shareholders, publicly withdraws or varies its recommendation of the Scheme in a manner adverse to Bidder or otherwise makes a public statement indicating that it no longer supports the Scheme, other than:
 - (i) in circumstances where Target is entitled to terminate this Agreement under clause 3.13 or 8.1; or
 - (ii) as a consequence of the Independent Expert concluding in its report (or in any revised or supplemental report) that the Scheme is not in the best interests of Target Shareholders; or
- (b) a Competing Proposal is announced during the Exclusivity Period and either:
 - (i) at any time during the Exclusivity Period or on or prior to the date six months after end of the Exclusivity Period, the proponent of the Competing Proposal acquires voting power or an economic interest in at least 50% of Target Shares or acquires or obtains an economic interest in at least 50% of the assets or businesses of the Target Group; or
 - (ii) the Competing Proposal is recommended by any Target director; or
- (c) Bidder validly terminates this Agreement in accordance with clause 8.1,

then Target must pay to Bidder the amount of costs, expenses and outgoings which Bidder has incurred in preparation for, or in connection with, the Scheme (including, without limitation, in conducting due diligence and negotiating this Agreement and other related documents), but net of any GST which it may recover, up to a maximum of \$135,000 (**Target Break Fee**). Target may require Bidder to substantiate its costs, expenses and outgoings before making payment under this clause.

Bidder Break Fee

13.2 Subject to clauses 13.3 and 13.5, if Target validly terminates this Agreement in accordance with clause 8.1, then Bidder must pay to Target the amount of costs, expenses and outgoings which Target has incurred in preparation for or in connection with the Scheme (including,

without limitation, in conducting due diligence and negotiating this Agreement and other related documents), but net of any GST which it may recover, up to a maximum of \$135,000 (**Bidder Break Fee**). Bidder may require Target to substantiate its costs, expenses and outgoings before making payment under this clause.

Qualifications

- 13.3 No Target Break Fee or Bidder Break Fee is payable if the Scheme becomes Effective.
- 13.4 The Target Break Fee is only payable once and the maximum amount payable by Target under clause 13.1 is the amount of the Target Break Fee.

Compliance with law

- 13.5 If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Target Break Fee or the Bidder Break Fee required to be paid under clause 13.1 or 13.2 (**Impugned Amount**):
- (a) is unlawful;
 - (b) involves a breach of directors' duties; or
 - (c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel, then:
 - (d) the requirement to pay the Target Break Fee or the Bidder Break Fee (as the case may be) does not apply to the extent of the Impugned Amount; and
 - (e) if Target or Bidder (as the case may be) has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.

Acknowledgments

- 13.6 Each of Target and Bidder acknowledge that:
- (a) it has received legal advice on this Agreement and the operation of this clause; and
 - (b) it considers this clause to be fair and reasonable and that it is appropriate to agree to the terms in this clause in order to secure the significant benefits to it (and its shareholders) which would result from the implementation of the Scheme.
- 13.7 Target acknowledges that:
- (a) if Target and Bidder enter into this Agreement and the Scheme is subsequently not implemented in any of the circumstances described in clause 13.1, Bidder will incur significant costs;
 - (b) in the circumstances referred to in clause 13.7(a), Bidder has requested that provision be made for the payment of the Target Break Fee, without which Bidder would not have entered into this Agreement;
 - (c) the Target Break Fee has been calculated to reimburse Bidder for the following:
 - (i) fees for legal and financial advice in planning and pursuing the Scheme;
 - (ii) reasonable opportunity costs incurred in engaging in the Scheme and in not engaging in other alternative acquisitions or strategic initiatives;

- (iii) costs of management and directors' time in planning and pursuing the Scheme;
- (iv) out-of-pocket expenses incurred in planning and pursuing the Scheme; and
- (v) costs associated with the financing arrangements in respect of the Scheme,

in each case, incurred by Bidder directly or indirectly as a result of having entered into this Agreement and pursuing the Scheme.

13.8 Each of Target and Bidder acknowledge that:

- (a) the amount of fees, costs and losses referred to in clause 13.7(c) is inherently unascertainable and that, even after termination of this Agreement, the costs will not be able to be accurately ascertained; and
- (b) the amount of the Target Break Fee is a genuine and reasonable pre-estimate of the amount of fees, costs and losses referred to in clause 13.7(c) (it being acknowledged by the Parties that the costs would most likely be in excess of the amount of the Target Break Fee).

Payment – Target Break Fee

13.9 Any Target Break Fee which is payable under this clause must be paid within five Business Days of receipt of a written demand from Bidder. The demand may only be made after the occurrence of an event referred to in clause 13.1.

Payment – Bidder Break Fee

13.10 Any Bidder Break Fee which is payable under this clause must be paid within five Business Days of receipt of a written demand from Target. The demand may only be made after the occurrence of the event referred to in clause 13.2.

Exclusive remedy

13.11 Despite any other provision of this Agreement, where the Target Break Fee becomes payable to Bidder under this Agreement (or would be payable if a demand was made), Bidder cannot make any Claim against Target or any other Target Indemnified Party in relation to any loss to Bidder or any Bidder Indemnified Party arising from the Scheme not proceeding, any event or occurrence referred to in clause 13.1, and any and all liability of Target and the Target Indemnified Parties in relation to any breach by Target of its obligations under this Agreement or any breach of any Target Warranty.

13.12 Despite any other provision of this Agreement, where the Bidder Break Fee becomes payable to Target under this Agreement (or would be payable if a demand was made), Target may not make any Claim against any Bidder Indemnified Party in relation to any loss to Target or any Target Indemnified Party arising from the Scheme not proceeding and any breach by Bidder of its obligations under this Agreement or of any Bidder Warranty.

Regulatory intervention

13.13 If any regulatory body (including ASIC or the Takeovers Panel) or a court requires any modification (including requiring such a modification as a condition of consenting to or approving the Scheme or as a condition of not opposing the Scheme) to the Target Break Fee or the Bidder Break Fee, including as to the amount or circumstances in which it is to be paid, then:

- (a) the Parties will accept this determination and amend this Agreement to that extent, and
- (b) it will not result in a breach of this Agreement or termination of the transactions contemplated by it.

14. Convertible rights

Performance Rights

- 14.1 As soon as reasonably practicable after the date of this Agreement, Target must use its best endeavours to enter into a Cancellation of Performance Rights Deed with each Performance Rights Holder having the effect of cancelling all Performance Rights for no consideration subject to the Scheme becoming Effective.
- 14.2 Without limiting clause 14.3, Target must take all necessary steps in accordance with the Performance Rights Plan Rules to permit each Performance Rights Holder to exercise his or her Performance Rights prior to the Record Date.
- 14.3 Target agrees that if any Performance Rights Holder exercises his or her Performance Rights after the date of this Agreement, Target will not after 5.00 pm on the Second Court Date issue or transfer any Target Shares to such Performance Rights Holder and will in lieu of such issue or transfer, satisfy the Performance Rights of any such Performance Rights Holder by paying the appropriate amount to the Performance Rights Holder in cash in accordance with the terms of issue.

Other convertible rights

- 14.4 As soon as reasonably practicable after the date of this Agreement, to the extent applicable, Target must ensure that any options, instrument, unit or any other security or interest which is convertible into shares in the Target are cancelled, subject to the Scheme becoming Effective.

15. Costs and stamp duty

Costs

- 15.1 Subject to clause 15.2, each party must bear its own costs and expenses (including professional fees and stamp duty) incurred by it in connection with the negotiation, preparation and execution of this Agreement and the implementation or attempted implementation of the Scheme.

Stamp duty

- 15.2 Bidder must pay all stamp duty and any related fines or penalties in respect of this Agreement, the Deed Poll and the acquisition of the Scheme Shares in accordance with the Scheme and indemnify Target (on Target's own behalf and separately as trustee or nominee for the other Target Indemnified Parties and Target Shareholders) against any liability arising from failure to comply with this clause 15.2.

16. Notices

Requirements

- 16.1 All notices must be:

- (a) in legible writing and in English;
- (b) addressed to the recipient at the address set out below or to any other address that a party may notify to the other:

to Target:

Address:	Unit 4B, 128-130 Frances Street, Lidcombe NSW 2141
Attention:	Darryl Ellis

to Bidder:

Address:	951 Calle Amanecer, San Clemente, California CA 92673
Attention:	Virginia Sanzone

- (c) signed by the party making the communication or by a person duly authorised by that party; and
- (d) sent to the recipient by hand, or prepaid post (airmail if to or from a place outside Australia).

Receipt of notices

16.2 Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the recipient; or
- (b) if sent by pre-paid post, three Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting;

but if a notice is served by hand on a day that is not a Business Day, or after 5.00 pm (recipient's local time) on a Business Day, the notice will be considered to have been received by the recipient at 9.00 am (recipient's local time) on the next Business Day.

17. General

Entire agreement

17.1 To the extent permitted by law, in relation to the subject matter of this Agreement, this Agreement:

- (a) embodies the entire understanding of the Parties and constitutes the entire terms agreed on between the Parties; and
- (b) supersedes any prior agreement (whether or not in writing) between the Parties.

Further assurances

17.2 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing

any documents, reasonably necessary to give full effect to this Agreement and the transactions contemplated by this Agreement.

No merger

17.3 The rights and obligations of the Parties do not merge on completion of any transaction contemplated under this Agreement. They survive the execution and delivery of any assignment or other document entered into to implement any transaction contemplated under this Agreement.

Assignment

17.4 A party cannot assign, novate or otherwise transfer or deal in any other way with any of its rights or obligations under this Agreement without the other party's prior written consent.

Invalid or unenforceable provisions

17.5 If a provision of this Agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

Waiver and exercise of rights

17.6 A waiver by a party of a provision of, or of a right under, this Agreement is only binding on the party granting the waiver if it is given in writing and is signed by the party or an authorised officer of the party granting the waiver.

17.7 A waiver is effective only in the specific instance and for the specific purpose for which it is given.

17.8 A single or partial exercise of a right by a party does not preclude another exercise of that right or the exercise of another right.

17.9 The failure to exercise, or the delay in exercising, a right does not operate as a waiver or prevent the party so failing or exercising its right from later doing so.

Amendment

17.10 Except as expressly provided to the contrary in this Agreement, this Agreement may only be amended by a document signed by or on behalf of each party.

Counterparts

17.11 This Agreement may be signed in counterparts and all counterparts taken together constitute one document.

Rights cumulative

17.12 Except as expressly provided to the contrary in this Agreement or as permitted by law, the rights, powers and remedies provided in this Agreement are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Agreement.

Consents or approvals

17.13 A party may give its approval or consent conditionally or unconditionally, or withhold its approval or consent, in its absolute discretion unless this Agreement expressly provides otherwise.

Severability

17.14 If a provision of this Agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction, or the remaining provisions of this Agreement.

GST

17.15 Unless expressly included, the consideration for any supply under or in connection with this Agreement does not include GST.

17.16 To the extent that any supply made by a party to another party (**Recipient**) under or in connection with this Agreement is a taxable supply and a tax invoice has been provided to the Recipient, the Recipient must pay, in addition to the consideration to be provided under this Agreement for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.

17.17 The amount of GST payable in accordance with clause 17.16 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

Governing law and jurisdiction

17.18 This Agreement is governed by the laws of New South Wales.

17.19 Each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
- (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Service of process

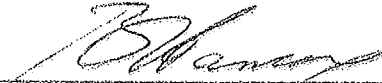
17.20 Each party agrees that a document required to be served in proceedings about this Agreement may be served:

- (a) by being delivered to or left at its address for service of notices under clauses 16.1 and 16.2; or
- (b) in any other way permitted by law.

Execution

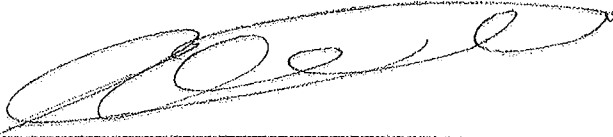
Executed as an agreement.

Signed by
Medical Australia Limited
in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:



Signature of director

BRUCE HANCOCK
Name of director (please print)



Signature of director/secretary

IAN BURAKHAM MINTER
Name of director/secretary (please print)

Signed by
ICU Medical, Inc.
by its duly authorised representative in the
presence of:

Signature of witness

Name of witness (please print)

Signature of authorised representative

Name of authorised representative (please
print)

Annexure 1

Timetable

Event	Indicative date
Enter into Scheme Implementation Agreement	7 August 2017
Provide Scheme Booklet to ASIC for review and comment	15 September 2017
First Court Date	4 October 2017
Scheme Booklet registered by ASIC and lodged with ASX	5 October 2017
Target Board meeting to approve Scheme Booklet and its dispatch	6 October 2017
Dispatch Scheme Booklet to Target Shareholders	13 October 2017
Latest date for return of completed proxy forms for Scheme Meeting	13 November 2017
Eligibility for voting at Scheme Meeting determined	14 November 2017
Scheme Meeting	15 November 2017
Second Court Date (SCD)	17 November 2017
Notify ASX of Court approval of the Scheme	17 November 2017
Effective Date (lodge office copy of Court order approving the Scheme with ASIC)	20 November 2017
Target Shares suspended from trading on ASX	20 November 2017
Scheme Record Date	24 November 2017
Implementation Date	29 November 2017

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**SCHEME OF
ARRANGEMENT**

Scheme of Arrangement

Medical Australia Limited

**The holders of fully paid ordinary shares in
Medical Australia Limited as at the Scheme
Record Date**

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Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between **Medical Australia Limited** ABN 30 096 048 912 of Unit 4B, 128-130 Frances Street, Lidcombe NSW 2141, Australia (**Target**)

and **The holders of fully paid ordinary shares in Target as at the Scheme Record Date**

Operative provisions

1. Definitions and interpretation

Definitions

1.1 In this document, unless the context requires otherwise:

ADI has the meaning given in the *Banking Act 1959* (Cth)

ASIC means the Australian Securities and Investments Commission.

ASPL means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities market which it operates.

ASX Settlement Rules means the ASX Settlement Operating Rules.

Bidder means ICU Medical Inc., a company incorporated in Delaware, United States of 951 Calle Amanecer, San Clemente, California CA 92673, United States.

Bidder Nominee means ICU Medical B.V., a wholly-owned subsidiary of Bidder existing under the laws of the Netherlands.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, New South Wales or San Clemente, California.

CHESS means the Clearing House Electronic Subregister System of share transfers operated by ASPL.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means a court of competent jurisdiction under the Corporations Act agreed in writing by Bidder and Target.

Deed Poll means the deed poll in respect of the Scheme dated [●] September 2017 executed by Bidder and the Bidder Nominee in favour of each Scheme Shareholder.

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the *Corporations Act*, of the Scheme Order.

Effective Date means the date on which an office copy of the Scheme Order approving the Scheme is lodged with ASIC.

Implementation Date means the third Business Day after the Scheme Record Date, or such other day as Bidder and Target agree in writing.

Register means the register of shareholders of Target.

Registered Address means the address of each Scheme Shareholder as recorded in the Register as at the Scheme Record Date.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Target and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Target and Bidder.

Scheme Consideration means \$0.086 in respect of each Scheme Share.

Scheme Implementation Agreement means the scheme implementation agreement dated 9 August 2017 between Target and Bidder.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme.

Scheme Order means the orders of the Court approving the Scheme, with or without modification, under section 411(4)(b) of the Corporations Act.

Scheme Record Date means 7.00 pm (Sydney time) on the fifth Business Day after the Effective Date.

Scheme Share means a Target Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means each person who holds a Target Share as at the Scheme Record Date.

Second Court Date means the first day on which the Court hears the application for the Scheme Order, or if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Sunset Date means:

- (a) 5.00 pm on 29 December 2017 or, if clause 6.4 of the Scheme Implementation Agreement applies, 29 March 2018; or
- (b) such other date and time as agreed in writing between Target and Bidder.

Target Share means an issued fully paid ordinary share in Target.

Target Shareholder means each person who is registered in the Register as a holder of a Target Share.

Target Share Registry means NextRegistries of Level 16, 1 Market Street, Sydney NSW 2000.

Interpretation

1.2 In this document:

- (a) unless the context requires otherwise, a reference:

- (i) to the singular includes the plural and vice versa;
- (ii) to a gender includes all genders;
- (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
- (iv) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this document;
- (v) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
- (vi) to any time is to Sydney time;
- (vii) to "\$" is to the lawful currency of Australia;
- (b) the words "including" or "includes" means "including, but not limited to", or "includes, without limitation" respectively;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation of this document;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2. Preliminary

Target

- 2.1 Target is a public company limited by shares, incorporated in Australia and taken to be registered in New South Wales. Its registered office is at c/- Websters, Level 11 37 Bligh Street Sydney NSW 2000.
- 2.2 Target is admitted to the official list of ASX and Target Shares are quoted on ASX.
- 2.3 As at the date of the Scheme Implementation Agreement, 136,766,031 Target Shares were on issue.

Bidder and Bidder Nominee

- 2.4 Bidder is a public company limited by shares, headquartered in San Clemente, California and listed on the NASDAQ exchange.
- 2.5 Bidder Nominee is a wholly-owned subsidiary of Bidder, organised and existing under the laws of the Netherlands.

Effect of Scheme

- 2.6 If the Scheme becomes Effective:

- (a) Bidder Nominee will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with the terms of the Scheme;
- (b) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder Nominee and Target will enter Bidder Nominee in the Register as the holder of the Scheme Shares; and
- (c) in consideration of the transfer of the Scheme Shares, Target will pay or procure the payment of the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme.

Scheme Implementation Agreement

2.7 Target and Bidder have entered into the Scheme Implementation Agreement which sets out the terms on which Target and Bidder have agreed to implement the Scheme.

Deed Poll

2.8 The Scheme attributes actions to Bidder and Bidder Nominee but does not itself impose an obligation on Bidder or the Bidder Nominee to perform those actions. Bidder and Bidder Nominee have both executed the Deed Poll in favour of each Scheme Shareholder under which it has covenanted, subject to the Scheme becoming Effective, to perform certain steps attributed to them under the Scheme and to do all things necessary or desirable to implement the Scheme, including to pay or procure the payment of Scheme Consideration.

3. Conditions precedent

Conditions precedent to Scheme

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

- (a) all of the conditions precedent set out in clause 3.1 of the Scheme Implementation Agreement, other than those in clauses 3.1(c) and 3.1(d), having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement, before 8:00 am on the Second Court Date; and
- (b) as at 8.00 am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms;
- (c) the Court making the Scheme Order;
- (d) any other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme, and which are acceptable to Target and Bidder, having been satisfied; and
- (e) the Scheme Order (and, if applicable, any orders under section 411(6)) of the Corporations Act approving the Scheme coming into effect, under section 411(10) of the Corporations Act, on or before the Sunset Date,

and the provisions of clauses 4, 5 and 6 will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

- 3.2 Prior to or at the Court hearing on the Second Court Date, Target and Bidder will each provide to the Court a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent to the Scheme other than those in clauses 3.1(c), 3.1(d) and 3.1(e), have been satisfied or waived.
- 3.3 The giving of a certificate by each of Target and Bidder under clause 3.2 will, in the absence of manifest error, be conclusive evidence of the satisfaction or waiver of the conditions precedent referred to in the relevant certificate.

Termination

- 3.4 Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Effective, each of Bidder, Bidder Nominee and Target are released from:
- (a) any further obligation to take steps to implement the Scheme; and
 - (b) any liability with respect to the Scheme.

Sunset Date

- 3.5 The Scheme will lapse and have no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

4. Implementation of Scheme

Lodgement of Scheme Order

- 4.1 Target must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Scheme Order as soon as practicable after the Court makes the Scheme Order.

Transfer of Scheme Shares

- 4.2 Subject to the Scheme becoming Effective and the payment of the Scheme Consideration in accordance with clauses 4.5 to 4.6, on the Implementation Date the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder Nominee without the need for any further act by any Scheme Shareholder by:
- (a) Target delivering to Bidder Nominee a duly completed share transfer form executed on behalf of the Scheme Shareholders (which may be a master share transfer form) to transfer all the Scheme Shares to Bidder Nominee;
 - (b) Bidder Nominee duly executing this transfer form and delivering this transfer form to Target for registration; and
 - (c) to the extent applicable, Target effecting a valid transfer of Scheme Shares under section 1074D of the Corporations Act.
- 4.3 As soon as practicable after receipt of the transfer form or completion of the transfer procedure, Target must enter the name and address of Bidder Nominee in the Register as the holder of the Scheme Shares.

- 4.4 To the extent permitted by law, the Scheme Shares will be transferred to Bidder Nominee free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind.

Payment of Scheme Consideration

- 4.5 Target must procure that by no later than the Business Day before the Implementation Date, Bidder Nominee deposits in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Shareholder, in an Australian dollar denominated trust account operated by Target (**Trust Account**) as trustee for the Scheme Shareholders. Any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder Nominee's account.
- 4.6 Subject to funds having been deposited in accordance with clause 4.5, on the Implementation Date Target must pay or procure the payment from the Trust Account to each Scheme Shareholder an amount equal to the number of Scheme Shares held by the Scheme Shareholder multiplied by the Scheme Consideration by:
- (a) making or procuring a deposit into an account with an ADI in Australia notified by the Scheme Shareholder to Target and recorded in or for the purposes of payment of dividends in the Register as at the Scheme Record Date (**Registered Account**); or
 - (b) if Target has not been notified by the Scheme Shareholder of a Registered Account, despatching or procuring the despatch to the Scheme Shareholder of a cheque, by pre-paid ordinary post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by pre-paid airmail post) in an envelope addressed to the Registered Address as at the Record Date. In the case of Scheme Shares held in joint names any cheque required to be paid to Scheme Shareholders will be payable to the joint holders and be sent to the holder whose name appears first in the Register as at the Scheme Record Date.

Unclaimed Consideration

- 4.7 If:
- (a) in the case of a deposit under clause 4.6(a), the deposit is rejected or refunded or a Registered Account which has previously been notified is no longer valid; or
 - (b) in the case of the despatch of a cheque under clause 4.6(b), a cheque properly despatched by or on behalf of Target is:
 - (i) returned to Target (or its agents) as undelivered;
 - (ii) not presented by a Scheme Shareholder within six months after the Implementation Date; or
 - (iii) Target reasonably believes that a Scheme Shareholder is not known at a Scheme Shareholder's Registered Address,

then Target may cancel the relevant cheque and credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target to be held until the Scheme Shareholder claims the amount, or the amount is dealt with in accordance with any applicable unclaimed moneys legislation. An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Target must maintain records (for the minimum period required by applicable law) of the amounts paid, the people who are entitled to the amounts, and any transfers of the amounts.

5. Dealings in Target Shares

Determination of Scheme Shareholders

- 5.1 Each Scheme Shareholder will be entitled to participate in the Scheme.
- 5.2 For the purpose of determining who is a Scheme Shareholder, dealings in Target Shares will only be recognised if:
- (a) in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Register as the holder of the relevant Target Shares by the Scheme Record Date; and
 - (b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received by the Target Share Registry by the Scheme Record Date.

Target's obligation to register

- 5.3 Target must register any registrable transfers or transmission applications of the kind referred to in clause 5.2(b) by the Scheme Record Date.

Transfers after the Scheme Record Date

- 5.4 If the Scheme becomes Effective, a Target Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Target Shares or any interest in them after the Scheme Record Date (other than a transfer to Bidder Nominee in accordance with the Scheme and any subsequent transfers by Bidder Nominee or its successors in title).
- 5.5 Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Target Shares received after the Scheme Record Date (other than a transfer to Bidder Nominee in accordance with the Scheme and any subsequent transfers by Bidder Nominee or its successors in title).

Maintenance of Register

- 5.6 For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been paid or dispatched to Scheme Shareholders, maintain or procure the maintenance of the Register in accordance with this clause 5. The Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of certificates and holding statements

- 5.7 From the Scheme Record Date, each certificate or holding statement for Scheme Shares will cease to have any effect as a document of title in respect of the Scheme Shares or otherwise (other than holding statements in favour of Bidder Nominee and its successors in title).
- 5.8 Each entry on the Register as at the Scheme Record Date will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

Information to be made available to Bidder

- 5.9 As soon as reasonably practicable after the Scheme Record Date and in any event at least two Business Days before the Implementation Date, Target will give to Bidder or as it directs or procure that Bidder be given or as it directs, details of the name, address and number of

Scheme Shares held by each Scheme Shareholder as shown in the Register at the Scheme Record Date in the form Bidder reasonably requires.

6. Quotation of Target Shares

- 6.1 Target will apply to ASX for suspension of trading of Target Shares on ASX with effect from the close of trading on the Effective Date.
- 6.2 If the Scheme has been fully implemented in accordance with its terms, on the date determined by Bidder, Target will apply to ASX for the termination of the official quotation of Target Shares on ASX and to have Target removed from the official list of ASX.
-

7. General Scheme provisions

Appointment of Target as agent and attorney

- 7.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of the directors and officers of Target (jointly and severally) as its agent and attorney for the purpose of doing all things and executing all deeds, instruments, transfers and other documents that may be necessary or desirable to give full effect to the Scheme and the transactions contemplated by it, including but not limited to:
- (a) enforcing the Deed Poll against Bidder and the Bidder Nominee;
 - (b) in the case of Scheme Shares in a CHESS holding:
 - (i) causing a message to be transmitted to ASPL in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS subregister of Target to the issuer sponsored subregister operated by Target or the Target Share Registry at any time after Bidder Nominee has paid or procured the payment of the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
 - (ii) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;
 - (c) in the case of Scheme Shares registered in the issuer sponsored subregister operated by Target or the Target Share Registry, completing and signing on behalf of Scheme Shareholders any required form of transfer; and
 - (d) in all cases, executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a proper instrument of transfer of Scheme Shares for the purposes of section 1071B of the Corporations Act (which may be a master transfer).
- 7.2 Target may sub-delegate its functions, authorities or powers under clause 7.1 as agent and attorney of each Scheme Shareholder to any or all of its directors or officers.

Agreement by Scheme Shareholders

- 7.3 Each Scheme Shareholder agrees to:
- (a) the transfer of its Scheme Shares together with all rights and entitlements attaching to those Scheme Shares to Bidder Nominee in accordance with the terms of the Scheme; and

- (b) the variation, cancellation or modification (if any) of the rights attached to its Target Shares constituted by or resulting from the Scheme.

Warranty by Scheme Shareholders

7.4 Each Scheme Shareholder is taken to have warranted to Target and Bidder Nominee on the Implementation Date, and is taken to have appointed and authorised Target to warrant to Bidder Nominee as agent and attorney for the Scheme Shareholder on the Implementation Date, that:

- (a) all of its Scheme Shares (including all rights and entitlements attaching to them) transferred to Bidder Nominee under the Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind; and
- (b) it has full power and capacity to transfer its Scheme Shares (including all rights and entitlements attaching to them) to Bidder Nominee.

Target undertakes that it will provide such warranty to Bidder Nominee as agent and attorney for each Scheme Shareholder.

Title to Scheme Shares

7.5 On and from the Implementation Date, subject to Bidder Nominee depositing the Scheme Consideration in accordance with clause 4.5, and pending registration by Target of Bidder Nominee in the Register as the holder of the Scheme Shares, Bidder Nominee will be beneficially entitled to the Scheme Shares.

Appointment of Bidder as sole proxy

7.6 On and from the Implementation Date and until registration by Target of Bidder Nominee in the Register as the holder of the Scheme Shares, each Scheme Shareholder:

- (a) without the need for any further act irrevocably appoints Bidder Nominee and each of its directors, officers and secretaries (jointly and each of them separately) as its agent and attorney to appoint an officer or agent nominated by Bidder Nominee as its sole proxy and where applicable, corporate representative to:
 - (i) attend shareholders' meetings of Target;
 - (ii) exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder; and
 - (iii) sign any shareholders' resolution of Target;
- (b) undertakes not to attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative other than under clause 7.6;
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder Nominee reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in this clause 7.6, Bidder Nominee and each of the directors, officers and secretaries of Bidder Nominee may act in the best interests of Bidder Nominee as the intended registered holder of the Scheme Shares.

- 7.7 Target undertakes in favour of each Scheme Shareholder that it will appoint the officer or agent nominated by Bidder Nominee as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with clause 7.6(a).

Scheme alterations and conditions

- 7.8 If the Court proposes to approve the Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act, Target may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders.

Effect of Scheme

- 7.9 The Scheme binds Target and all Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the meeting or vote against the Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

No liability when acting in good faith

- 7.10 Neither Target nor Bidder nor Bidder Nominee, nor any of their respective officers or agents, will be liable to a Target Shareholder for anything done or omitted to be done in the performance of the Scheme in good faith.

Notices

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

Further assurances

- 7.13 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Scheme and the transactions contemplated by this Scheme.

Costs and stamp duty

- 7.14 Bidder Nominee will pay all stamp duty (if any) and any related fines, penalties and interest payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder Nominee.

Governing law and jurisdiction

- 7.15 This Scheme is governed by the laws of New South Wales, Australia.
- 7.16 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with the Scheme; and
 - (b) waives, without limitation, any claim or objection to the venue of any legal process in these courts based on absence of jurisdiction or inconvenient forum.

“D”

DEED POLL

Deed Poll

By ICU Medical, Inc. and

ICU Medical B.V.

in favour of each Scheme Shareholder

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Title **Deed Poll**

Date 14 September 2017

By **ICU Medical, Inc.** a company incorporated in Delaware, United States of 951 Calle Amanecer, San Clemente, California CA 92673, United States (**Bidder**)

ICU Medical B.V., a company organised and existing under the laws of the Netherlands, having its corporate seat in Utrecht, of Hofspoor 3, 3994 VZ Houten, the Netherlands (**Bidder Nominee**)

in favour of Each holder of issued fully paid ordinary shares in Medical Australia Limited (ABN 30 096 048 912) (**Target**) as at the Scheme Record Date (**Scheme Shareholders**)

Recitals

- A Target and Bidder are parties to a Scheme Implementation Agreement dated 9 August 2017 (**Scheme Implementation Agreement**).
- B Bidder and Bidder Nominee are entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform certain of their obligations under the Scheme Implementation Agreement and certain steps attributed to each of them under the Scheme, including ensuring that the Scheme Consideration is paid to Scheme Shareholders.
- C The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be transferred to Bidder Nominee in exchange for the Scheme Consideration.

Operative provisions

1. Definitions and interpretation

- 1.1 Words and phrases defined in the Scheme Implementation Agreement have the same meanings in this Deed Poll unless the context requires otherwise.
 - 1.2 Clause 1.2 of the Scheme Implementation Agreement applies to the interpretation of this Deed Poll except that references to "this Agreement" in that clause are to be read as references to "this Deed Poll".
-

2. Nature of Deed Poll

- 2.1 Bidder and Bidder Nominee acknowledge that:
 - (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not a party to it; and

- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and each of the directors and officers of Target (jointly and severally) as its agent and attorney to enforce this Deed Poll against Bidder and the Bidder Nominee.

3. Conditions precedent and termination

Conditions precedent

- 3.1 Bidder and Bidder Nominee's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

- 3.2 Bidder and Bidder Nominee's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will have no further force or effect if:
 - (a) the Scheme Implementation Agreement is terminated in accordance with its terms prior to the occurrence of the Effective Date for the Scheme; or
 - (b) the Scheme does not become Effective on or before the Sunset Date.

Consequences of termination

- 3.3 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available:
 - (a) Bidder and Bidder Nominee are each released from their obligations to further perform this Deed Poll; and
 - (b) each Scheme Shareholder retains the rights it has against Bidder and Bidder Nominee in respect of any breach of this Deed Poll which occurred before its termination.

4. Payment of Scheme Consideration

- 4.1 Subject to clause 3, Bidder Nominee undertakes and Bidder undertakes to procure the Bidder Nominee:
 - (a) by no later than the Business Day before the Implementation Date, to deposit in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Shareholder into an Australian dollar denominated trust account operated by Target as trustee for the Scheme Shareholders, except that any interest on the amount deposited (less any bank fees and other charges) will be credited to Bidder Nominee's account; and
 - (b) to undertake all other actions attributed to it under, and otherwise comply with its obligations in, the Scheme as if it were a party to the Scheme,subject to and in accordance with the provisions of the Scheme and in favour of each Scheme Shareholder.

5. Representations and warranties

- 5.1 Each of Bidder and Bidder Nominee represents and warrants that:
 - (a) it is a corporation validly existing under the laws of the place of its incorporation;

- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms.

6. Continuing obligations

- 6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:
- (a) Bidder and Bidder Nominee having fully performed their obligations under this Deed Poll; and
 - (b) the termination of this Deed Poll under clause 3.2.

7. Notices

- 7.1 Any notice or other communication given to Bidder or Bidder Nominee under or in connection with this Deed Poll must be:
- (a) in legible writing and in English;
 - (b) addressed to Bidder or Bidder Nominee at the address set out below:

Attention:	Virginia Sanzone
Address:	951 Calle Amanecer San Clemente California CA 92673 United States

- (c) signed by the sender or a person duly authorised by the sender; and
 - (d) sent to Bidder or Bidder Nominee by hand, or prepaid post (airmail if to or from a place outside Australia).
- 7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder or Bidder Nominee, a notice will be considered to have been received:
- (a) if sent by hand, when left at the address of Bidder or Bidder Nominee; or
 - (b) if sent by pre-paid post, three Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting

but if a notice is served by hand on a day that is not a Business Day, or after 5.00 pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00 am (Bidder's local time) on the next Business Day.

8. General

Stamp duty

8.1 Bidder and Bidder Nominee:

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

Waiver

- 8.2 Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed Poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed Poll.
- 8.3 No waiver of a breach of any term of this Deed Poll will operate as a waiver of another breach of that term or of a breach of any other term of this Deed Poll.
- 8.4 Nothing in this Deed Poll obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.
- 8.5 A provision of or right under this Deed Poll may not be waived except in writing signed by the person granting the waiver.

Variation

- 8.6 A provision of this Deed Poll may not be varied unless the variation is agreed to in writing by Bidder, Bidder Nominee and Target, and the Court indicates that the variation would not of itself preclude approval of the Scheme. A variation which complies with this clause is effective when Bidder and Bidder Nominee enters into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder, Bidder Nominee and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder, Bidder Nominee and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity.

Further assurances

- 8.9 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Deed Poll and the transactions contemplated by this Deed Poll.

Governing law and jurisdiction

8.10 This Deed Poll is governed by the laws of New South Wales.

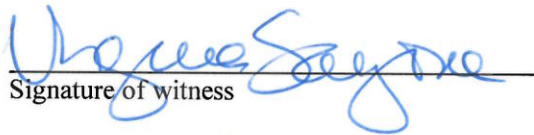
8.11 Bidder and Bidder Nominee each irrevocably and unconditionally:

- (a) submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with the Scheme; and
- (b) waive, without limitation, any claim or objection to the venue of any legal process in these courts based on absence of jurisdiction or inconvenient forum.


Execution

Executed as a deed.

**Signed sealed and delivered by
ICU Medical, Inc.**
by its duly authorised representative in the
presence of:

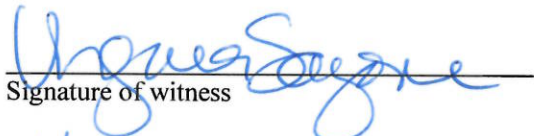

Signature of witness

Virginia Sanzone
Name of witness (please print)



Signature of authorised representative

Scott Lamb
Name of authorised representative (please
print)

**Signed sealed and delivered by
ICU Medical B.V.**
by its duly authorised representative in the
presence of:


Signature of witness

Virginia Sanzone
Name of witness (please print)


Signature of authorised representative

Scott Lamb
Name of authorised representative (please
print)

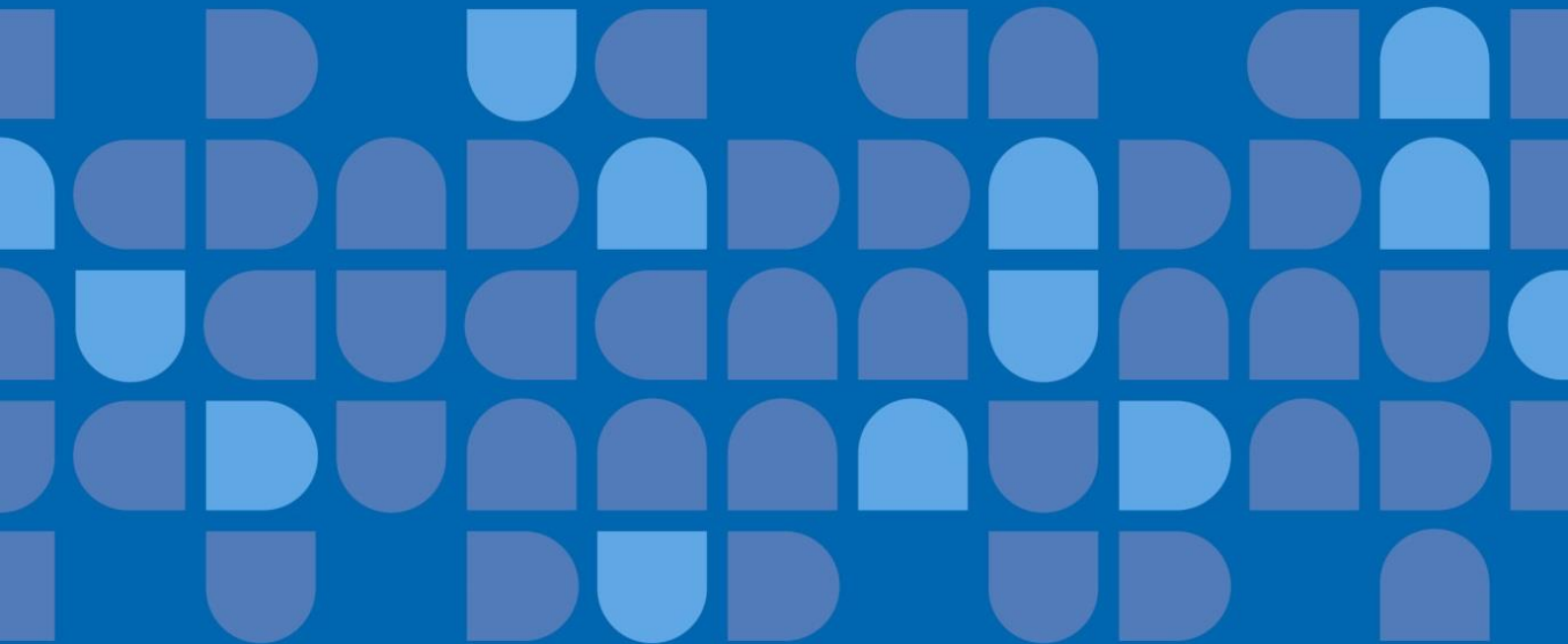
“E”

**INDEPENDENT
EXPERT’S
REPORT**

Medical Australia Limited

Independent Expert's Report and Financial Services Guide

27 September 2017



27 September 2017

The Directors
Medical Australia Limited
Unit 4b, 128-130 Frances Street
Lidcombe NSW 2141

Dear Sirs,

Medical Australia Limited Independent Expert's Report: Acquisition of 100% of the Ordinary Shares of Medical Australia Limited by ICU Medical, Inc.

Introduction

On 10 August 2017, Medical Australia Limited ("**MLA**" or the "**Company**") announced that it had entered into a Scheme Implementation Agreement dated 9 August 2017, under which it is proposed that ICU Medical, Inc. via its wholly owned subsidiary ICU BV (herein after referred to as "**ICU**"), will acquire 100% of the Ordinary Shares of MLA by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* ("**Act**") ("**Scheme**").

The Directors of MLA ("**Directors**") have engaged William Buck Corporate Advisory Services (NSW) Pty Limited ("**William Buck**" or "**we**" or "**us**" or "**our**" as appropriate) to prepare an Independent Expert's Report ("**Report**") opining on whether the Scheme is in the best interests of MLA's shareholders ("**Shareholders**").

Under the Scheme, the Shareholders of MLA as at the Scheme record date are entitled to receive cash consideration of A\$0.086 per Ordinary Share, subject to all applicable conditions being satisfied or waived and the Scheme being implemented. Further details regarding the Scheme are set out in Section 1 of this Report.

Purpose of Report

Our Report has been prepared for the sole purpose of assisting the Directors of MLA to discharge their obligation to provide Shareholders with full and proper disclosure to enable the Shareholders to assess the merits of the Scheme and decide whether or not to approve the Scheme.

Our Report has been prepared solely for use of the Directors of MLA, and for the purpose set out herein. William Buck does not accept any responsibility for the use of our Report outside this purpose. Except in accordance with the stated purpose, no extract, quote, or copy of our Report, in whole or in part, should be reproduced without the written consent of William Buck, as to the form and context in which it may appear.

CHARTERED ACCOUNTANTS & ADVISORS

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Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
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Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

Scope of Report

The scope of our Report is to provide an opinion as to whether or not the Scheme is “in the best interests of MLA’s Shareholders”.

As there is no legal definition of the expression “in the best interests” in the Act, we have therefore considered guidance provided by the Australian Securities and Investments Commission (“**ASIC**”) in its Regulatory Guides (“**RG**”) in assessing whether the Scheme is “in the best interests of the Shareholders of MLA”. Specifically, we have had regard to the provisions of the following:

- RG 111: Content of Expert Reports; and
- RG 112: Independence of Experts.

RG 111 provides that where a scheme of arrangement is used as an alternative to a takeover bid, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid, that is, an analysis of whether the offer is “fair and reasonable”.

RG 111 provides guidance in relation to the “fair and reasonable” tests and the implications of same for the expert’s conclusion as to whether the scheme of arrangement is “in the best interests of members”. This guidance is further discussed at section 2.2 of this Report.

In preparing this Report and for the purposes of our opinion in relation to the Scheme, we have assessed the fair market value of MLA as at 9 August 2017 (“**Valuation Date**”).

Information

This Report is based upon financial and other information provided by MLA. A list of specific documents referred to and relied upon in the preparation of our Report has been included at Appendix A. A listing of defined terms and abbreviations used in this Report is set out in Appendix B.

We have considered and relied upon this information. We believe the information provided to be reliable, complete and not misleading, and have no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Scheme is “in the best interests of the shareholders of MLA”.

We reserve the right to review and amend all calculations and opinions included or referred to in our Report and, if we consider it necessary, to revise our Report in light of any information which becomes known to us after the date of the Report or if additional information not referred to in Appendix A is provided to us.

We note that an important part of the information base used in forming an opinion of the kind set out in this Report, consists of opinions and judgements of Management. This type of information has been evaluated through analysis, enquiry and review to the extent practical. Often it is not possible, however, to externally verify or validate such information.

The statements and opinions expressed in this Report are made in good faith and have been based on information available as at the date of this Report. On completion of our review, we believe the information to be reliable, accurate, and prepared on a reasonable basis.

The opinions of William Buck are based on prevailing market, economic and other conditions at the date of this Report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion.

Qualifications and Independence

Details of the experience and qualifications of the William Buck staff responsible for the preparation of this Report and independence of William Buck in connection with MLA, ICU and the Scheme which is the subject of this Report are set out in section 9 of this Report.

Summary of Opinion

We have considered the terms of the Scheme and conclude that it is fair and reasonable and in the best interests of the Shareholders of MLA, in the absence of a superior proposal.

Assessment of Fairness of the Scheme

As the fair market value of the Scheme Consideration (A\$0.086) is greater than our assessed fair market value of MLA (in the range of A\$0.051 to A\$0.052), we conclude that the Scheme is fair to the Shareholders of MLA.

Table 1 – Scheme Fairness Assessment

A\$ per share	Report Reference	Low	High
Fair market value of Scheme Consideration (A)	Section 6	0.086	0.086
Fair market value of MLA (B)	Section 7	0.051	0.052
Variance (A - B)		0.035	0.034
Premium of Scheme Consideration over Valuation		68.5%	65.0%

Source: William Buck analysis

Assessment of Reasonableness of the Scheme

Under RG 111, the Scheme will be reasonable if it is fair. On this basis, we also conclude that the Scheme is reasonable.

Notwithstanding, in forming our opinion that the Scheme is reasonable, we have also considered possible advantages and disadvantages to the Shareholders of approving or rejecting the Scheme, which are detailed at section 8.2 of this Report.

Overall Assessment

In accordance with RG 111, on the basis that we have concluded that the Scheme is fair and reasonable to MLA's Shareholders, we also conclude that in our opinion, the Scheme is in the best interests of MLA's Shareholders in the absence of a superior proposal.

General Advice and Other

General advice

In forming our opinion, we have considered the interests of the Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of the individual Shareholders. It is neither practical nor possible to assess the implications of the Scheme on individual Shareholders as their individual financial circumstances are not known.

Some Shareholders may place a different emphasis on various aspects of the Scheme from that adopted in our Report. Accordingly, individual Shareholders may reach different conclusions on whether or not the Scheme is in their best interests and each individual Shareholder must take into account his or her own circumstances when deciding whether or not to vote in favour or against the resolution/s relating to the Scheme. Shareholders should seek their own independent professional advice to assist them in their decision, taking into account their preferences and expectations.

Other

William Buck is an Authorised Representative under an appropriate Australian Financial Services Licence. Accordingly, we are required to provide a Financial Services Guide in situations where we may be taken as providing financial product advice. A copy of William Buck's Financial Services Guide is set out in the annexure hereto.

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.

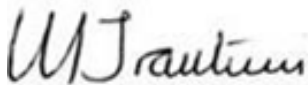
Yours faithfully,

William Buck Corporate Advisory Services (NSW) Pty Limited

ABN 50 133 845 637

Authorised Representative No. 333393

AFSL 240769



Manda Trautwein

Director

Financial Services Guide

Dated: 27 September 2017

William Buck Corporate Advisory Services (NSW) Pty Limited ABN 50 133 845 637 (“**William Buck**” or “**we**” or “**us**” or “**our**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of general financial product advice and to ensure that we comply with our obligations as an authorised representative of a financial services licensee.

The FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide as an Authorised Representative of William Buck Wealth Advisors (NSW) Pty Ltd (Licence No: 240769);
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial Services we are Licensed to Provide

We are an authorised representative of William Buck Wealth Advisors (NSW) Pty Ltd who holds an Australian Financial Services Licence. We are authorised to provide financial product advice in relation to various financial products such as securities, derivatives, interests in managed fund investment schemes, stocks or bonds to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as an authorised representative of a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may Receive

We are entitled to receive a fee for the preparation of a report. These fees are agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither William Buck, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other Benefits Received by our Employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are authorised to provide.

Associations and Relationships

William Buck Corporate Advisory Services (NSW) Pty Limited is a wholly owned subsidiary of William Buck (NSW) Pty Ltd.

Complaints Resolution

Internal Complaints Resolution Process

As an authorised representative of a holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Compliance Manager, William Buck, Level 29, 66 Goulburn Street, Sydney NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry.

Further details about the Financial Ombudsman Service are available at the website www.fos.org.au or by contacting them directly at: The Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001, or by telephone on 1300 780 808.

Professional Indemnity Insurance

William Buck has professional indemnity insurance in place which covers any work done by us, as an authorised representative of William Buck Wealth Advisors (NSW) Pty Ltd and by representatives/employees after they cease to work for us. The compensation arrangements we have in place comply with sec.912B of the Corporations Act.

Contact Details

You may contact us at William Buck, Level 29, 66 Goulburn Street, Sydney, NSW 2000 or by telephone on (02) 8263 4000.

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1. Scheme of Arrangement

1.1 Summary of the Scheme

On 10 August 2017, MLA announced that it had entered into a Scheme Implementation Agreement (dated 9 August 2017), under which it is proposed that ICU will acquire all of the MLA Ordinary Shares on issue by way of a scheme of arrangement under Part 5.1 of the Act.

If the Scheme is approved by MLA Shareholders at a duly convened meeting and by the Court, and if all other necessary approvals and conditions for the Scheme are satisfied or waived (as applicable), MLA will become a wholly-owned subsidiary of ICU and will be de-listed from the Australian Securities Exchange (“ASX”).

Under the Scheme, MLA’s Shareholders as at the Scheme record date, which we understand to be five business days after the hearing by the Court of the application to approve the Scheme, are entitled to receive cash consideration of A\$0.086 per Ordinary Share.

1.2 Conditions Precedent to the Scheme

The Scheme is subject to a number of conditions precedent, including the following which are outlined in the Scheme Implementation Agreement annexed to the Scheme Booklet:

- The Court ordering the convening of a Scheme meeting under section 411(1) of the Act;
- Approval of the Scheme by MLA’s Shareholders at a Scheme meeting;
- Court approval of the Scheme pursuant to section 411(4)(b) of the Act;
- Lodgement of the Court Order approving the Scheme with ASIC;
- No other orders or restraints being issued by any court or any regulatory authority preventing implementation of the Scheme;
- All regulatory approvals or consents required to implement the Scheme (other than the approval of the Court under section 411(4)(b) of the Act) are obtained;
- No MLA or ICU prescribed event (as defined in the Scheme Implementation Agreement) occurs before the hearing by the Court of the application to approve the Scheme;
- No MLA adverse material change (as defined in the Scheme Implementation Agreement) occurs before the hearing by the Court of the application to approve the Scheme;
- No MLA Director changes, qualifies or withdraws their recommendation to vote in favour of the Scheme prior to MLA’s Shareholders voting on the Scheme;
- The independent expert concludes that the Scheme is in the best interests of MLA’s Shareholders and does not change that opinion before the date of the hearing by the Court of the application to approve the Scheme;
- ASX All Ordinaries Index does not fall by 20% for three (3) consecutive trading days before the the hearing by the Court of the application to approve the Scheme;
- The holder of MLA performance rights agrees to cancellation of those performance rights;

- No agreement, arrangement or understanding is entered into with a third party in relation to a competing proposal;
- No amendment is made to a material contract of MLA (as defined in the Scheme Implementation Agreement) before the hearing by the Court of the application to approve the Scheme;
- Net cash of MLA after transaction costs is at least A\$1,258,820 and is likely to remain so until the Scheme Implementation Date (as defined in the Scheme Implementation Agreement); and
- An employment contract is entered into between ICU and Darryl Ellis (Chief Executive Officer of MLA).

2. Scope and Limitations

2.1 Purpose and Scope

Purpose

William Buck has been appointed by the Directors of MLA to prepare an independent expert's report expressing our opinion as to whether or not the Scheme is in the best interests of MLA's Shareholders.

Our Report has been prepared solely for use of the Directors of MLA, and for the purpose set out herein. William Buck does not accept any responsibility for the use of our Report outside this purpose. Except in accordance with the stated purpose, no extract, quote, or copy of our Report, in whole or in part, should be reproduced without the written consent of William Buck, as to the form and context in which it may appear.

This Report is to form part of the Scheme Booklet provided to the Shareholders of MLA and has been prepared to assist the Directors in fulfilling their obligation to provide Shareholders with full and proper disclosure so as to enable them to assess the merits of the Scheme, and to assist the Shareholders in their consideration of whether or not to approve resolutions relating to the Scheme.

Scope

The scope of our Report is to provide an opinion as to whether or not the Scheme is "in the best interests of the Shareholders".

The scope of our procedures undertaken have been limited to those procedures we believe are required in order to form our opinion. Our procedures in the preparation of this Report, have involved an analysis of financial information and accounting records. The procedures did not however, include verification work nor did they constitute:

- an audit in accordance with Australian Accounting Standards ("**AUS**");
- an assurance engagement in accordance with Australian Standards on Assurance Engagements ("**ASAE**"); or
- a review in accordance with Australian Standards on Review Engagements ("**ASRE**").

We have not considered the effect of the Scheme on the particular circumstances of individual shareholders. Some individual shareholders may place a different emphasis on various aspects of the Scheme from the one adopted in this Report. Accordingly, individuals may reach different conclusions on whether or not the Scheme is fair and reasonable to them and in their best interests.

An individual shareholder's decision voting on resolutions relating to the Scheme may be influenced by their particular circumstances and, therefore, Shareholders should seek independent advice.

2.2 Basis of Evaluation

In the context of a scheme of arrangement, Schedule 8 of the Corporations Regulations 2001 requires an expert to express an opinion as to whether the scheme of arrangement is “in the best interests of the members of the company”.

As there is no legal definition of the expression “in the best interests” in the Act, we have therefore considered guidance provided by ASIC in its Regulatory Guides in assessing whether the Scheme is in the best interests of the Shareholders of MLA. Specifically, we have had regard to the provisions of the following:

- RG 111: Content of Expert Reports; and
- RG 112: Independence of Experts.

RG 111 outlines the principles and matters which ASIC expects a person preparing an independent expert’s report to consider. RG 111.18 provides that where a scheme of arrangement is used as an alternative to a takeover bid, 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 offer is “fair and reasonable” and RG 111 provides the following guidance in that regard:

- “Fair and reasonable” is not regarded as a compound phrase;
- An offer is “fair” if the value of the offer consideration is equal to or greater than the value of the securities the subject of the offer, and that this comparison should be made assuming 100% ownership of the target company;
- An offer is “reasonable” if it is “fair”. An offer might also be “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for the shareholders to approve the offer in the absence of any higher bid before the close of the offer; and
- When deciding whether the offer is “reasonable”, an expert might consider:
 - The bidder’s pre-existing voting power in securities in the target;
 - Other significant security holding 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, the potential to write off outstanding loans from the target 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 provides that if the expert would conclude that an offer is “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 the members of the company”.

In the circumstance of a “not fair but reasonable” outcome, RG 111.21 provides that the expert can also conclude that the scheme is “in the best interests of the members of the company” on the basis that it clearly states that the consideration is not equal to or greater than the value of the

securities the subject of the scheme, but there are sufficient reasons for shareholders to vote in favour of the scheme in the absence of a higher offer.

This Report has been prepared in accordance with the requirements set out in Accounting Professional and Ethical Standards (“APES”) Board professional standard APES 225 – Valuation Services.

For the purposes of our opinion:

- The term “fair market value” is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious vendor, acting at arm’s length; and
- The Valuation Date is 9 August 2017, being the day prior to the announcement of the Scheme by MLA.

By their very nature, any valuation assessments are necessarily the subject of uncertainty and volatility and the conclusions arrived at will include considerations that are dependent on the exercise of individual judgement. Accordingly, there is unlikely to be an “indisputable value” and we have expressed our opinion as to values as falling within a likely range.

2.3 Sources and Reliance on Information

Appendix A to this Report sets out details of information referred to and relied upon by us during the course of preparing this Report and in forming our opinion.

We have considered and relied upon the information made available to us. We believe the information provided to be reliable, complete and not misleading, and have no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Scheme is fair and reasonable and in the best interests of MLA’s Shareholders.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. In any event, an opinion as to whether a corporate transaction is “fair and reasonable” or “in the best interests of members” is in the nature of an overall opinion rather than an audit or detailed investigation.

Where we have relied on the views and judgement of Management, the information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation. In the context of this Report, the views not capable of direct external verification or validation related principally to matters such as the likely future actions of Management and the likely future behaviour of customers.

2.4 Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Accordingly, changes in those conditions may result in our opinions becoming quickly outdated and in need of revision. We reserve the right to revise our opinions, in the light of material information existing at the date of this Report that subsequently becomes known to us.

2.5 Currency and Exchange Rates

All amounts are stated in Australian Dollars (“A\$”) unless stated otherwise.

2.6 Assumptions

In forming our opinion, the following has been assumed:

- The information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects; and
- If the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in this Report and the Scheme Booklet.

3. Profile of Medical Australia Limited

3.1 Background

MLA was incorporated on 28 February 2001 and was listed on the ASX (ASX: MLA) on 20 December 2004. The company was formerly known by various other names including most recently, BMDI Tuta Limited, before the name was changed to Medical Australia Limited in October 2009.

MLA develops, manufactures and distributes medical devices and equipment used by healthcare facilities and critical care services in Australia, Asia and the United Kingdom. MLA is headquartered in Lidcombe, Australia.

3.2 Business Operations

MLA's current operations are divided into three divisions, being Tuta Direct, Clements and Tuta Original Equipment Manufacturer ("**OEM**"). Further detail in relation these divisions is provided below.

MLA previously also had an interest in a United States based animal healthcare company, Medivet Biologics LLC, which was divested in December 2015.

3.2.1 *Tuta Direct*

Tuta Direct is engaged in the development, manufacture and distribution of medical devices and equipment, with particular expertise in sterile and non-sterile medical plastics for use in surgery and transfusion.

Tuta Direct's current range includes various intravenous ("**IV**") medication delivery systems and surgical irrigation products including burette sets, extension sets, hand pump sets, irrigation sets, standard IV sets, IV accessories and transfer sets.

3.2.2 *Clements*

Clements has been involved in the design, manufacture and distribution of medical devices aiding medical practitioners since 1908.

Clements currently has a diversified range of medical products that fall within the following categories:

- Wall Suction: a range of wall mounted suction devices enabling the aspiration of fluids from patients from clinical applications;
- Medical Gas: a range of Oxygen Therapy devices for the measurement and distribution of oxygen;
- Suction Pumps: a range of mobile, portable and manual suction pumps for surgical, emergency and ward applications; and
- Ardo Breast Pumps: a range of electrical and manual breast pumps and accessories for hospital and home use, which was only commenced in July 2016.

Clements also has a range of bench top and specialty centrifuges for use in the laboratory, education, and field work for various industries and applications.

3.2.3 Tuta OEM

The Tuta OEM division is involved in the sale of products from the Tuta Direct range, but with the products rebranded to suit the customer's requirements.

3.3 Intellectual Property

MLA has various trademarks which are registered in Australia and/or internationally, including the names Tuta, BMDI, BMDI Tuta, Clements, Onescape and the MLA logo.

MLA also has a number of patents which are either registered or pending in respect of products which the Company has developed or is developing.

3.4 Board of Directors

MLA's Board of Directors is shown in the table below:

Table 2 – MLA's Board of Directors

Name	Position	Appointed
Bruce Hancox	Non-Executive Chairman	12-Feb-14
Dr. Geoff Cumming	Non-Executive Director	23-Jan-09
Ian Mitchell	Non-Executive Director and Company Secretary	6-Nov-08
Darryl Ellis	Executive Director	28-Nov-16

Source: MLA's website and ASIC Current & Historical extract obtained on 31 July 2017

3.5 Capital Structure

MLA's capital structure as at July 2017 comprised of 136,766,031 fully paid Ordinary Shares. The twenty five largest shareholders are detailed in the table below:

Table 3 – Shareholders of MLA

Shareholder	Shares	% Interest
CITICORP NOMINEES PTY LIMITED	32,853,101	24.02%
WALKER GROUP HOLDINGS PTY LTD	25,166,667	18.40%
MR ANDREW FAY & MRS NARELLE FAY	15,462,567	11.31%
GARRY ANDREWS	11,583,091	8.47%
Y Z J TRADING CO PTY LTD	8,840,318	6.46%
MRS RASA ROBERTS	2,452,932	1.79%
AUCKLAND TRUST COMPANY	2,174,340	1.59%
STEPHEN BELLAMY	2,000,000	1.46%
DR DAVID GEORGE MAXWELL WELSH	1,544,666	1.13%
MR IAN BURNHAM MITCHELL	1,386,382	1.01%
MR MATTHEW DONALD DEEKS	1,368,000	1.00%
STEVEN J MILLER & CO	1,180,000	0.86%
AMNICOLE INVESTMENTS PTY LTD	1,088,889	0.80%
TREPLO PTY LIMITED	1,088,889	0.80%
MR GARY ANDREW CAMP	1,071,000	0.78%
THREE PAGODAS PTY LTD	1,048,889	0.77%
CORDATO PARTNERS	1,029,457	0.75%
JOHN WARDMAN & ASSOCIATES PTY LTD	950,000	0.69%
MR LESLIE HAROLD FRANCIS	916,667	0.67%
MR MICHAEL HUTCHINSON	733,333	0.54%
MR KENNETH MCDONALD	733,333	0.54%
J P MORGAN NOMINEES AUSTRALIA	706,053	0.52%
SCRIPT TO SCREEN PTY LTD	674,781	0.49%
STILETTO INVESTMENTS PTY LTD	629,943	0.46%
K TIERNEY SUPERANNUATION PTY	600,000	0.44%
Top 25 Shareholders	117,283,298	85.75%
Others	19,482,733	14.25%
Grand Total	136,766,031	100.00%

Source: Information provided by Management

MLA's top twenty five shareholders hold an aggregate interest of 85.75% of the Ordinary Shares on issue.

Management has advised that there are no outstanding options over MLA shares and that, while there are outstanding executive performance rights, it has been agreed between MLA and ICU that those performance rights will be cancelled prior to the Scheme being implemented and that cancellation is a condition precedent to the Scheme as detailed at section 1.2 of this Report. Therefore, no dilution of MLA's Ordinary Shares is expected prior to the Scheme record date.

By excluding the top five shareholders shown above who hold an aggregate interest of 68.66%, we estimate the free float of MLA to be approximately 31.34% or 42.9 million Ordinary Shares.

3.6 Corporate Structure

Below is a summary of the entities currently controlled by MLA, together with a brief description of the activities of those entities:

Table 4 – MLA’s Controlled Entities

Company Name	Country of Incorporation	Ownership Interest	Description of Activities
BMDI Pty Ltd	Australia	100%	Dormant company - no assets
BMDI TUTA Healthcare Pty Ltd	Australia	100%	Primary operating entity that conducts all trading (Tuta, Clements and OEM) except in the UK, holds the majority of assets and employs staff
BMDI TUTA Healthcare UK Ltd	United Kingdom	100%	Operating entity - conducts all UK trading
Bio Medical Developments International Pty Ltd	Australia	70%	Dormant company - no assets
MediVet Pty Ltd	Australia	100%	Dormant company that previously owned 60.5% of Medivet Biologics LLC (which was divested in December 2015) - owns a small amount of plant & equipment

Source: Information provided by Management

3.7 Financial Performance

Below is a summary of MLA’s actual financial performance based on its audited accounts for the years ended 30 June 2015 (“FY15A”), 30 June 2016 (“FY16A”) and 30 June 2017 (“FY17A”), and budgeted financial performance for the year ending 30 June 2018 (“FY18B”):

Table 5 – MLA's Financial Performance

A\$	FY15A	FY16A	FY17A	FY18B
Continuing Operations:				
Sales	11,510,772	12,419,938	13,155,956	13,109,400
Cost of goods sold	(5,868,220)	(7,051,891)	(7,330,439)	(7,207,306)
Gross profit	5,642,553	5,368,047	5,825,517	5,902,094
<i>Gross profit margin</i>	49.0%	43.2%	44.3%	45.0%
Administration and consultants	(479,680)	(554,179)	(596,813)	(590,465)
Advertising and marketing	(18,575)	(66,032)	(152,115)	(198,400)
Employee benefits expenses	(2,775,289)	(3,002,842)	(3,231,333)	(3,753,643)
Travel and accommodation	(327,022)	(419,171)	(481,564)	(400,240)
Occupancy costs	(229,672)	(220,600)	(224,814)	(234,078)
Other	(535,586)	(551,565)	(634,663)	(603,174)
Total overhead expenses	(4,365,825)	(4,814,389)	(5,321,302)	(5,780,000)
Other income / expenses:				
Foreign exchange gain / (loss)	74,663	(6,405)	(15,121)	-
R&D incentive	10,000	34,504	76,882	20,000
EBITDA from continuing operations	1,361,390	581,757	565,976	142,094
<i>EBITDA from continuing operations margin</i>	11.8%	4.7%	4.3%	1.1%
Depreciation & amortisation	(139,643)	(162,002)	(141,495)	(156,000)
Interest income	40,339	1,325	613	600
Interest expenses	(12,524)	(9,322)	(18,479)	(12,000)
Profit from continuing operations before income tax	1,249,563	411,758	406,615	(25,306)
Income tax (expense) / benefit	37,387	-	-	-
Profit from continuing operations after tax	1,286,950	411,758	406,615	(25,306)
<i>Profit from continuing operations margin</i>	11.2%	3.3%	3.1%	(0.2%)
(Loss) from discontinued operations	(1,978,475)	(5,250,021)	-	-
Net profit / (loss) after tax	(691,525)	(4,838,263)	406,615	(25,306)

Source: MLA FY15A, FY16A and FY17A Annual Reports, and FY18B Management Budget

We note the following in relation to MLA's historical financial performance:

- The above summary details financial performance from MLA's continuing operations i.e. without the MediVet animal healthcare business which was divested in December 2015. The loss from the discontinued animal healthcare business is detailed separately at the bottom of the summary;
- Sales from continuing operations grew by 7.9% (\$0.9m) and 5.9% (0.7m) in FY16A and FY17A respectively; however, sales growth is budgeted to be flat in FY18B. In this regard we note that MLA lost a material OEM contract with a customer, Carefusion, during FY17A (contract finished in May 2017). The budgeted FY18B sales of \$13.1 million reflects Management's advice that MLA is hopeful of replacing 30% of the lost Carefusion sales, with sales of Tuta branded versions of the products sold to Carefusion;

- MLA's gross profit margin was superior in FY15A at 49% compared to 43% and 44% in FY16A and FY17A respectively, which Management has advised was largely due to the value of the Australian Dollar against the US Dollar ("US\$"). MLA's purchases and therefore, gross profit margin is impacted by the A\$ / US\$ exchange rate, with approximately 89% of MLA's FY16A purchases denominated in US\$. The A\$ was significantly higher in the first half of FY15A compared to the second half of FY15A, with a sharp fall in the exchange rate between October 2015 and December 2015. Management has advised that because of the time taken to turn inventory into sales, the drop in gross margin lagged the drop in the A\$ by several months. The budget (completed in June) shows a gross margin improvement in FY18B to 45% and relates to Management's exchange rate expectations for FY18B at that time (A\$0.75 for 1st half of FY18B and A\$0.725 for the 2nd half);
- Employee benefits expenses is MLA's largest overhead, accounting for approximately 60-64% of overheads across the period reviewed. Employee benefits expenses have increased largely in line with sales growth, with employee expenses representing 24.1%, 24.2% and 24.5% of sales in FY15A, FY16A and FY17A, respectively. Employee benefits expenses are budgeted to increase by \$522k (16.2%) to \$3.7m in FY18B, which represents 28.6% of budgeted sales. Management has advised that the increase relates to new staff hires associated with both the Tuta and Clements (including Ardo) divisions;
- Administration and consultants expenses largely relate to consultancy fees, but also include general and administrative expenses and legal fees;
- Advertising and marketing expenses increased from \$19k in FY15A to \$152k in FY17, with a further increase of \$46k budgeted for FY18B. Management attribute the increased spend to the start up of the Ardo breast pump business (launched July 2016) and an increase in Tuta activity at tradeshow across the period;
- Travel and accommodation expenses increased across FY15A to FY17A as a result of increased sales efforts, however, is budgeted to be at a lower level in FY18B;
- Occupancy expenses remained fairly stable across FY15A to FY17A;
- Other expenses relate to insurance costs, regulatory costs, staff recruitment and training, audit costs, telephone and internet costs, printing and stationery, royalties, office / warehouse / laboratory supplies, bank fees etc.;
- Foreign exchange gains and losses relate to foreign currency translation, and are unrelated to the impact of the A\$ / US\$ exchange rate on MLA's cost of goods sold and gross profit margin; and
- MLA's profitability from continuing operations was strongest in FY15A (EBITDA of \$1.36m), which was driven by a superior gross profit margin and lower overheads relative to FY16A and FY17A. EBITDA was fairly stable across FY16A and FY17A at \$582k and \$566k respectively, but is budgeted to decrease to \$142k in FY18B. The budgeted performance for FY18B is reflective of higher overheads relating to increased sales growth activities (staff etc.), together with the loss of the Carefusion OEM revenue which MLA is seeking to replace.

3.8 Financial Position

Set out below is a summary of MLA's financial position based on its audited accounts for the years ended 30 June 2015, 2016 and 2017:

Table 6 – MLA's Financial Position

A\$	As at 30 June		
	2015	2016	2017
Assets			
Current assets			
Cash and cash equivalents	933,312	860,711	1,547,586
Trade and other receivables	1,859,043	1,580,940	1,470,208
Inventories	2,721,680	2,683,708	1,821,946
Other current assets	548,290	123,058	153,246
Total current assets	6,062,325	5,248,417	4,992,986
Non-current assets			
Property, plant and equipment	322,026	211,332	188,410
Investment	78,947	-	-
Intangible assets	6,022,710	3,907,871	3,861,377
Total non-current assets	6,423,683	4,119,203	4,049,787
Total assets	12,486,008	9,367,620	9,042,773
Liabilities			
Current liabilities			
Trade and other payables	1,813,227	2,085,696	1,281,659
Income tax payables	2,276	-	-
Provisions	234,549	295,944	373,945
Total current liabilities	2,050,052	2,381,640	1,655,604
Non-current liabilities			
Trade and other payables	2,376	-	-
Provisions	84,873	66,410	40,342
Total non-current liabilities	87,249	66,410	40,342
Total liabilities	2,137,301	2,448,050	1,695,946
Net assets	10,348,707	6,919,570	7,346,827
Equity			
Issued capital	26,753,918	26,753,918	26,753,918
Equity remuneration reserve	146,370	146,370	170,031
Non-controlling interest	(1,101,527)	-	-
Foreign currency translation reserve	(368,149)	(60,550)	(63,569)
Accumulated losses	(15,081,905)	(19,920,168)	(19,513,553)
Total equity	10,348,707	6,919,570	7,346,827

Source: MLA FY15A, FY16A and FY17A Annual Reports

We note the following in relation to MLA's historical financial position:

- The balance sheet as at 30 June 2015 incorporates the previous investment in the animal healthcare business, whereas the balance sheets as at 30 June 2016 and 30 June 2017 represent the MLA business when it was solely focused on human health (via the Tuta Direct, Clements and Tuta OEM divisions);
- Cash and cash equivalents of \$1.55m as at 30 June 2017 is comprised of cash at bank of \$1.0m and funds on deposit of \$0.55m, \$50k of which is in support of a bank guarantee. The increase in cash and cash equivalents of \$687k during FY17A is driven by profit generated, together with changes in inventories, and trade and other payables (discussed further below);
- Trade and other receivables of \$1.47m as at 30 June 2017 is comprised of trade debtors of \$1.46m, a provision for doubtful debts of \$13k and an R&D tax offset receivable of \$20k. Below is a summary of the trade debtors ageing as at 30 June 2017:

Table 7 – MLA Trade Debtors Ageing

A\$	Amount as at 30-Jun-17	% of Total
0-30 days	849,843	59.11%
31-60 days	450,597	31.34%
61-90 days	103,752	7.22%
91+ days	33,600	2.34%
Total	1,437,791	100.00%
Add: Income in advance amounts on debtors list	25,271	
Trade Debtors	1,463,062	

Source: Information provided by Management

The above analysis shows that approximately 90% of MLA's debtors are aged less than 61 days, which indicates that the debtor ledger is robust;

- Inventories of \$1.82m as at 30 June 2017 is based on a stocktake undertaken at the completion of the financial year which totalled \$1.92m, less a provision for obsolete inventory of approximately \$101k, which we understand has been reviewed by MLA's auditors Nexia Sydney Audit Pty Ltd ("**Auditors**") as part of the FY17A audit process. The value of inventories on hand decreased by \$862k during FY17. Management attribute this decrease to no longer carrying Tuta OEM inventory for Carefusion and efforts to reduce holdings of Tuta and Clements inventories, also noting that due to timing of shipments the inventory balance can fluctuate +/- \$200k between months;
- Other current assets of \$153k as at 30 June 2017 is comprised of prepaid expenses of \$120k and deposits paid to inventory suppliers of \$33k;
- Property, plant and equipment of \$188k as at 30 June 2017 is comprised of warehouse equipment with a written down book value ("**WDV**") of \$93k, office equipment with a WDV of \$65k, furniture & fixtures with a WDV of \$22k and motor vehicles with a WDV of \$8k;
- Intangible assets of \$3.86m as at 30 June 2017 is comprised of:
 - Goodwill of \$3.81m, of which \$3.41m is in respect of the Tuta division and \$0.4m is in respect of the Clements division. In this regard Management has advised that impairment tests have been conducted and reviewed by MLA's Auditors, with the outcome of that process being that no impairment is required to the book value as at 30 June 2017; and

- Product development costs with a WDV of \$52k.
- Trade and other payables of \$1.28m as at 30 June 2017 is comprised of trade creditors of \$917k, accrued expenses of \$278k, income in advance of \$25k, GST and PAYG liabilities of \$60k and payroll liabilities of \$1k. Trade and other payables decreased by \$0.8m during FY17A, which Management attribute to the reduced level of inventories carried. Below is a summary of the ageing of trade creditors as at 30 June 2017:

Table 8 – MLA Trade Creditors Ageing

A\$	Amount as at 30-Jun-17	% of Total
0-30 days	424,807	88.53%
31-60 days	49,107	10.23%
61-90 days	15,703	3.27%
91+ days	(9,778)	-2.04%
Total	479,839	100.00%
Add: Accrual for inventory in transit	437,181	
Trade Creditors	917,020	

Source: Information provided by Management

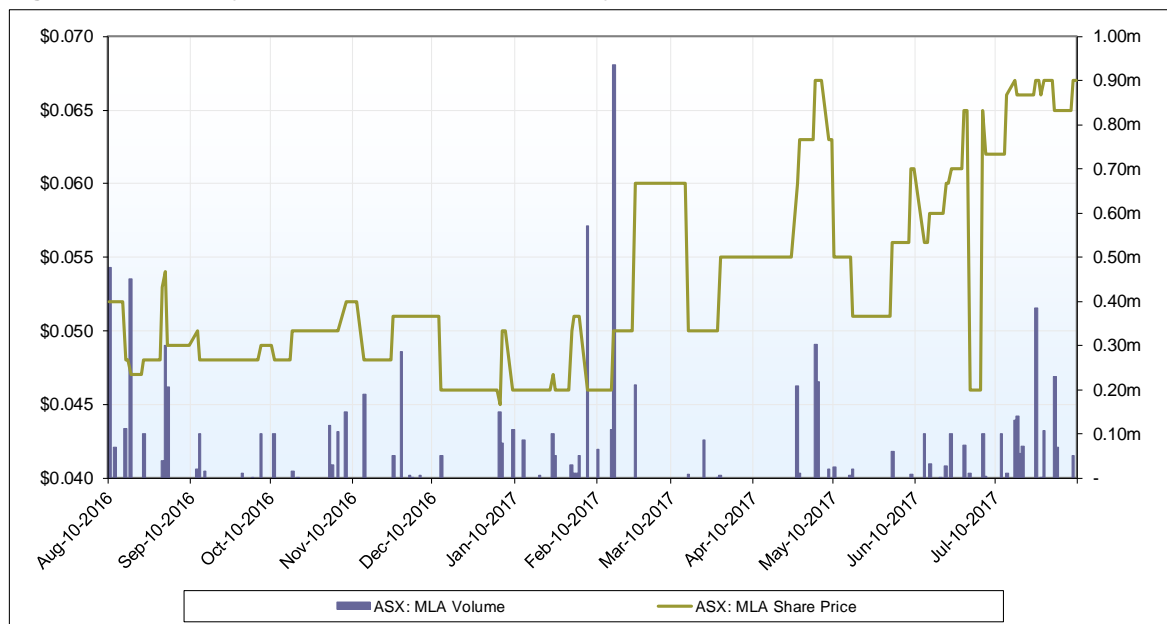
With approximately 88% of trade creditors aged 30 days or less, the above analysis indicates that MLA is able to discharge its debts in a timely manner. We note that the inventory associated with the 'accrual for inventory in transit' shown above, is incorporated in MLA's inventories balance of \$1.8m as at 30 June 2017;

- Provisions (current and non-current) totalling \$414k as at 30 June 2017 relate to employee annual leave and long service leave liabilities, which include on-costs of workers compensation insurance, payroll tax and superannuation. MLA provides for long service leave from commencement of an employee's service, with the component payable later than 12 months from reporting date measured at the present value of the estimated future cash flows to be made for those benefits, adjusted by a discount factor and a probability of vesting factor; and
- As at 30 June 2017, MLA had \$3.8m of deferred tax assets not brought to account in respect of unused revenue tax losses of \$10.3m, unused capital tax losses of \$72k and deductible temporary differences of \$3.8m. In this regard, MLA follows guidance in Australian Accounting Standards Board ("**AASB**") standard AASB 112 Income Taxes, which requires recognition of deferred tax assets only if it is probable that the entity will generate future taxable profit against which the unused tax losses and deductible temporary differences can be utilised.

3.9 Share Price Trading Performance

As noted at section 3.1 of this Report, MLA's shares are listed and quoted for trading on the ASX. We have reviewed the historical market trading in MLA's shares over the 12 months ended 9 August 2017 (being the last day before the announcement of the Scheme), and provide the below summary of daily share price and trading volume over that period.

Figure 1 – MLA Daily Share Price and Volume History



Source: S&P Capital IQ and William Buck Analysis

We note the following in relation to the market trading of MLA's shares over the 12 months ended 9 August 2017:

- MLA's shares only traded on 83 of the 253 trading days;
- MLA's average daily volume was 33,429;
- MLA's share price had a low of \$0.045 and a high of \$0.067;
- MLA's volume weighted average share price (calculated as cumulative volume x share price / cumulative volume), was \$0.0542;
- As noted above, we have estimated MLA's free float to be 42.9m shares (or 31.34%) by excluding the five largest shareholders as at July 2017; and
- MLA's share turnover ratio, calculated as average daily trading volume over 12 months / free float, is 0.078% as shown below:

Table 9 – MLA Share Turnover Ratio

Share Turnover Ratio Calculation	
Average daily trading volume (A)	33,429
Free Float (B)	42,860,287
Share Turnover Ratio (A / B)	0.078%

Source: S&P Capital IQ and William Buck analysis

We have reviewed MLA's price sensitive announcements released on the ASX over the 12 months ended 9 August 2017 as set out below:

Table 10 – MLA's Price Sensitive Announcements

Date	Announcement
31-Jul-17	Q4 FY2017 Revenue Update
26-Apr-17	Appendix 4C March 2017 Quarter
28-Feb-17	Half Yearly Report and Accounts
31-Oct-16	Q1 FY2017 Update
31-Oct-16	Appendix 4C September 2016 Quarter
31-Aug-16	Preliminary Final Report - FY16

Source: ASX website

Based on the above analysis we conclude that MLA's shares are infrequently traded, and that the market for MLA's shares is illiquid and inactive.

4. Profile of ICU Medical, Inc.

4.1 Background

ICU Medical, Inc. (“**ICU**”) was founded in 1984 and was listed on the National Association of Securities Dealers Automated Quotations exchange (“**NASDAQ**”) [NASDAQ: ICUI] on 31 March 1992.

ICU develops, manufactures and sells medical devices used in infusion therapy, critical care and oncology applications worldwide, and sells those products to medical product manufacturers, distributors and end-users.

Infusion therapy lines are used in hospitals and ambulatory clinics, and consist of a tube running from a bottle or plastic bag containing a solution to a catheter inserted in a patient’s vein. ICU’s infusion therapy products include needlefree connector products, such as MicroClave and MicroClave Clear, Neutron, NanoClave, Clave, and SwabCap; custom infusion sets; and Tego needlefree hemodialysis connectors.

Critical care products are used to monitor signs, as well as physiological functions of organ systems. ICU’s critical care product range includes hemodynamic monitoring systems and SafeSet closed blood sampling and conservation systems, as well as sensing catheters, Lopez Valve, and cables and accessories for hemodynamic monitoring.

Oncology products, known as Closed System Transfer Devices (“**CSTD’s**”) are used to prepare and deliver hazardous medications such as those used in chemotherapy. ICU’s line of oncology products includes ChemoLock CSTD, ChemoClave CSTD and Diana hazardous drug compounding system.

ICU also distributes its products on an OEM basis to other medical device manufacturers.

Infusion therapy is ICU’s major focus, with these products accounting for 72% of ICU’s revenue for the year ended 31 December 2016, while critical care and oncology products each accounted for 14% of revenue. ICU’s infusion therapy business was further expanded by the acquisition of Hospira Infusion Systems (“**Hospira**”) from Pfizer in February 2017. Hospira has an Australian arm to its business, which operates via the company Hospira Australia Pty Ltd.

ICU reported total revenue of US\$379.37m and net profit after income tax of US\$63.08m on a consolidated basis for the year ended 31 December 2016. ICU employs approximately 9,000 staff and is headquartered in San Clemente, California.

ICU’s business strategy is to expand through both organic growth and strategic acquisitions, including in international markets. The acquisition of MLA will complement ICU’s existing Australian operations and allows ICU to extend its geographic footprint in infusion therapy.

4.2 Financial Performance and Position

As a company listed on the NASDAQ, ICU’s financial statements are publicly available and can be found on ICU’s website <http://www.icumed.com/>.

5. Industry Overview

5.1 Medical Equipment Industry

As noted above, MLA operates in the medical / healthcare equipment manufacturing industry (“**Medical Equipment Industry**”) in Australia, Asia and the UK.

We have considered the key drivers, historical and forecast performance, and competitive landscape of the Medical Equipment Industry in Australia (being the major source of MLA’s revenue) in conducting our analysis in relation to MLA. All statistics noted in relation to the Medical Equipment Industry below have been sourced from an IBIS World Industry report dated February 2017.

5.1.1 Key Drivers

The key external drivers in the Medical Equipment Industry include:

- **The US\$ against the A\$:** industry operators engage in high levels of international trade, including the importing of supplies from countries such as China and the exporting of finished product to overseas customers;
- **Private capital expenditure on machinery and equipment:** investment in new equipment by hospitals and other healthcare providers impacts demand for industry products;
- **Demand from general hospitals:** hospitals are a key customer for industry players, so have a large influence on demand for industry products;
- **An ageing population in Australia:** Australia’s ageing population contributes to greater demand for medical treatment and therefore, increased demand for industry products; and
- **Public health expenditure:** Government funding and subsidies for healthcare services influence demand for industry products.

5.1.2 Historical Performance

The Medical Equipment Industry has grown moderately in Australia over the five years to 2016/17, with revenue growing at approximately 1.3% per annum to reach circa \$3.4 billion.

Medical Equipment Industry operators tend to be profitable and profitability has improved (in general) across the five years to 2016/17 to reach circa \$609.9 million. The technologically sophisticated nature of many products in the Medical Equipment Industry allows some industry operators to charge a premium for their products, leading to healthy profit margins.

The depreciating Australian dollar has helped the price competitiveness of those operators who sell to overseas markets. A decrease in wages as a % of industry revenue over the past five years has also aided industry profitability.

5.1.3 Outlook

The Medical Equipment Industry in Australia is expected to grow at an annualised rate of 3.4% per annum over the five years to 2021/22, to reach \$4.1 billion. The forecast improvement on the

performance over the previous five years is attributable to greater anticipated capital expenditure on medical equipment from private healthcare services.

Medical Equipment Industry operators are expected to remain profitable over the five years to 2021/22, with further anticipated decreases in wages as a % of revenue assisting profit margins.

5.1.4 Competitive Landscape

Medical Equipment Industry concentration is considered to be high, with the top four companies estimated to contribute 70.2% of total industry revenue in 2016/17. Large companies are able to obtain and hold large market shares due to the significant capital requirements needed to research and develop industry products.

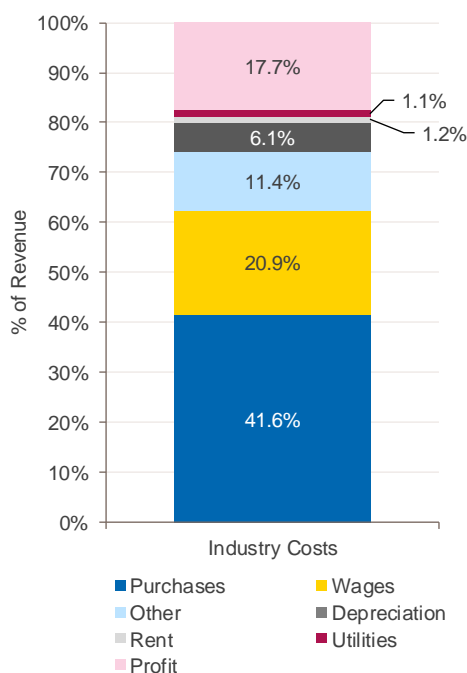
Competition is considered to be of a moderate level but increasing, however, the barriers to entry are high and are expected to remain that way.

Factors considered to be important for success in the Medical Equipment Industry include:

- Access to latest available and most efficient technologies;
- Economies of scale;
- Establishment of strong brand names;
- Links with medical parts suppliers; and
- Development of export markets to reduce reliance on the domestic market.

Below is a diagrammatic representation of the cost structure for the Medical Equipment Industry in Australia in 2016/17, displaying average costs and profit as a % of revenue:

Figure 2 – Average Cost Structure in 2016/17 for the Medical Equipment Industry



Source: IBIS World Industry Report dated February 2017

6. Valuation of Scheme Consideration

6.1 Overview of Scheme Consideration

As detailed at 1.1 of this Report, under the terms of the Scheme, the Shareholders of MLA are entitled to receive cash consideration of \$0.086 per Ordinary Share ("**Scheme Consideration**").

6.2 Valuation of Scheme Consideration

We have taken the fair market value of the Scheme Consideration to be its nominal value, being A\$0.086 per Ordinary Share.

7. Valuation of MLA

7.1 Valuation Summary

In our opinion, the fair market value of MLA's Ordinary Shares as at the Valuation Date falls in the range of A\$0.051 and A\$0.052 per share.

Our assessment of the fair market value of MLA's Ordinary Shares is detailed in the remainder of this section.

7.2 Valuation Methodologies

Various valuation methodologies have been considered in the valuation of MLA as detailed below.

RG 111 prescribes that it is generally appropriate for an expert to consider using the following methodologies:

- The Discounted Cash Flow (“**DCF**”) methodology and the estimated realisable value of any surplus assets;
- The application of earnings multiples appropriate for the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets;
- The amount that would be available for distribution to security holders on an orderly realisation of assets;
- The quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price might not reflect their value, should 100% of the securities be available for sale; and
- Any recent genuine offers received by the company for any business units or assets as a basis for valuation of those business units or assets.

In our opinion the orderly realisation of assets method is the most appropriate method to apply to the valuation of the Ordinary Shares of MLA. We have considered the capitalisation of estimated future maintainable earnings and quoted market price of MLA's Ordinary Shares in the application of secondary valuation methodologies.

A summary of each of the available valuation methodologies has been set out in Appendix C of this Report.

7.2.1 *DCF Method*

No reliable estimates of MLA's future cash flows beyond FY18B are available to enable us to conduct a DCF valuation.

7.2.2 *Capitalisation of Estimated Future Maintainable Earnings (“FME”)*

Our analysis of MLA's financial performance is set out in section 3.7 of this Report.

We have undertaken a normalisation of MLA's earnings for the purposes of determining the estimated future maintainable earnings of MLA. Our normalisation analysis is detailed below:

Table 11 – Normalisation of MLA Earnings

A\$	Notes	FY15A	FY16A	FY17A	FY18B
EBITDA from continuing operations	1	1,361,390	581,757	565,976	142,094
Add:					
Foreign exchange loss	2	-	6,405	15,121	-
Deduct:					
Foreign exchange gain	3	74,663	-	-	-
Non-maintainable EBITDA generated from lost customer	4	(610,243)	(456,987)	(548,134)	-
Normalised EBITDA		825,810	131,175	32,964	142,094

Source: Information from Management and William Buck analysis

We note the following in relation to the above normalisation analysis:

1. EBITDA from continuing operations has been taken from section 3.7 of this Report;
2. We have added back (increasing EBITDA) foreign exchange losses (relating to foreign currency translation) incurred by MLA in FY16A and FY17A, on the basis that these losses are one-off items and not recurring expenses of the business;
3. We have deducted (decreasing EBITDA) foreign exchange gains (relating to foreign currency translation) made by MLA across the period above, on the basis that this income is one-off and not ordinary, recurring income of the business; and
4. We have deducted (decreasing EBITDA) a portion of the earnings that were generated from the lost customer (Carefusion) in FY15A, FY16A and FY17A. The amounts deducted represent the gross profit attributable to Carefusion sales, less freight expenses at the rate of 6.5% of sales, multiplied by 70% on the basis that Management is hopeful of regaining 30% of the lost Carefusion product sales with Tuta branded versions of those products. As MLA's budget for FY18B incorporates 30% recovery on lost Carefusion sales with Tuta branded products, the normalisation adjustment ensures that the earnings for FY15A, FY16A, FY17A and FY18B are prepared on a like-for-like basis.

Based on the above analysis, we have estimated MLA's future maintainable earnings to be \$102k per annum, by taking an average of the assessed normalised EBITDA for FY16A, FY17A and FY18B. We note the following in relation to our determination of the estimated FME of MLA:

- We have excluded FY15A in determining the estimated FME given that the materially superior earnings achieved in that year were driven by a stronger A\$ against the US\$, resulting in a gross profit margin (49%) which is not reflective of the budgeted gross margin of the business moving forward (45% for FY18B);
- Whilst FY18B should be most reflective of the future maintainable earnings of the business, it represents a full-year budget and incorporates some material unknowns; and
- FY16A and FY17A are the most recent actual results available for consideration, and with gross profit margins of 43.2% and 44.3% in those years respectively, these results are in line with the budgeted gross profit margin for FY18B of 45%.

Therefore, we have applied an equal weighting to the earnings for FY16A, FY17A and FY18B by taking an average of the normalised EBITDA for those years, for the purposes of determining the estimated FME of MLA.

In our view, given the estimated FME of \$102k and the implied Enterprise Value (“EV”) / EBITDA multiples of comparable recent transactions as set out at Appendix E of this Report, the capitalisation of estimated FME approach does not produce a valuation for MLA which is higher than we have assessed under the orderly realisation of assets methodology.

Even if we adopted a less conservative view than Management and did not normalise lost Carefusion sales in FY16A and FY17A, then the capitalisation of estimated FME approach would still produce a valuation for MLA which is less than the Scheme Consideration. As such, our opinion in relation to the Scheme would be the same regardless of whether or not the lost Carefusion EBITDA is normalised.

Accordingly, we have utilised the capitalisation of estimated FME approach as a secondary valuation methodology, to cross-check the valuation obtained under our primary valuation methodology.

7.2.3 Orderly Realisation of Assets

The orderly realisation of assets method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money, assuming the business is wound up in an orderly manner.

This approach is generally used as the primary valuation technique where businesses are not currently making a profit but may do so in the future, or where the DCF and capitalisation of estimated FME methodologies yield a lower value than that of net assets.

In our view, given that the DCF valuation method is considered inappropriate for MLA and the capitalisation of estimated FME method does not produce a valuation greater than that determined based on the orderly realisation of assets method, a valuation based on the orderly realisation of assets provides the most appropriate primary method for determining a valuation of the Ordinary Shares of MLA.

7.2.4 Quoted Market Price

Although the market for MLA’s securities is, in our opinion, illiquid and inactive, we have considered the quoted market price of MLA’s Ordinary Shares in the application of a secondary valuation methodology, to cross-check the valuation obtained under our primary valuation methodology.

7.3 Valuation – Orderly Realisation of Assets

We have considered MLA’s balance sheet as at 30 June 2017 (summarised below), being the latest available audited balance sheet, for the purposes of determining the valuation of MLA using the orderly realisation of assets methodology.

Table 12 – MLA Balance Sheet as at 30 June 2017

A\$	As at 30-Jun-2017
Assets	
Current assets	
Cash and cash equivalents	1,547,586
Trade and other receivables	1,470,208
Inventories	1,821,946
Other current assets	153,246
Total current assets	4,992,986
Non-current assets	
Property, plant and equipment	188,410
Intangible assets	3,861,377
Total non-current assets	4,049,787
Total assets	9,042,773
Liabilities	
Current liabilities	
Trade and other payables	1,281,659
Provisions	373,945
Total current liabilities	1,655,604
Non-current liabilities	
Provisions	40,342
Total non-current liabilities	40,342
Total liabilities	1,695,946
Net assets	7,346,827
Equity	
Issued capital	26,753,918
Equity remuneration reserve	170,031
Foreign currency translation reserve	(63,569)
Accumulated losses	(19,513,553)
Total equity	7,346,827

Source: MLA FY17A Annual Report

Our detailed commentary in relation to MLA's 30 June 2017 balance sheet was provided at section 3.8 above.

Based on our analysis and discussions with Management, we are of the view that no adjustments to MLA's balance sheet values as at 30 June 2017 are necessary in order to derive the fair market value of MLA's net assets. In this regard we note that:

- 90% of MLA's debtors as at 30 June 2017 are aged 0 to 60 days, and MLA has provided an amount of \$13k for doubtful debts against debts aged greater than 90 days of \$33k;
- Inventories of \$1.82m incorporates a provision for stock obsolescence of \$101k. We have reviewed an aged inventory listing as at 1 July 2017 and in our view MLA's provision for obsolescence appears reasonable. MLA classes its inventory into aged, short dated and stock

(which is not short dated) based on the time to expiry / scrapping. MLA's provision for obsolescence at 30 June 2017 effectively represents the quantum of inventory which is classed as either aged or short dated;

- Plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. MLA reviews the carrying amount of plant and equipment annually to ensure it is not in excess of its recoverable amount; and
- MLA has conducted impairment tests in respect of goodwill totalling \$3.8m (part of intangible assets) carried on its balance sheet at 30 June 2017. Management has advised that MLA's Auditors have reviewed those impairment tests and are satisfied that the goodwill is not impaired as at 30 June 2017.

The orderly realisation of assets method requires allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money, in order to determine the fair market value of the entity's net assets. We note the following in this regard:

- **Reasonable costs of realisation:** based on our experience, we estimate that the reasonable costs of realisation for the sale of MLA's business and assets, which would include sale advisory and legal fees, would be in the range of 3% to 5% of net assets value;
- **Taxation charges:** assuming that the tax cost base of the goodwill acquired by MLA in respect of Tuta and Clements is equal to or greater than the carrying value of the goodwill on MLA's balance sheet (\$3.81m), we estimate that there would be no tax payable from a realisation of MLA's business and assets for net asset value; and
- **Time value of money:** based on our experience, we estimate that it may take between 3 and 6 months in order to achieve an orderly realisation of MLA's assets. We have not applied a time value of money discount to the estimated net realisable assets on the basis that the estimated realisation period is less than 12 months and further, our assessment of estimated net realisable assets is already based on the present values of MLA's assets and liabilities.

Below is a summary of our calculation of the fair market value of MLA's net assets under an orderly realisation of net assets, taking into account the above assumptions:

Table 13 – Fair Market Value of MLA's Net Assets

	Low	High
Net assets at book value (A\$)	7,346,827	7,346,827
Less: Estimated realisation costs (A\$)	(367,341)	(220,405)
Less: Taxation charges (A\$)	-	-
Net realisable value of MLA's assets (A\$)	6,979,486	7,126,422
Less: Time value of money discount (A\$)	-	-
Fair market value of MLA's net assets (A\$)	6,979,486	7,126,422
Assumptions:		
Estimated realisation costs %	5.0%	3.0%

Source: William Buck Analysis

Based on the above analysis, we have calculated the fair market value of the Ordinary Shares of MLA to be in the range of A\$0.051 to A\$0.052 per share, as shown below:

Table 14 – MLA Valuation Summary: Orderly Realisation of Assets

	Low	High
Fair market value of MLA's net assets (A\$)	6,979,486	7,126,422
Number of Ordinary Shares (Fully Diluted)	136,766,031	136,766,031
Valuation per Ordinary Share (A\$)	0.0510	0.0521

Source: William Buck Analysis

As noted above, we understand from Management that 136,766,031 is the number of fully diluted MLA Ordinary Shares on issue and accordingly, we have used this figure for the purposes of calculating the valuation per Ordinary Share shown above.

Our valuation has been prepared on the basis that the Ordinary Shareholders are entitled to 100% of the valuation of MLA using the orderly realisation of assets method.

No premium for control has been applied in our valuation of MLA's Ordinary Shares. A valuation of MLA using the orderly realisation of assets methodology takes into account 100% of the fair market value of MLA's assets and, as such, a premium for control is not appropriate.

7.4 Valuation – Capitalisation of Estimated FME

As noted above, we have applied the capitalisation of estimated FME method as a secondary valuation approach to cross-check the results obtained under our primary valuation methodology.

Below is a summary of our valuation assessment under this methodology:

Table 15 – MLA Valuation Summary: Capitalisation of Estimated FME

	Low	High
Estimated FME (A\$)	102,000	102,000
Capitalisation multiple	13.0	17.0
Enterprise value (A\$)	1,326,000	1,734,000
Add: Net cash (A\$)	1,547,586	1,547,586
Add: Surplus assets (A\$)	-	-
Deduct: Surplus liabilities (A\$)	-	-
Equity value (A\$)	2,873,586	3,281,586
Number of Ordinary Shares (Fully Diluted)	136,766,031	136,766,031
Valuation (A\$) per Ordinary Share	0.021	0.024

Source: William Buck Analysis

We note the following in relation to the above:

- We have assessed MLA's estimated FME to be \$102k as explained at section 7.2.2 above;
- We have adopted a capitalisation multiple range of 13.0x to 17.0x EBITDA based on our analysis of ASX listed companies and comparable transactions shown at Appendix D and Appendix E of this Report. In determining the capitalisation multiple range, we have:
 - Considered the implied EV / EBITDA multiples of ASX listed companies, however, we have not relied on these multiples on the basis that there are only a small number of Australian listed entities that operate in the Healthcare Equipment and Supplies industry. These entities are all larger than MLA on a market capitalisation basis and certain of

these companies are involved in activities such as medical diagnostics, which are not all that comparable with MLA. In our view ITL Health Group (ASX:ITD) is the most comparable of these companies to MLA in terms of both size (market capitalisation) and operations. ITL Health Group is trading at an EV / EBITDA multiple of 9.8x and, by applying a 25% control premium, an EV / EBITDA multiple of 12.2x on a controlling interest basis is obtained which, is in line with the capitalisation multiple adopted in our valuation as shown above;

- Focused on recent comparable transactions (involving controlling interest stakes only) in the Healthcare Equipment and Supplies industry. We have considered transactions in the United States, Canada, the United Kingdom, and Australia. We note that there have been no recent comparable transactions in Australia;
- Have considered the average and median of the implied transaction multiples as a whole and excluded outliers; and
- Have considered the average and median of the implied multiples on only those transactions with a total value of less than A\$50m, which in our view are more comparable with the Scheme (in terms of size) given the implied Scheme transaction value of approximately \$11.7m;
- Enterprise value has been determined by multiplying the estimated FME of \$102k by the capitalisation multiple;
- Equity value has been determined by adding net cash (i.e. cash less debt) to enterprise value, and then adding any surplus assets and deducting any surplus liabilities. In this regard, net cash of \$1.5m represents MLA's cash and cash equivalents as at 30 June 2017, and we have not identified any surplus assets or liabilities of MLA; and
- Equity value per Ordinary Share has been calculated by dividing the total equity value by the number of MLA Ordinary Shares on issue on a fully diluted basis.

As the capitalisation multiple that has been adopted in the above analysis is based on comparable transactions that involve the acquisition of controlling interests, no premium for control is required to be applied to the valuation range of \$A0.021 to \$A0.024 shown above.

7.5 Valuation – Quoted Market Price

An analysis of MLA's historical share trading performance on the ASX was presented at section 3.9 of this Report. From that analysis we concluded that a liquid and active market does not exist for MLA's shares.

Notwithstanding, for the purposes of a secondary valuation approach or cross-check of our primary valuation methodology, we have considered the low, high and volume weighted average share price ("VWAP") of MLA's shares over the 1, 3, 6 and 12 months ending on 9 August 2017, being prior to the announcement of the Scheme to the market by MLA. Below is a summary of our share price analysis:

Table 16 – Share Price Analysis

Time Period	Average Daily Volume	Share Turnover Ratio	Closing Low (A\$)	Closing High (A\$)	VWAP (A\$)
1 month	58,841	0.137%	0.0620	0.0670	0.0660
3 month	29,486	0.069%	0.0460	0.0670	0.0641
6 month	24,837	0.058%	0.0460	0.0670	0.0597
12 month	33,429	0.078%	0.0450	0.0670	0.0542

Source: William Buck Analysis

Notes:

1. Share Turnover Ratio is calculated as Average Daily Volume / Free Float, which is estimated to be 42,860,287; and
2. VWAP is calculated as Cumulative (Volume x Share Price) / Cumulative Volume.

In our view the VWAP is more representative of the market price of a quoted security than is recent closing prices, particularly for a security that is thinly traded such as MLA. MLA's VWAP across the above periods fell in the range of A\$0.054 and A\$0.066.

These prices need to be adjusted for a control premium in order to reflect a valuation for 100% of the Ordinary Shares of MLA. In Australia, control premiums observed for acquisition of a 100% ownership interest generally range from 0% to 40%, with the premium paid dependent on the circumstances of the target and other factors including whether there are any competing or alternative offers to hand. Based on the historical premiums observed in Australia, the financial circumstances of MLA and our understanding that there are no alternative proposals to hand, we consider that a 25% control premium is appropriate for MLA.

Using a 25% control premium, we have determined a secondary valuation of MLA's Ordinary Shares within the range of A\$0.068 to A\$0.083 per share using the quoted market price methodology, as shown below:

Table 17 – MLA Valuation Summary: Quoted Market Price

	Low	High
Adopted market prices (based on VWAP's)	0.0542	0.0660
Plus: Control premium (25%)	0.0136	0.0165
Valuation per Ordinary Share (A\$)	0.0678	0.0825

Source: William Buck Analysis

This secondary valuation range is approximately 33% and 58% above our low and high valuations respectively, determined using the orderly realisation of assets valuation method. In this regard we note that:

- Reliance on the quoted market price methodology is low due to the low liquidity in MLA's shares; and
- The % difference between the valuations obtained under the two methodologies is high due to the relatively low value of MLA's Ordinary Shares assessed under the primary methodology.

7.6 Conclusion

Below is a summary of the fair market valuations determined above:

Table 18 – Valuation Summary

Valuation per Ordinary Share (A\$)	Low	High
Primary Method - Orderly Realisation of Assets	0.051	0.052
Secondary Method - Capitalisation of Estimated FME	0.021	0.024
Secondary Method - Quoted Market Price	0.068	0.082

Source: *William Buck Analysis*

We have not placed any reliance on the secondary valuation determined using the capitalisation of estimated FME method, given that it yields a lower valuation than the orderly realisation of assets method.

Further, in our view, given that there is not a liquid and active market for MLA's shares, we believe that the valuation obtained under the orderly realisation of assets method represents a more accurate and reliable valuation of the Ordinary Shares of MLA than the secondary valuation method based on quoted market price.

We therefore conclude that the valuation of the Ordinary Shares of MLA as at the Valuation Date falls within the range of A\$0.051 and A\$0.052.

We note that the Scheme Consideration is greater than the valuation obtained under our primary and both of our secondary valuations and consequently, our overall opinion would be the same regardless of whether we were to place reliance on the secondary valuation methods or not.

8. Evaluation of the Scheme

8.1 Assessment of Fairness

In accordance with RG 111, the Scheme will be deemed “fair” if the fair market value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme.

As such, to determine whether the Scheme is fair, we have compared the fair market value of the Scheme Consideration with the fair market value of MLA’s Ordinary Shares. Our assessment is set out below:

Table 19 – Scheme Fairness Assessment

A\$ per share	Report Reference	Low	High
Fair market value of Scheme Consideration (A)	Section 6	0.086	0.086
Fair market value of MLA (B)	Section 7	0.051	0.052
Variance (A - B)		0.035	0.034
Premium of Scheme Consideration over Valuation		68.5%	65.0%

Source: William Buck analysis

As the fair market value of the Scheme Consideration is greater than the fair market value of MLA, we conclude that the Scheme is fair to the Shareholders of MLA.

8.2 Assessment of Reasonableness

Under RG 111, the Scheme will be reasonable if it is fair. On this basis, we also conclude that the Scheme is reasonable.

Notwithstanding, we have also considered various other factors suggested by RG 111 in order to assess the reasonableness of the Scheme, and classed these factors into advantages and disadvantages of approving the Scheme.

8.2.1 Advantages of approving the Scheme

The following may be considered advantages of approving the Scheme:

- **Premium to assessed valuation:** Under the Scheme, the Shareholders are able to dispose of their Ordinary Shares in MLA at a premium of approximately 68.5% and 65% on the low and high ends of our assessed fair market valuation range respectively;
- **Premium to quoted market price:** Under the Scheme, the Shareholders are able to dispose of their Ordinary Shares in MLA at a premium of approximately 30% on MLA’s VWAP of A\$0.066 for the 1 month ended 9 August 2017 (being the last day before announcement of the Scheme). This implied premium of approximately 30% falls within the range of observed premiums paid in successful takeovers generally;
- **Brokerage charges are avoided:** Under the Scheme, the Shareholders are able to dispose of their Ordinary Shares without incurring any brokerage charges (and any GST on those

charges), which might otherwise be incurred if Shareholders were to instead dispose of their shares on the ASX; and

- **Opportunity to dispose of otherwise illiquid shares:** MLA's Ordinary Shares have been thinly traded over the 12 months prior to the announcement of the Scheme. The Scheme provides an alternative to MLA shareholders considering the disposal of their Ordinary Shares in an otherwise illiquid market.

8.2.2 Disadvantages of approving the Scheme

We have identified the following possible disadvantage of approving the Scheme:

- **Inability to participate in any future growth:** Disposal of MLA shares under the Scheme prevents Shareholders from participating in any future growth of MLA's business.

8.2.3 Advantages of not approving the Scheme

The only identified possible advantage of not approving the Scheme is the inverse of the above, that is, the ability to participate in any future growth of MLA's business.

8.2.4 Disadvantages of not approving the Scheme

In addition to not having access to the possible advantages of approving the Scheme detailed above, we have identified the following possible disadvantage of not approving the Scheme:

- **Possible fall in market price if Scheme rejected:** As the Directors have advised there are no superior proposals to the Scheme and they are not aware of any superior proposal that is likely to emerge, it is possible that MLA's share price may fall if the Scheme is not approved, particularly given that MLA's share price increased from a closing price of A\$0.067 on 9 August 2017 (prior to announcement of the Scheme) to a closing price of A\$0.083 on 10 August 2017 (the day the Scheme was announced).

8.2.5 Overall conclusion on advantages and disadvantages of the Scheme

In our opinion, based on a consideration of the above, the Scheme is considered reasonable from the perspective of the Shareholders of MLA as:

- on balance, the advantages of approving the Scheme outweigh the disadvantages of approving it; and
- on balance, the disadvantages of rejecting the Scheme outweigh the advantages of rejecting it.

8.3 Assessment Conclusion

In our opinion the Scheme is both fair and reasonable and on that basis, in the best interests of the Shareholders of MLA, in the absence of a superior proposal.

9. Qualifications

9.1 Qualifications

William Buck is an authorised representative of William Buck Wealth Advisors (NSW) Pty Ltd which holds an Australian Financial Services Licence issued by ASIC for giving expert reports pursuant to the Listing Rules of the ASX and NSX and the Act.

The William Buck staff member responsible for the preparation of this Report is Mrs Manda Trautwein.

Manda Trautwein is a Director of William Buck and an active member of Chartered Accountants Australia and New Zealand (“**CAANZ**”) and its Business Valuation Special Interest Group, including as its current National Committee Chair. She holds a Bachelor of Commerce degree and a Master of Applied Finance degree from Macquarie University, and a Master of Applied Taxation degree from the University of New South Wales. Manda is a Chartered Tax Adviser and a CAANZ Business Valuation Specialist. Manda also lectures in Applied Business Valuations to postgraduate students at Macquarie University.

Manda has over 15 years’ experience in Corporate Finance and has had extensive experience in the areas of business valuations, independent expert’s reports, business structuring and finance, and strategic planning including sale & purchase of businesses. Manda’s experience covers a wide range of industries for both public and private companies. Accordingly, Manda has the appropriate experience and professional qualifications to provide the advice offered in this Report.

9.2 Independence and Declarations

William Buck is not aware of any matter or circumstance that would preclude it from preparing this report on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

William Buck considers itself to be independent in terms of RG 112: Independence of Experts, issued by ASIC and APES 225 – Valuation Services.

William Buck has previously provided taxation advice to MLA regarding matters unrelated to the Scheme, but has had no prior dealings with ICU. We are not aware of any matters or relationships that could be regarded as capable of affecting our ability to provide an unbiased opinion in relation to the Scheme.

William Buck is entitled to receive a fee for the preparation of this Report of approximately \$25,000 plus GST and disbursements. This fee is not contingent on the conclusion, content or future use of the Report. Except for this fee William Buck has not received and will not receive any pecuniary or other benefit, whether direct or indirect, for or in connection, with the preparation of this Report and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Scheme.

Four drafts of this Report were provided to the Directors of MLA for review of factual accuracy, as opposed to opinions, which are the responsibility of William Buck alone. Certain changes were made to the report as a result of the circulation of the draft reports. However, no changes were made to the methodology, conclusions or opinion made as a result of issuing the draft reports.

The statements contained in this Report are given in good faith and have been derived from information believed to be reliable and accurate. We have examined this information and have no reason to believe that any material factors have been withheld from us.

10. Appendices

10.1 Appendix A – Sources of Information

- a) Draft Scheme Booklet, including the Scheme Implementation Agreement;
- b) MLA shareholder register as at July 2017;
- c) Historical MLA share trading data obtained from S&P Capital IQ;
- d) Publicly available MLA Annual Reports;
- e) MLA Management Accounts for FY16A and FY17A together with various supporting schedules in relation to debtors, inventories, plant and equipment, and creditors as at 30 June 2017;
- f) MLA Budgeted Profit & Loss for FY18B;
- g) MLA market announcements obtained from the ASX;
- h) Publicly available information in relation to ICU;
- i) Publicly available industry analysis reports published by industry research companies, including IBIS World;
- j) Details on comparable listed companies and comparable recent transactions sourced from S&P Capital IQ; and
- k) Discussions and correspondence with management of MLA.

10.2 Appendix B – Abbreviations and Definitions

Term	Definition
A\$	Australian Dollars
AASB	Australian Accounting Standards Board
Act	Corporations Act 2001
APES	Accounting Professional and Ethical Standards
ASAE	Australian Standards on Assurance Assignments
ASIC	Australian Investments and Securities Commission
ASRE	Australian Standards on Review Engagements
ASX	Australian Securities Exchange
Auditors	MLA's auditors, Nexia Sydney Audit Pty Ltd
AUS	Australian Auditing Standards
CAANZ	Chartered Accountants Australia and New Zealand
CSTD's	Closed System Transfer Devices
DCF	Discounted Cash Flow
Directors	The directors of MLA
EBITDA	Earnings before interest, tax, depreciation and amortisation
EV	Enterprise value
FYXXA	Actual results for the financial year ended 30 June 20XX
FYXXB	Budgeted results for the financial year ending 30 June 20XX
FME	Future maintainable earnings
FSG	Financial Services Guide
Hospira	Hospira Infusion Systems
ICU	ICU Medical, Inc., including its wholly owned subsidiary ICU BV
IV	Intravenous
Management	The management of MLA
Medical Equipment Industry	The medical equipment manufacturing industry in which MLA operates
MLA or the Company	Medical Australia Limited ACN 096 048 912
NASDAQ	National Association of Securities Dealers Automated Quotations exchange
OEM	Original equipment manufacturer
Ordinary Shares	MLA's ordinary shares on issue
Report	This report prepared by William Buck dated 27 September 2017

RG	Regulatory Guides issued by ASIC
RG 111	Regulatory Guide 111: Content of Expert Reports
RG 112	Regulatory Guide 112: Independence of Experts
Scheme	Scheme of Arrangement under which ICU Medical is to acquire 100% of the Ordinary Shares of MLA under Part 5.1 of the Act
Scheme Consideration	Cash consideration of A\$0.086 per MLA Ordinary Share
Scheme Booklet	Booklet to be issued to MLA Shareholders in relation to the Scheme
Scheme Implementation Agreement	Scheme implementation agreement entered into between MLA and ICU and dated 9 August 2017
Shareholders	The holders of fully paid Ordinary Shares in MLA
US\$	US Dollars
Valuation Date	9 August 2017
VWAP	Volume weighted average share price
WDV	Written down book value
William Buck, we, us, our	William Buck Corporate Advisory Services (NSW) Pty Limited ACN 133 845 637

10.3 Appendix C – Overview of Valuation Methodologies

Discounted Cash Flow (“DCF”) Method

The DCF approach is a technically superior methodology since it allows for fluctuations in future performance to be recognised. This methodology derives the enterprise value of an entity by discounting its expected future cash flows.

In applying the DCF valuation methodology consideration must be given to the following factors:

- The estimated future cash flows of the business for a reasonable period including an assessment of the underlying assumptions;
- An estimate of the terminal value of the business at the end of the forecast period; and
- The assessment of an appropriate discount rate that quantifies the risk inherent in the business and reflects the expected return which investors can obtain from investments having equivalent risks.

Capitalisation of Estimated Future Maintaintable Earnings (“FME”)

The capitalisation of estimated FME method is useful as a primary valuation technique where the DCF methodology cannot be used. This method derives the enterprise value of the entity and requires consideration of the following factors:

- Selection of an appropriate level of estimated FME, having regard to historical and forecast operating results and adjusting for non-recurring or non-business items of income and expenditure in addition to any known factors likely to affect the future operating performance of the business;
- Profits arising from assets which are surplus to the operations of the sustainable business are eliminated and the assets, net of any liabilities relating thereto, treated incrementally; and
- Determination of an appropriate capitalisation multiple having regard to the market rating of comparable companies or businesses, the extent and nature of competition in the industry, quality of earnings, future growth opportunities, asset backing and relative investment risk.

Asset Based Valuations

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- Separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- Ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- Orderly realisation: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money, assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- Liquidation: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- Going concern: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net asset backing value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The application of the net asset backing methodology is appropriate where a company:

- Is not trading, or
- Is making sustained losses or profits but at a level less than the required rate of return, or
- Is close to liquidation, or
- Is a holding company, or
- Holds assets which are liquid.

It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

The net asset backing methodology is usually used as the primary valuation technique where the capitalisation of estimated FME or DCF methodologies yield a lower value than that of net assets.

These net asset backing approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Quoted Market Price

The quoted market price method requires an analysis of the quote price of listed securities that trade on an organised exchange, where there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale.

This valuation method is suitable where the quoted price of a listed entity's securities is closely related to the underlying value of the net assets of the entity.

Recent Genuine Offers

This method requires the consideration of any recent genuine offers received by the target for any shares, business units or assets as a basis for the valuation of those shares, business units or assets.

10.4 Appendix D – ASX Listed Companies

Details of ASX listed companies which operate in the Healthcare Equipment and Supplies industry are shown below. Note, we have not relied on these multiples on the basis that there are only a small number of Australian entities in this industry. These entities are all larger than MLA on a market capitalisation basis and certain of these companies are involved in activities such as medical diagnostics, which are not all that comparable with MLA. We consider ITL Health Group (ASX:ITD) to be the most comparable company to MLA in terms of both size and operations:

Company Name	Ticker	Industry	Business Description	Market Cap (Latest) (A\$m)	EBITDA (LTM) (A\$m)	Enterprise Value / EBITDA (LTM) (x)
SDI Limited (ASX:SDI)	ASX:SDI	Healthcare Supplies (Primary)	SDI Limited engages in the research and development, manufacture, and distribution of amalgam and composite restorative materials, and other dental materials in Australia. It offers alloys, adhesives, compomers, tooth desensitizing agents and cavity cleansers, etchants, composites, glass ionomers, sealants, cements, composite and glass ionomer accessories, and tooth whitening products, as well as various equipment, including amalgamators, cordless LED curing lights and light attachments, and LED light curing meters. The company serves dental distributors, dental dealers, and dentists. It also exports its products to approximately 100 countries worldwide. The company was founded in 1972 and is headquartered in Bayswater, Australia.	65.4	13.3	5.1
Ellex Medical Lasers Limited (ASX:ELX)	ASX:ELX	Healthcare Supplies (Primary)	Ellex Medical Lasers Limited designs, manufactures, distributes, and sells lasers and ultrasound systems for ophthalmologists to diagnose and treat eye diseases. It offers selective laser trabeculoplasty (SLT) YAG combination laser systems for the SLT and YAG treatment in glaucoma patients under the Tango and Solo names; iTRACK 250 microcatheter for the treatment of open-angle glaucoma; and Ultra Q Reflex, a YAG laser with IOLs peripheral iridotomy for glaucoma and laser vitreolysis for the treatment of floaters. The company also provides capsulotomy Ultra Q Reflex multi-modality YAG laser for the treatment of vitreous strands and opacities; and Ultra Q, a microsurgical YAG laser for IOL-friendly photodisruption. In addition, it offers photocoagulators, including Solitaire, a portable green laser for the treatment of retinal disease; Integre Pro Scan, a multi-color pattern scanning photocoagulator; and Integre Pro, a laser for use in the treatment of retinal disease. Further, the company provides Eye Cubed, a diagnostic ultrasound system for the posterior and anterior segments of an eye. Additionally, it offers a Retinal Rejuvenation Therapy, a non-thermal laser therapy for the treatment of age-related macular degeneration and clinically significant macular edema. The company also provides a range of third-party medical devices and technologies. It market and sells its products directly to end-user customers, as well as through independent third-party distributors in Australia, the United States, Europe, the Middle East, Japan, Asia, South America, and internationally. Ellex Medical Lasers Limited is headquartered in Adelaide, Australia.	117.5	5.3	21.8
ITL Health Group (ASX:ITD)	ASX:ITD	Healthcare Supplies (Primary)	ITL Health Group develops, manufactures, distributes, and sells medical devices and medical procedure packs in Australia, the United States, the United Kingdom, Puerto Rico, and internationally. The company offers biological sampling systems for blood banks, laboratories, and clinical settings comprising Donor Care, a whole blood needle guard; Platypus, an AV Fistula needle guard; the SampLok sampling kit; the SampLok tube holder; and the Safety Subculture Unit, which enables technicians to transfer samples from positive blood-culture bottles without using needles. It also provides biological sampling systems for animal use, including TEGO blood and fluid collection devices for disease detection and pregnancy testing, and DNA testing that are designed to reduce risk for the handler and stress for the animal, including TEGO blood cards that simplify blood collection from cattle, pigs, and other livestock; and TEGO oral fluids kits, which collect samples for testing pig populations for diseases, such as PRRS. In addition, the company offers medical and surgical solutions to suit the individual needs of public and private hospitals; and customized surgical procedure packs, catheterization packs, and invasive blood pressure monitoring kits, as well as surgical drapes and gowns. The company was formerly known as ITL Limited and changed its name to ITL Health Group in February 2017. ITL Health Group was founded in 1994 and is headquartered in Melbourne, Australia.	39.7	4.5	9.8
Compumedics Limited (ASX:CMP)	ASX:CMP	Healthcare Supplies (Primary)	Compumedics Limited researches, develops, manufactures, sells, and distributes medical equipment in Australia, New Zealand, the United States, Europe, the Middle East, Africa, and Asia. It provides sleep diagnostics products, including GraeL 4K PSG/EEG amplifiers; ProFusion Sleep, a sleep analysis software suite; ProFusion Nexus laboratory management systems for optimizing administrative and operational workflow needs of diagnostic and research laboratories; HD Digital Video, a plug-in software module for EEG and sleep; Somté PSG, a PSG home sleep testing system; Somté Cardio, a holter style respiratory and cardiac data recording system; Siesta 802 PSG, a wireless sleep recording system; and software and accessories comprising Profusion neXus schedulers, Summit IP plethysmography systems, and ProFusion Plus add-on tools, as well as ECGFree that identifies the ECG waveform component. The company also offers neuro diagnostics products, such as Clinical Routine EEG solutions for the forward thinking clinical epilepsy diagnostics center; wireless and standard ambulatory EEG solution for use in hospitals and home environments; GRAEL and NEUVO cEEG cart solutions to detect and monitor brain functions in critical care units; long term EEG monitoring (LTM), such as NEUVO 64-512 channel EEG HD-LTM EEG, GRAEL 4K-EEG LTM, and SIESTA 802A LTM EEG solutions for virtual ambulatory monitoring applications; Xegis Forte EMG/EP systems and software; Xegis G:Neo EMG/EP systems and software; transcranial doppler sonography solutions under the DWL brand for measuring and analyzing flow velocity in blood vessels, and detecting cerebral micro emboli; and ProFusion EEG and Persyst softwares. In addition, it provides a range of consumables and supplies for diagnostic and research solutions; and e-health solutions. The company was founded in 1987 and is headquartered in Abbotsford, Australia. Compumedics Limited operates as a subsidiary of D & DJ Burton Holdings Pty Ltd.	70.0	2.4	29.3
Universal Biosensors, Inc. (ASX:UBI)	ASX:UBI	Healthcare Supplies (Primary)	Universal Biosensors, Inc., through its subsidiary, Universal Biosensors Pty Ltd, operates as a medical diagnostics company in Australia. It focuses on the research, development, and manufacture of in vitro diagnostic test devices for consumer and professional point-of-care use. The company uses electrochemical cell technology platform to develop point-of-care testing systems for various markets. Its principal products and services include Prothrombin Time International Normalized Ratio coagulation test strips; and other electrochemical-cell based tests based on enzymatic, immunoassay, and molecular diagnostic methods. Universal Biosensors, Inc. has collaboration agreement with Siemens Healthcare Diagnostics Inc. to develop coagulation related products for hospital point-of-care and ambulatory care coagulation markets. The company was founded in 2001 and is based in Rowville, Australia.	66.1	2.1	31.8
Cyclopharm Limited (ASX:CYC)	ASX:CYC	Healthcare Supplies (Primary)	Cyclopharm Limited engages in the research and development, manufacture, and sale of medical equipment and radiopharmaceuticals in the Asia Pacific, Europe, Canada, and internationally. It operates through Technegas and Molecular Imaging segments. The company offers diagnostic equipment and consumables, such as lung imaging devices for use in diagnosing the presence of blood clots in the lungs, as well as chronic obstructive pulmonary diseases and small airways diseases; generators; and patient administration sets. It also provides radiopharmaceuticals that are used by physicians in the detection of cancer, neurological disorders, and cardiac disease; and Ultralute, a patented nuclear medicine technology for use in Molllybdenum-99 generators. The company serves nuclear medicine departments in hospitals and clinics. Cyclopharm Limited is headquartered in Kingsgrove, Australia.	61.8	1.5	37.7
			Average	70.1	4.8	22.6
			Median	65.8	3.4	25.6

Note: LTM means 'Last Twelve Months'

Source: S&P Capital IQ

10.5 Appendix E – Comparable Transactions

Details of recent transactions that are considered comparable to the subject ICU and MLA transaction are shown below. We have only considered transactions involving the acquisition of a controlling interest in the target. Transactions with an implied EV / EBITDA multiple which we considered to be outliers are shaded yellow. This data has been sourced from S&P Capital IQ:

Transaction Announced Date	Target	Target Business Description	Transaction Status	Transaction Value (A\$m)	Implied Enterprise Value / EBITDA (x)	Target Industry	Target Location
7/08/2017	Nxstage Medical, Inc. (NasdaqGS:NXTM)	NxStage Medical, Inc., a medical technology company, develops, manufactures, and markets products and services for patients suffering from chronic or acute kidney failure. Its primary product includes the System One, a portable hemodialysis system, which is used primarily for home hemodialysis and a range of dialysis therapies to deliver in the home setting. The company operates through three segments: System One, In-Center, and Services. The System One segment sells and rents the NxStage System One and PureFlow SL dialysate preparation equipment, as well as sells disposable products in the home and critical care market for the treatment of end-stage renal disease (ESRD) patients in the home or a home-like setting and in the critical care market for the treatment of hospital-based patients with acute kidney failure or fluid overload. The In-Center segment engages in the sale of blood tubing sets and needles for hemodialysis primarily for the treatment of ESRD patients at dialysis centers, and needles for apheresis. The Services segment offers dialysis services to patients at NxStage Kidney Care dialysis centers.	Announced	2,652.0	142.6	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
1/05/2017	Span-America Medical Systems, Inc.	Span-America Medical Systems, Inc. manufactures and distributes therapeutic support surfaces and other related products for the medical, consumer, and industrial markets in the United States and Canada. It operates through two segments, Medical and Custom Products. The Medical segment offers various medical products consisting of non-powered and powered therapeutic support surfaces, medical bed frames, patient positioners, polyurethane foam mattress overlays, seating products, and skin care and fall protection products, as well as tables and related in-room furnishings for long-term care facilities, acute care hospitals, and home health care providers. The Custom Products segment provides consumer bedding products comprising convoluted and contour-cut mattress overlays, and specially designed pillows for the consumer bedding market; and engineered industrial products, including engineered foam products that are used in various markets, such as automotive, packaging, durable goods, electronics, and water sports equipment industries.	Closed	107.5	10.1	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
23/04/2017	C. R. Bard, Inc. (NYSE:BCR)	C. R. Bard, Inc., together with its subsidiaries, designs, manufactures, packages, distributes, and sells medical, surgical, diagnostic, and patient care devices worldwide. The company offers vascular products, such as percutaneous transluminal angioplasty catheters, chronic total occlusion catheters, guidewires, fabrics, meshes, introducers, and accessories; valvuloplasty balloons; peripheral vascular stents, self-expanding and balloon-expandable covered stents, and vascular grafts; vena cava filters; biopsy devices; and a range of minimally invasive devices for the treatment of peripheral vascular and end-stage renal diseases. It also provides urology products, including Foley catheters to reduce the rate of urinary tract infections; fecal incontinence products; brachytherapy devices and radioactive seeds for the treatment of prostate cancer; intermittent urinary drainage catheters, and urine monitoring and collection systems; ureteral stents; specialty devices for stone removal procedures; surgical slings and pelvic floor repair products; catheter stabilization devices; and products for therapeutic hypothermia. In addition, the company offers oncology products, such as specialty vascular access catheters and ports, vascular access ultrasound devices, dialysis access catheters, and enteral feeding devices to treat and manage various cancers, and other diseases and disorders. Further, it provides surgical specialty products comprising implanted grafts and fixation devices for hernia and soft tissue repairs; and hemostats and surgical sealants, as well as irrigation, wound drainage, and original equipment manufacturers' products. The company sells its products directly to hospitals, individual healthcare professionals, extended care facilities, and alternate site facilities through hospital/surgical supply and other medical specialty distributors.	Announced	34,156.2	21.4	Healthcare Equipment and Supplies (Primary)	United States of America (Primary); United Kingdom
22/03/2017	Hausmann Industries, Inc.	Hausmann Industries, Inc. designs and manufactures medical, therapy, and athletic training equipment to customers in the United States and internationally. The company provides medical tables and equipment, such as green-line tables, H-brace and treatment tables, lounges and couches, mechanical/digital and pediatric tables, manual and power exam tables, echo-scan tables, power treatment tables, carts/lights and auxiliary equipment, stools/seating/blood chairs, and bariatric tables/chairs and footstools. It offers therapy and rehabilitation equipment, including sectional and tilt tables, mat platforms/mats/pillows, weight racks and mirrors/pulleys, rehabilitation aids and testing products, work hardening and conditioning equipment, stand-in tables, work tables/OT cabinets, parallel bars, and stairs and balances; cabinetry and storage products; and furnishings and caseworks.	Closed	13.3	9.1	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
20/02/2017	Vention Medical, Inc., Advanced Technologies Business	As of March 31, 2017, Vention Medical, Inc., Advanced Technologies Business was acquired by Nordson Corporation. Advanced Technologies Business of Vention Medical, Inc. comprises interventional delivery device and component manufacturing business.	Closed	934.0	14.9	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
15/02/2017	DePuy Synthes, Inc., Codman neurosurgery	DePuy Synthes, Inc., Codman neurosurgery business offers research, development, manufacture, marketing, distribution, and sale of healthcare equipment for neurosurgery procedures.	Announced	1,357.7	9.1	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
14/02/2017	Cynosure, Inc.	Cynosure, Inc. develops, manufactures, and markets aesthetic treatment systems for plastic surgeons, dermatologists, and other medical practitioners. The company's aesthetic treatment systems utilize a range of energy sources, including Alexandrite, diode, Nd: YAG, pulse dye, Q-switched lasers, intense pulsed light, and radiofrequency (RF) technology. It offers Elite product line for hair removal, and treatment of facial and leg veins and pigmentations; SmartLipo product line for LaserBodySculpting for the removal of unwanted fat; Cellulaze product line for the treatment of cellulite; Cynergy product line for the treatment of vascular lesions; MedLite C6 and RevLite product lines for the removal of benign pigmented lesions, as well as multi-colored tattoos; and PicoSure product line for the treatment of tattoos, benign pigmented lesions, acne scars, fine lines, and wrinkles. The company also provides Icon aesthetic system for hair removal, wrinkle reduction, and scar and stretch mark treatment; Vectus diode laser for high volume hair removal; SculpSure hyperthermic laser treatment for LaserBodySculpting for non-invasive fat reduction; and MonaLisa Touch laser for gynecologic health. In addition, it markets radiofrequency energy sourced medical devices for precision surgical applications, such as facial plastic and general surgery, gynecology, ear, nose, and throat procedures, ophthalmology, oral and maxillofacial surgery, podiatry, and proctology. The company sells its products through a direct sales force in the United States, Canada, France, Morocco, Germany, Spain, the United Kingdom, Australia, China, Japan, and South Korea, as well as through independent distributors in approximately 120 countries.	Closed	2,199.3	25.9	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
13/02/2017	ZELTIQ Aesthetics, Inc.	ZELTIQ Aesthetics, Inc., a medical technology company, engages in developing and commercializing non-invasive products for the selective reduction of fat. The company offers CoolSculpting system, which utilizes proprietary controlled cooling technology to selectively reduce stubborn fat bulges. It sells its products through a direct sales organization, as well as through a network of distributors to dermatologists, plastic surgeons, and aesthetic specialists primarily in North America, the Asia-Pacific, Europe, and Latin America.	Closed	3,234.7	143.3	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)

Transaction Announced Date	Target	Target Business Description	Transaction Status	Transaction Value (A\$m)	Implied Enterprise Value / EBITDA (x)	Target Industry	Target Location
2/12/2016	Vascular Solutions, Inc.	Vascular Solutions, Inc., a medical device company, provides clinical solutions for treating coronary and peripheral vascular disease worldwide. The company's primary products include GuideLiner guide extension catheter device for use in complex interventions; Pronto extraction catheters for treating acute myocardial infarction; vein catheter reprocessing service for the radiofrequency vein ablation catheter; and micro-introducer kits that are used to gain percutaneous access to the vasculature to perform minimally invasive procedures. Its products also comprise hemostatic patches consisting of blood clotting products, such as the D-Stat Dry hemostat, a topical thrombin-based pad with a bandage used to control surface bleeding; radial access products, including the Accumed wrist positioning splints and Vasc Band inflatable compression bands; Langston catheter used for the measurement of intravascular pressure gradients, primarily to diagnose aortic valve stenosis; and D-Stat Flowable hemostat that is used to control active bleeding. The company sells its products through direct sales force and distributor to interventional cardiologists, interventional radiologists, electrophysiologists, and vein specialists.	Closed	1,352.9	44.7	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
12/10/2016	Performance Optics, LLC	Performance Optics, LLC, through its subsidiaries, manufactures optical lenses. Its products include polycarbonate, photochromic, polarized, and high index eyeglass lenses. The company was founded in 2014 and is headquartered in Ramsey, Minnesota. Performance Optics, LLC operates as a subsidiary of Wind Point Partners VII-A, L.P.	Announced	629.4	16.0	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
6/10/2016	Hospira Inc., Infusion Systems Business	As of February 3, 2017, Infusion Systems Business of Hospira Inc. was acquired by ICU Medical, Inc. Infusion Systems Business of Hospira Inc. comprises infusion pumps, solutions, and devices and is located in the United States.	Closed	1,430.4	6.7	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
2/09/2016	Lifeline Scientific, Inc.	Lifeline Scientific, Inc., a medical technology company, develops products and services for cell, tissue, and organ transplantation in the United States and internationally. It offers LifePort Kidney Transporter, a medical device that provides kidney preservation, evaluation, and transport prior to transplantation; and LifePort Liver Transporter, a device used in liver transplantation. The company also provides Vasosol, a machine perfusion solution; Universal SealRing Cannula, which allows the use of organs with limited vascular access; LifePort Kidney Transporter rolling Cover that provides protection and manoeuvrability for LifePort Kidney Transporter while in transit; and LifePort WorkStation, which accommodates a range of medical solutions and additive gases. In addition, it offers disposables and consumables, as well as other medical devices and related products.	Closed	107.9	8.3	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
27/06/2016	Prism Medical Ltd.	Prism Medical Ltd. manufactures and sells durable medical equipment and related services to move and handle mobility challenged individuals in Canada and the United States. The company's products include fixed ceiling lifts, portable ceiling lifts, portable track systems, mobile floor lifts, sling systems, moving and handling products, track systems, repositioning aids, and other ancillary patient handling products. It also offers installation, training, and maintenance services through a combination of direct sales, regional sales and service centers, and independent dealers. In addition, the company sources and distributes third party products, such as stair lifts, baths, and beds. Its products are marketed under Prism Medical, ErgoSafe, Waverly Glen, and Nightingale brand names in the home care, acute care, and long-term care markets.	Closed	87.1	22.4	Healthcare Equipment and Supplies (Primary)	Canada (Primary)
24/05/2016	Euromed Inc.	Euromed Inc. operates as a medical device manufacturer that specializes in advanced hydrocolloid wound care technologies. The company offers hydrocolloid technologies; foot care, first aid, and personal care consumer bandages; hydrocolloid low-trauma adhesives; professional dressings; and ostomy supplies. It serves business-to-business customers.	Closed	58.4	16.8	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
2/05/2016	Symmetry Surgical Inc.	Symmetry Surgical Inc. manufactures and distributes medical devices worldwide. It offers retractor instruments/systems comprising neurosurgical retractor systems; and electro-surgery instruments, such as bipolar and mono polar single-use and reusable instruments. The company also provides containers and sterilization devices, which comprise container systems; general and specialty surgical instruments; and ligation clips and appliers. In addition, it distributes general surgery instruments that are used in surgical lighting, laparoscopic surgery, and accessories. Further, the company provides single use and disposable instruments, such as vein strippers, dissectors, tonsil sponges, and surgical marker pens. It markets and sells its products under various brand names, including Symmetry, Bookwalter, Rapidclean, Classic Plus, Classic, Microsect, Olsen, Secto, Opti-Length, and Magna-Free, as well as Access Surgical International, Greenberg, Riley Medical, Quad-Lock, FlashPak, The Ultra System, Vesoclude, and Symmetry Access. The company provides its products directly to hospitals and other sites of care. Its products are used in the surgical specialties of neurosurgery; spine; general surgery comprising open and laparoscopy; microsurgery; OB/Gyn; ophthalmology; otolaryngology/ENT; plastic/reconstructive; peripheral vascular; arthroscopy; orthopedic; pediatrics; cardiovascular; thoracic; and urology, as well as surgery centers and physician offices.	Closed	184.3	14.2	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
28/04/2016	St. Jude Medical, Inc.	St. Jude Medical, Inc., together with its subsidiaries, develops, manufactures, and distributes cardiovascular medical devices for cardiac rhythm management, cardiovascular and atrial fibrillation therapy areas, and interventional pain therapy and neurostimulation devices for the management of chronic pain and movement disorder worldwide. It operates in two divisions, Implantable Electronic Systems, and Cardiovascular and Ablation Technologies. The company offers traditional cardiac rhythm management products comprising single and dual chamber pacemakers and single and dual chamber implantable cardioverter-defibrillators (ICDs); heart failure products, such as bi-ventricular cardiac resynchronization therapy pacemakers and ICDs, ventricular assist devices, and the CardioMEMS HF system; atrial fibrillation consisting of electrophysiology introducers and catheters, left atrial appendage closure products, advanced cardiac mapping, navigation and recording systems, and ablation systems. It also provides heart valve replacement and repair devices; patent foramen ovale closure devices, structural heart defect devices, active vascular closure devices, compression assist devices, pressure measurement guidewires, diagnostic coronary imaging technology percutaneous catheter introducers, diagnostic guidewires, percutaneous heart pumps, renal denervation technology, and vascular plugs; and spinal cord stimulation, dorsal root ganglion stimulation, and radiofrequency ablation products for the treatment of chronic pain, as well as deep brain stimulation for the treatment of movement disorders. The company sells its products to clinics and hospitals through direct sales force and independent distributors.	Closed	39,718.1	18.8	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
9/04/2016	Touch Bionics Limited	Touch Bionics Limited develops and markets upper-limb prosthetics for the treatment of patients with upper-limb deficiencies. The company's products include i-LIMB Hand, a multi-articulating bionic hand that supports amputees; and Prosthetic Digits, which are self-contained fingers that are individually powered and controlled to provide new fingers for partial hand patients. Its products also include ProDigits, a bionic finger solution for patients with missing fingers. The company distributes its products in the United States, North and Central Europe, Southern Europe, Asia, Argentina, Australia, Brazil, Columbia, and South Africa.	Closed	51.3	30.6	Healthcare Equipment and Supplies (Primary)	United Kingdom (Primary)
1/02/2016	Alere Inc. (NYSE:ALR)	Alere Inc. provides diagnostic tests for infectious disease, cardiometabolic disease, and toxicology in the United States, Europe, and internationally. The company's infectious disease products and services are used to detect influenza, group A streptococcus, respiratory syncytial virus, pneumonia, viral hepatitis, human immunodeficiency virus/acquired immunodeficiency syndrome, gastrointestinal disease, syphilis, other sexually-transmitted diseases, and vector-borne diseases. It also offers indirect fluorescent antibodies; assays for 17 viral, bacterial, and autoimmune diseases; serology diagnostic products; 40 enzyme-linked immunosorbent assays (ELISA); and a line of automated instrumentation to process ELISA tests. The company's cardiometabolic products and services include rapid diagnostic test systems to diagnose critical diseases, as well as to detect various drugs of abuse; point-of-care analyzers and test cassette systems to test blood glucose, cholesterol, and related lipids; over-the-counter tests for cholesterol monitoring; blood analysis systems for blood gas, electrolyte, and metabolite testing; point-of-care diabetes products; disposable and lateral flow rapid diagnostic tests for D-dimer and troponin; and data management systems for point-of-care testing. Its toxicology products and services include various device and reagent platforms to detect the illicit and prescription drugs of abuse; tests to detect alcohol; drug testing products; and workplace drug and laboratory-based testing services. The company markets its professional diagnostic products through its sales force and distribution networks; and First Check consumer drug testing and cholesterol monitoring products through retail drug and food stores, drug wholesalers, and mass merchandisers.	Announced	10,725.2	20.4	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
21/10/2015	Thermomedics, Inc.	Thermomedics, Inc. designs, develops, markets, and distributes non-contact infrared thermometers primarily for healthcare providers. It sells its products primarily to distributors and resellers. The company is based in Delray Beach, Florida. As of August 25, 2016, Thermomedics, Inc. operates as a subsidiary of PositiveID Corporation.	Closed	3.9	14.3	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)

Transaction Announced Date	Target	Target Business Description	Transaction Status	Transaction Value (A\$M)	Implied Enterprise Value / EBITDA (x)	Target Industry	Target Location
23/09/2015	The Braun Corporation	The Braun Corporation designs and manufactures commercial wheelchair vans, sports utility vehicles (SUVs), wheelchair lifts, and ramps for individuals with disabilities. Its wheelchair lifts and accessible vans cover various commercial and public-use applications, including transit buses and motor coaches, school buses, commercial paratransit, cutaway buses, and public-use wheelchair accessible vans. The company sells its products through dealers and distributors worldwide.	Closed	606.1	11.5	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
15/09/2015	Sirona Dental Systems Inc.	Sirona Dental Systems, Inc., together with its subsidiaries, develops, manufactures, and markets dental equipment for dentists worldwide. It operates through four segments Dental CAD/CAM Systems, Imaging Systems, Treatment Centers, and Instruments. The Dental CAD/CAM Systems segment addresses the market for various dental restorations, including inlays, onlays, veneers, crowns, bridges, copings, bridge frameworks, etc. This segment offers the CERamic REConstruction, an in-office application that enables dentists to produce restorations from ceramic material and insert them into the patient's mouth during a single appointment; inLab restoration fabrication systems and the extra-oral inEos scanners for dental laboratories; and central manufacturing services for copings and bridge-frameworks. The Imaging Systems segment provides a range of digital systems for diagnostic imaging in the dental practice, as well as develops various imaging systems for 2D and 3D panoramic and intra-oral applications. The Treatment Centers segment offers a range of products comprising basic dentist chairs and chair-based centers with integrated diagnostic, hygiene, and ergonomic functionalities, as well as specialist centers used in preventative treatment and for training purposes. The Instruments segment provides handheld and power-operated handpieces for cavity preparation, endodontics, periodontology, and prophylaxis; and multi-function tips, supply, and suction hoses, as well as care and hygiene systems for instrument preparation. The company distributes its products to dental practices, clinics, and laboratories through its sales and service infrastructure, and distributors. Sirona Dental Systems, Inc. was founded in 1877 and is headquartered in Long Island City, New York. As of February 29, 2016, Sirona Dental Systems Inc. operates as a subsidiary of DENTSPLY SIRONA Inc.	Closed	7,919.8	16.9	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
14/09/2015	Medical Innovations Group Ltd.	Medical Innovations Group Ltd. designs, develops, and manufactures medical products to medical markets in the United Kingdom, the United States, and internationally. It offers endoscopic accessories, such as detergents, cleaning brushes, biopsy forceps, bite blocks, and protective clothing; nitrile gloves, air/water channel valves, aqua dose single/triple dispensers, automated dosing pumps, and sterile lubricating gels; PPE products; GI accessories, which include forceps and cytology, hemostasis/varices, metal stents, snares, standard GI products, and valves; ERCP products and accessories; and Valve Basket, a single-use lockable basket for safe keeping of reusable endoscope valves during the endoscope cleaning process. The company also offers surgical products comprising patient moving and handling solutions, such as heavy duty rescue and recovery bags, and transfer devices; patient warming and protection products, which include disposable bedding and essentials, emergency kits, and thermal protection products; and surgical accessories. In addition, it provides mobile medical solutions, which include endoscope storage and transportation products, medical equipment carts/accessories, and motorized carts; and custom built range of equipment carts. The company serves hospitals, emergency services, and the military.	Closed	112.1	10.5	Healthcare Equipment and Supplies (Primary)	United Kingdom (Primary)
2/09/2015	Synergetics USA, Inc.	Synergetics USA, Inc., a medical device company, provides precision surgical devices, surgical equipment, and consumables primarily for the ophthalmology and neurosurgery markets in the United States and internationally. The company's product lines focuses upon precision engineered disposable and reusable devices, surgical equipment, procedural kits, and the delivery of various energy modalities, including laser energy, ultrasonic energy, radio frequency energy for electro surgery and lesion generation, and visible light energy for illumination. It offers approximately 1,000 separate catalogue items in the vitreoretinal surgical market, including vitrectomy system under the VersaVIT 2.0 brand; procedural packs under VersaPACK and Core Essentials brands; fiberoptic endoilluminators and endolaser probes; various disposable and reusable devices designed for intraocular manipulation of tissues; illumination equipment under the Photon brand; laser equipment for the United States market under Ellex's Solitaire brand; Volk's line of ophthalmic lenses; Latician's scleral buckles; and other miscellaneous products. The company sells its products directly, as well as through distributors and independent sales representatives to end-users at hospitals, ambulatory surgery centers, and surgeon offices. Synergetics USA, Inc. is headquartered in OFallon, Missouri.	Closed	280.6	18.5	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
31/08/2015	Medi-Lynx Cardiac Monitoring, LLC	Medi-Lynx Cardiac Monitoring, LLC provides arrhythmia diagnostics devices for patients and physicians in the United States. It offers PocketECG that provides cardiac monitoring by analyzing ECG waveform and classifies morphology in real time, as well as includes an interface for streamlined symptom-reporting by patients. The company also provides Heartrak Smart AF device that detects tachycardia, bradycardia, atrial fibrillation, and pauses, as well as stores various events and employs looping memory to capture data before and after activation, which can then be transmitted via telephone line; and Heartrak Smart 2, a monitor that captures symptomatic events. Medi-Lynx Cardiac Monitoring, LLC is based in Plano, Texas.	Closed	48.0	3.6	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
27/07/2015	X-spine Systems, Inc.	X-spine Systems, Inc. is a spinal implant company that develops spinal implants and instrumentation for the treatment of spinal disease worldwide. The company offers cervical products, such as cervical plating systems, cervical allograft interbody spacers, cervical interbody spacer systems, cervical plasma coated PEEK, cervical integrated fusion systems, and cervical plates and screws; cervico-thoracic solutions, including spinal fixation systems; thoracolumbar solutions, such as interspinous fusion systems, anterior lumbar buttress plating solutions, plasma coated PEEK implants, PEEK lumbar systems, spinal facet screw systems, pedicle screw systems, lumbar integrated fusion systems, pedicle screw systems, muscle sparing approaches, minimally invasive pedicle screw systems, and facet fusion systems; sacroiliac joint fusion systems; and biologics, which include amniotic membranes, hydratable demineralized allografts, demineralized bone matrices, and H-shaped cortical allograft blocks. It offers its products through distributors worldwide.	Closed	118.7	11.8	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
22/07/2015	Thoratec Corp.	Thoratec Corporation, together with its subsidiaries, develops, manufactures, and markets proprietary medical devices used for mechanical circulatory support for the treatment of heart failure patients. The company's primary product lines include ventricular assist devices, including HeartMate II, an implantable, electrically powered, continuous flow, left ventricular assist device (LVAD) consisting of a rotary blood pump designed to provide intermediate and long-term mechanical circulatory support (MCS); CentriMag an extracorporeal circulatory support device that provides hemodynamic stabilization in patients in need of cardiopulmonary support. It also offers PediMag and PediVAS extracorporeal full-flow acute surgical support platforms incorporating a polycarbonate pump, based on magnetically levitated bearingless motor technology, designed to provide acute surgical support to pediatric patients. In addition, it provides Thoratec Paracorporeal Ventricular Assist Device (PVAD) an external, pulsatile ventricular assist device (VAD), FDA-approved for bridge-to-transplantation (BTT) and post-cardiotomy myocardial recovery; and Thoratec Implantable Ventricular Assist Device (IVAD) an implantable, pulsatile, VAD, FDA-approved for BTT, including home discharge, and post-cardiotomy myocardial recovery and provides left, right or biventricular MCS The company markets its products through cardiovascular sales specialists and distributors in the United States and internationally.	Closed	4,993.2	48.4	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
13/07/2015	Unilens Vision Inc.	Unilens Vision Inc., through its subsidiary, Unilens Corp. USA, manufactures, markets, distributes, and licenses specialty optical contact lens products. The company offers disposable lenses, custom soft lenses, gas permeable lenses, and replacement and other lenses. Its disposable lenses comprise C-Vue multifocal and C-Vue HydraVue multifocal cast molded blister-packed lenses, as well as C-Vue Aspheric single vision disposable soft contact lens for frequent replacement; C-Vue 1 Day Aspheric single vision daily disposable soft contact lens for one day wear; and silicone hydrogel C-Vue ADDvantage multifocal lens for monthly replacement. The company's custom soft lenses include C-Vue Toric Multifocal for patients with an astigmatism; C-Vue Custom Toric and C-Vue 55 multifocal lens; and C-Vue Advanced Toric multifocal lens and C-VUE Advanced HydraVUE line of silicone hydrogel custom contact lenses for monthly replacement. Its gas permeable lenses product line comprise Unilens GP multifocal contact lens for patients with astigmatism; Unilens GP Plus for higher presbyopic correction; and C-Vue GP, a front aspheric design incorporating the C-Vue design and the C-Ray GP technologies. The company's replacement and other lenses include Unilens aspheric multifocal contact lens; SoftSite highadd multifocal contact lens; SimulVue simultaneous vision bifocal contact lens; Unilens EMA visibility tinted multifocal contact lens; LifeStyle brand of toric multifocal, toric and spherical daily, and extended wear lenses; Sof-Form single vision lenses under the Lombart brand; UniVision aspheric low vision lens; and Aquaflex and SoftCon spherical daily and extended wear brand lenses. Unilens Vision Inc. sells its products to eye care professionals in the United States through independent distributors, manufactures' representatives, and in house sales representatives.	Closed	38.4	14.3	Healthcare Equipment and Supplies (Primary)	United States of America (Primary); Canada

Transaction Announced Date	Target	Target Business Description	Transaction Status	Transaction Value (A\$m)	Implied Enterprise Value / EBITDA (x)	Target Industry	Target Location
9/07/2015	Celsis International Ltd.	Celsis International Ltd. designs and manufactures rapid bacterial detection systems/microbial screening systems for quality control testing needs in biopharmaceutical, home, beauty, dairy, beverage, and food companies. The company offers its products for non-sterile and sterile applications to identify the absence or presence of contaminations. It serves customers through a network of representatives and distribution partners worldwide. The company was founded in 1992 and is based in London, United Kingdom with additional offices in the United States, Germany, and Belgium.	Closed	288.2	14.0	Healthcare Equipment and Supplies (Primary)	United Kingdom (Primary)
18/06/2015	Lumenis Ltd.	Lumenis Ltd., together with its subsidiaries, develops and commercializes energy-based medical systems for use in minimally invasive procedures worldwide. It operates through three segments: Surgical, Ophthalmic, and Aesthetic. The Surgical segment offers surgical laser systems and accessories used for urology/genitourinary and ENT to hospitals, outpatient clinics, ambulatory surgery centers, and medical practices. The Ophthalmic segment sells ophthalmology laser systems and accessories, such as laser links, slit lamp microscopes, laser indirect ophthalmoscopes, physician eye safety filters, surgical laser probes, and others to ophthalmic practices, outpatient clinics, and ophthalmology departments of hospitals primarily for use in retinal treatment and glaucoma/secondary cataract applications, as well as for refractive applications. The Aesthetic segment offers aesthetic laser energy-based systems to physicians primarily for skin treatment and hair removal applications. The company also provides technical training and certification of field service engineers and distributor service personnel; operates communications centers that perform installation, maintenance, and periodic and preventive servicing activities; publishes and controls the technical documentation, including service manuals and technical bulletins; and provides spare parts and logistics channels. It markets its products through a network of third-party distributors, direct sales force, and independent distributors.	Closed	720.3	15.6	Healthcare Equipment and Supplies (Primary)	United States of America
2/03/2015	First Water Limited	First Water Limited designs and manufactures wound dressings and skin adhesives for OEMs. Its product line includes sheet hydrogel dressings, chest seals, hydroactive wound contact dressings, superabsorbent foams, alginate and superabsorbent gel dressings, and foam and superabsorbent gel dressings. The company offers its products for foot care, burns, and cuts and grazes. It serves B2B customers, which include healthcare companies in medical and consumer markets.	Closed	30.0	16.9	Healthcare Equipment and Supplies (Primary)	United Kingdom (Primary)
27/02/2015	Optos plc	Optos plc, a retinal imaging company, provides diagnostic and treatment devices to healthcare professionals worldwide. Its medical devices produce ultra-widefield (UWF), high resolution digital images of approximately 82% of the retina, which provide clinical information by facilitating the early detection, management, and treatment of disorders and diseases evidenced in the retina, such as retinal detachments and tears, glaucoma, diabetic retinopathy, and age-related macular degeneration. The company's retinal devices are also used for the treatment of non-eye diseases, including hypertension and cancers. Its UWF imaging devices include the P200C devices that are designed to serve the need for clinical imaging capabilities within practices that are managing a patient base with ocular disease; 200Tx devices, which offers wavelength imaging, including options for color and red-free fluorescein angiography and autofluorescence. The company also offers Daytona family of UWF retinal imaging devices comprising Daytona, a digital and non-mydiatic UWF scanning laser ophthalmoscope that captures images through 2mm pupils; and Daytona plus that provides eye care professionals with UWF digital images of 200 degrees or up to 82% of the retina in a single and non-contact optomap image, as well as California UWF retinal imaging devices, which features fluorescein angiography, UWF imaging modality, and indocyanine green angiography. In addition, it provides OptosADVANCE image management software solutions for eye care.	Closed	542.9	18.7	Healthcare Equipment and Supplies (Primary)	United Kingdom (Primary); United States of America
25/02/2015	Branch Medical Group, Inc.	Branch Medical Group, Inc. manufactures medical implants and graphic cases. The company offers spinal products, orthopedic products, and sterilization trays. It also provides sterile packaging services. The company was founded in 2005 and is based in Eagleville, Pennsylvania. Branch Medical Group, Inc. operates as a subsidiary of Globus Medical, Inc.	Closed	80.1	7.0	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
30/01/2015	Charter Medical, Ltd.	Charter Medical, Ltd. designs, develops, manufactures, and supplies specialty single-use products to blood transfusion, cell therapy, biotechnology, and pharmaceutical markets. It offers bioprocessing products, including shipping containers, bio-containers, and tank liners; cell therapy products, such as cell expansion and cryogenic storage products; blood transfusion products, including neonatal/pediatric systems, sampling products, blood administration sets, and component processing bags; and blood filtration products, such as foams, felts, and knits.	Closed	38.5	9.1	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
17/12/2014	Volcano Corporation	Volcano Corporation designs, develops, manufactures, and commercializes a suite of precision guided therapy tools worldwide. The company operates in two segments, Medical and Industrial. It offers intravascular ultrasound (IVUS) and fractional flow reserve (FFR) products that enhance the diagnosis and treatment of coronary and peripheral vascular disease by enhancing the efficiency and efficacy of existing diagnostic angiograms and percutaneous coronary interventional and endovascular procedures in the coronary arteries or peripheral arteries and veins. The company's IVUS products include single-procedure disposable phased array and rotational IVUS imaging catheters; and ChromaFlo stent apposition analysis technology that uses sequential IVUS frames to differentiate circulating blood from stationary or anchored tissue. Its FFR products comprise pressure and flow consoles, and single-procedure disposable pressure and flow guide wires, which are used to measure the pressure and flow characteristics of blood around plaque enabling physicians to gauge the plaque's physiological impact on blood flow and pressure. In addition, the company offers adenosine-free Instant Wave-Free Ratio FFR; and SyncVision, which co-registers IVUS with angiography. Further, the company develops and manufactures optical monitors for the telecommunication industry; laser and non-laser light sources; and sub-systems used in spectroscopy and other industrial applications. It sells its products through direct sales force and distributors, as well as through supply and distribution agreements with third parties.	Closed	1,670.1	75.7	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
5/10/2014	CareFusion Corporation	CareFusion Corporation, a medical technology company, provides various healthcare products and services. It offers product lines in the areas of medication management, infection prevention, operating room effectiveness, and respiratory care. The company operates through two segments, Medical Systems and Procedural Solutions. Its primary product brands include Alaris intravenous (IV) infusion systems; Pyxis and Rowa automated medication dispensing and supply management systems; AVEA, Vela, and LTV Series respiratory ventilators; ChlorPrep skin antiseptic products; MaxGuard, MaxPlus, MaxZero, SmartSite, and Textium needle-free IV infusion valves, and administration sets and accessories; PleuX, Achieve, and Temno interventional specialty products; V. Mueller and Snowden-Pencer open surgical and laparoscopic instrumentation; AirLife disposable ventilator circuits and oxygen masks used for providing respiratory therapy; Jaeger and SensorMedics cardiopulmonary diagnostic equipment; Vital Signs single-use consumables for respiratory care and anesthesiology; and MedMined data mining surveillance software and analytics tools to help hospitals identify adverse drug events and healthcare associated infections. The company also offers CareFusion branded ventilation system; and Guardrails, a software application. Its primary customers include hospitals, ambulatory surgical centers, clinics, long-term care facilities, and physician offices in the United States. The company also sells its products to hospitals in approximately 130 countries. It offers its products directly to group purchasing organizations, as well as through integrated delivery networks, wholesalers, and distributors.	Closed	16,351.9	14.1	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
17/09/2014	Surgical Tables Incorporated	Surgical Tables Incorporated designs and manufactures surgical tables. It offers X-ray imaging tables. The company was founded in 2004 and is based in Middleton, Massachusetts.	Closed	3.0	17.6	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
28/08/2014	Corgenix Medical Corp.	Corgenix Medical Corporation is engaged in the research, development, manufacture, and marketing of in vitro diagnostic (IVD) products for use in disease detection and diagnosis in North America and internationally. It provides Microplate Enzyme Linked ImmunoSorbent Assay (ELISA) tests; vascular disease products, such as antiphospholipid antibody testing products; and products that are used in the diagnosis of bleeding and clotting disorders, including von Willebrand's disease (hemophilia B). The company also provides the AspirinWorks test kit, a urine test that measures aspirin dosage; and products for liver disease. In addition, it offers contract manufacturing services to other diagnostic and life science companies, as well as contract product development services to strategic partners and alliances; and purchases and resells IVD products, instruments, instrument systems, and various reagents and supplies. The company manufactures and sells approximately 50 diagnostic products to hospitals, clinical testing laboratories, universities, biotechnology and pharmaceutical companies, and research institutions through a network of sales representatives, independent distributors, and private label agreements. Corgenix Medical Corporation has a strategic collaboration with Tulane University, and other industry and academic partners to develop a group of products to detect viruses identified as potential bio-terrorism agents.	Closed	17.6	20.4	Healthcare Equipment and Supplies (Primary)	United States of America (Primary)
			Average	3,590.9	25.2		
			Median	288.2	16.0		
			Average (excl. outliers)		16.8		
			Median (excl. outliers)		15.3		
			Average (value < A\$50m)	24.1	13.2		
			Median (value < A\$50m)	23.8	14.3		

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PROXY FORM FOR SCHEME OF ARRANGEMENT MEETING TO BE HELD ON 15 NOVEMBER 2017

Your proxy must be received before 10am on 13 November 2017

Please see the reverse for instructions on completing this proxy form

STEP 1 - APPOINTMENT OF PROXY

I/We being a member(s) of Medical Australia Limited and entitled to attend and vote at the meeting of ordinary shareholders to be held at 10.00am on Wednesday 15 November 2017 to consider the Scheme of Arrangement relating to the acquisition by ICU Medical Inc or its nominee of the entire issued capital of the company, hereby appoint

Form for appointing a proxy, including a box for the Chairman of the Meeting and a larger box for the full name of the individual or body corporate.

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 at the meeting of ordinary shareholders of Medical Australia Limited to be held at the Level 16 1 Market Street, Sydney 2000 on 15 November 2017 at 10:00 am and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

STEP 2 - VOTING DIRECTION TO PROXY

Please indicate your directions to your proxy below:

- 1. You can direct your proxy to vote for or against the resolution by placing a tick or a cross in the relevant box.
2. You can direct your proxy to abstain from voting by placing a tick or a cross in the relevant box.
3. You can leave your proxy free to vote as they determine by leaving all three boxes blank.

Please note that the Chairman of the Meeting intends to vote all undirected proxies in favour of the resolution.

Table with 4 columns: Resolution, For, Against, Abstain. Row 1: 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 is approved (with or without modification by the Court).

STEP 3 - SIGNING THE FORM

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Three signature boxes labeled: Individual or Securityholder 1 (Sole Director and Sole Company Secretary), Securityholder 2 (Director), Securityholder 3 (Director/Company Secretary).

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the Company.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting that is at **10:00am on 13 November 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

BY MAIL -
NextRegistries
PO Box H195
Australia Square NSW 1215

IN PERSON -
Next Registries
Level 16
1 Market Street
Sydney NSW 2000 Australia

BY FAX - + 61 2 9251 7138

BY EMAIL - mail@nextregistries.com.au

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.