

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Apiam Enters into Process Deed Regarding Adamantem Proposal

Bendigo, 25 August 2025 – Apiam Animal Health Limited (“**Apiam**” or “**the Company**”) announces that it has entered into a transaction process deed (“**Process Deed**”) with Pepper Bidco Pty Ltd, an entity controlled by Adamantem Capital Fund II, which is managed and advised by Adamantem Capital Management Pty Ltd (“**Adamantem**”) in relation to Adamantem’s non-binding indicative proposal (“**Proposal**”) to acquire all of the shares in Apiam by way of a scheme of arrangement for \$0.88 cash per share (the “**Transaction**”), as announced to ASX on 18 August 2025.

The proposed cash price under the Proposal will be reduced by any dividends or returns of capital made after the date of the Process Deed and prior to implementation, including any FY25 final dividend that may be declared. If the Transaction proceeds, the Board will consider declaring a special dividend in connection with the Transaction. A special dividend would also reduce the proposed cash price but may have the effect of delivering eligible Apiam shareholders, subject to their individual tax position, additional value by way of franking credits.

The Proposal also includes a rollover election which would allow Apiam shareholders to elect to receive part of the consideration in unlisted shares in the acquisition entity, subject to a minimum uptake threshold and a maximum cap which are yet to be determined.

Process Deed

The Process Deed governs the process under which Adamantem will undertake due diligence and provides for the parties to work in good faith towards agreeing and executing a binding scheme implementation deed (“**SID**”) to implement the Transaction.

Under the Process Deed, Adamantem has been granted a period of exclusivity, which commences today and ends on the earlier of 30 Business Days from today or termination of the Process Deed¹ (“**Exclusivity Period**”). During the Exclusivity Period, Apiam will be subject to customary exclusivity restrictions, including “no shop”, “no talk”, “no due diligence” and notification obligations. The Process Deed also includes a matching right regime in respect of Superior Proposals (as defined in the Process Deed). During the first 20 Business Days of the Exclusivity Period, there will be no “fiduciary” exception to the “no talk” and “no due diligence” obligations. Following the conclusion of that “hard” exclusivity period, a fiduciary exception will

¹ Subject to extension by a further 10 Business Days in circumstances set out in the Process Deed.

apply, enabling Apium to engage with unsolicited potentially Superior Proposals from competing acquirers.

A copy of the Process Deed is attached to this announcement. Further details of the Proposal are included in the announcement to ASX on 18 August 2025.

Intention to Recommend

Execution of the Process Deed follows a determination by the Independent Board Committee ("IBC") that it would be in the best interests of Apium shareholders to engage further with Adamantem to further advance the Transaction. The IBC's assessment has been informed by its views of the medium- and long-term outlook for the business, the opportunity for shareholders to realise certain value for their investment and other inbound interest that has been received by the Company from time to time.

The members of the IBC intend, subject to entry into an acceptable SID for the proposed Transaction, to unanimously recommend that Apium shareholders vote in favour of, and to vote or procure that any ordinary shares in Apium in which they have a relevant interest are voted in favour of, the scheme of arrangement in relation to the proposed Transaction in the absence of a Superior Proposal and subject to an independent expert concluding, and continuing to conclude, that the transaction is in the best interests of Apium shareholders. The recommendation to vote in favour of the scheme would be on the basis of the proposed cash consideration (rather than on the basis of any mixed cash/scrip consideration that may be offered).

The Transaction remains subject to a number of conditions, including satisfactory completion of due diligence and the parties' determination to proceed with the Transaction, negotiation and execution of the SID, Apium shareholder and Court approvals, and any required regulatory approvals.

There is no certainty that the Transaction will proceed or that a binding SID will be entered into. Apium shareholders do not need to take any action at this time in relation to the Transaction. The IBC will update shareholders in accordance with its continuous disclosure obligations.

Luminis Partners is acting as financial adviser and Herbert Smith Freehills Kramer is acting as legal adviser to Apium.

— Ends —

For further information, please contact:

Professor Andrew Vizard
Chairman
Apium Animal Health Limited
+61 417 013 486



27-33 Piper Lane East Bendigo 4550; PO Box 2388, Bendigo DC, Vic 3554
P: 03 5445 5999 E: enquiries@apiam.com.au W: apiam.com.au
ACN: 604 961 024

Authorisation

This announcement was authorised by the Independent Board Committee of Apiam Animal Health Limited.

About Apiam Animal Health Limited

Apiam Animal Health Limited is one of Australia's leading rural veterinary businesses made up of more than 80 veterinary clinic sites and additional ancillary business sites. The Company is supported by a strong team of highly experienced veterinarians and other dedicated professionals, employing more than 1000 employees. Apiam's vet clinics, production animal and allied businesses are spread Australia-wide reaching into many regional towns and fast-growing peri-urban areas.

Apiam Animal Health is committed to providing best in class care for its clients, the animals in their care and the communities where people live and work.



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Attachment – Transaction Process Deed

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Transaction Process Deed

Apiam Animal Health Limited
Apiam

Pepper Bidco Pty Ltd
Adamantem

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THIS DEED is made on 24 August 2025

BETWEEN:

- (1) **Apiam Animal Health Limited** (ACN 604 961 024) of 27-33 Piper Lane, East Bendigo VIC 3550 (**Apiam**)
- (2) **Pepper Bidco Pty Ltd** (ACN 689 986 687) of Level 8, 167 Macquarie Street, Sydney NSW 2000 (**Adamantem**)

RECITALS:

- (A) Adamantem, an entity controlled by Adamantem Capital Fund II which is managed and advised by Adamantem Capital Management Pty Ltd, provided Apiam a non-binding indicative proposal dated 15 August 2025 (**NBIO**) in respect of a potential Transaction.
- (B) Each party has agreed to progress the potential Transaction on the terms of this deed.

THE PARTIES AGREE AS FOLLOWS:

1. Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 has the meaning given to it in the Dictionary; and
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2. Due diligence information and access

2.1 Confidentiality Agreement

Nothing in this deed limits or affects the operation of the Confidentiality Agreement in accordance with its terms.

2.2 Provision of due diligence materials

During the Exclusivity Period, Apiam will promptly provide or make available (as applicable) to Adamantem and its Representatives all Requested Due Diligence Materials and all other due diligence materials reasonably requested by Adamantem for the Purpose. Provision of access to premises, officers and employees

During the Exclusivity Period, Apiam will promptly:

- (a) provide Representatives of Adamantem with reasonable access to senior management of the Apiam Group on reasonable prior notice; and

- (b) organise and facilitate arranged visits by Representatives of Adamantem (on reasonable prior notice) to the premises used, leased, licensed or owned by the Apiam Group, as nominated by Adamantem,

provided that such access or meetings are at all times in the presence of a Representative of Apiam.

2.3 **Data room establishment and timing**

Apiam must procure that, as soon as reasonably practicable after the date of this deed, a virtual data room is made available to Adamantem and Representatives of Adamantem nominated by Adamantem, which virtual data room must:

- (a) have a Q&A facility;
- (b) within two Business Days of the date of this deed, be substantially populated with the Requested Due Diligence Materials and Apiam must provide Adamantem with written notice once this has occurred;
- (c) provide for a facility for Adamantem and its Representatives to request further information from Apiam during the Exclusivity Period and track the progress of responses to those requests; and
- (d) be populated with any information reasonably requested under clause 2.3(c) within a reasonable period.

2.4 **Reasonable additional requests**

During the Exclusivity Period, Apiam will respond in good faith and in a timely and fulsome manner to reasonable additional requests for information from Adamantem where such information is for the purposes of assessing or obtaining financing in relation to the Transaction.

2.5 **Limitations on materials and access**

Apiam has no obligation to provide Adamantem with access to materials, premises or personnel under this clause 2 if that access would:

- (a) in Apiam's opinion, acting reasonably, result in unreasonable disruptions to Apiam's business;
- (b) breach any applicable laws; or
- (c) require Apiam to make any disclosure that:
 - (i) would be reasonably likely to compromise legal privilege;
 - (ii) would breach any obligation of confidentiality owed by any Apiam Group member to a third party; or
 - (iii) relates to the Apiam Board's consideration of the Transaction or any Competing Proposal (including any Competing Proposal received before the date of this deed) or any advice received by Apiam in relation to any of these matters.

3. **Implementation Deed and intention to recommend**

3.1 **Announcement**

Each of Apiam and Adamantem acknowledge and agree that upon the signing of this deed by each party, Apiam will make an announcement to the Australian Securities Exchange (**ASX**) in an agreed form with respect to the status of the Transaction and setting out the material terms of the NBIO in respect of a potential Transaction and a copy of this deed will be attached to that announcement.

3.2 **Intention to recommend**

Apiam represents and warrants that as at the date of this deed, each Apiam Director has confirmed that he or she intends, upon entry into the Implementation Deed to:

- (a) recommend to Apiam Shareholders to vote; and
- (b) vote, cause or procure that any ordinary shares in Apiam in which they have a relevant interest are voted,

in favour of the Transaction in respect of which the consideration per ordinary share in Apiam is equal to or greater than the Indicative Offer Price, in the absence of a Superior Proposal and subject to an independent expert concluding (and continuing to conclude) that the Transaction is in the best interests of Apiam Shareholders, it being acknowledged that such a recommendation would be in respect of the cash offer referred to in the NBIO only and not the mixed cash-scrip alternative.

3.3 **Good faith negotiation of an Implementation Deed**

- (a) During the Exclusivity Period, Apiam and Adamantem must negotiate in good faith an Implementation Deed and any other transaction documentation required to implement the Transaction.
- (b) Apiam will provide to Adamantem a first draft of the Implementation Deed as soon as practicable and, in any event, within 10 Business Days, of the date of this deed.
- (c) Adamantem will provide to Apiam a first draft of the Shareholders Deed as soon as practicable and, in any event, within 10 Business Days, of the date of this deed.

3.4 **Commitment of necessary resources**

During the Exclusivity Period, Apiam and Adamantem will commit all reasonably necessary resources (including management and financial, legal and other professional advisory resources) to enable:

- (a) Adamantem to complete its due diligence investigations in relation to the Apiam Group; and
- (b) an Implementation Deed and any other transaction documentation required to implement the Transaction to be prepared, negotiated and finalised,

as expeditiously as possible and in any case before the expiry of the Exclusivity Period.

3.5 **Progress updates**

Adamantem and Apiam must ensure that a meeting is held between a senior representative of each of them to discuss Adamantem's progress in respect of the Transaction on a weekly basis commencing on the date that is 10 Business Days after the date of this deed and thereafter until the end of the Exclusivity Period. Adamantem must, on a weekly basis commencing on the date that is 10 Business Days after the

date of this deed, give Apiam written confirmation whether anything has arisen in its due diligence review that is likely to cause it not to proceed with the Transaction on the terms offered under the NBIO.

3.6 NBIO

Adamantem represents and warrants to Apiam that:

- (a) in preparing and submitting the NBIO to Apiam, Adamantem has reviewed and undertaken due diligence in respect of:
 - (i) material information that has been disclosed to the ASX by Apiam in the 12 months prior to the date of this document; and
 - (ii) the industry in which Apiam operates; and
- (b) Adamantem is not aware of any information that would cause it not to proceed with the Transaction for a consideration that is equal to or greater than the Indicative Offer Price.

3.7 Confirmation

- (a) Adamantem must, (acting reasonably and in good faith), before 5pm on the Hard Exclusivity End Date, give written confirmation to Apiam that it:
 - (i) does not intend to make any variations to the terms offered under the NBIO that would make the Transaction less favourable to Apiam Shareholders; and
 - (ii) confirms its commitment to proceed with the Transaction for consideration that is no less than the Indicative Offer Price.
- (b) If Adamantem does not give the confirmation under clause 3.7(a), the Exclusivity Period will end at 5pm on the Hard Exclusivity End Date and Adamantem's rights under this deed will automatically terminate.

3.8 Dividends

Adamantem acknowledges and agrees that:

- (a) Apiam may declare a final dividend in respect of the 2025 financial year of up to \$0.01 per share (the **FY25 Dividend**);
- (b) Apiam may wish to pay an additional dividend prior to implementation of Adamantem's proposal; and
- (c) subject to further discussion in relation to the funding of an additional dividend, the extent to which it is franked and consideration of tax implications, Adamantem is open to agreeing to payment of a dividend in addition to the FY25 Dividend,

it being acknowledged and agreed by Apiam that the amount of any dividends paid or declared or determined to be paid after the date of the NBIO (including the FY25 Dividend) will reduce the Indicative Offer Price.

3.9 Ceasing to progress Transaction

Adamantem agrees to progress the Transaction in good faith and expeditiously during the Exclusivity Period, and if, during the Exclusivity Period, Adamantem decides to no

longer progress the Transaction or to progress a Transaction in respect of which the consideration payable is equal to or greater than the Indicative Offer Price, it must promptly notify Apiam in writing.

4. **Exclusivity**

4.1 **No existing discussions**

Apiam represents and warrants to Adamantem that as at the date of this deed neither Apiam nor any of Apiam's Representatives, is in any negotiations or discussions, and have ceased any existing negotiations or discussions, with any person in relation to, or which could reasonably be expected to lead to, an actual, proposed or potential Competing Proposal (other than, for the avoidance of doubt, the discussions with Adamantem and its Representatives in respect of the Transaction).

4.2 **No shop**

During the Exclusivity Period, Apiam must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) solicit, encourage, initiate or invite any enquiries, expressions of interest, offers, discussions or proposals in relation to, or which would reasonably be expected to encourage or lead to, a Competing Proposal or which is otherwise reasonably likely to lead to the Transaction not being completed; or
- (b) solicit, initiate or invite approaches, enquiries, expressions of interest, offers, discussions or proposals with a view to obtaining any Competing Proposal,

or communicate to any person any intention to do any of the things referred to in clause 4.2(a) or clause 4.2(b).

4.3 **No talk**

Subject to clause 4.5, during the Exclusivity Period, Apiam must not, and must ensure that its Representatives do not, directly or indirectly:

- (a) negotiate or enter into or participate in or continue any negotiations or discussions with any other person regarding an actual, proposed or potential Competing Proposal or any agreement, understanding or arrangement that would reasonably be expected to encourage or lead to a Competing Proposal or which is otherwise reasonably likely to lead to the Transaction not being completed, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Apiam or any of its Representatives or the person has publicly announced the Competing Proposal; or
- (b) communicate to any person any intention to do any of the things referred to in clause 4.3(a).

4.4 **No due diligence**

- (a) Subject to clause 4.5, during the Exclusivity Period, Apiam must not, and must ensure that none of its Representatives, directly or indirectly:
 - (i) solicit, invite, initiate, or encourage or facilitate or permit, any person (other than Adamantem or any of its Representatives) to undertake due diligence investigations in respect of Apiam, its Related Entities, or any of their business and operations; or

- (ii) make available to any person (other than Adamantem or any of its Representatives) or permit any such person to receive any non-public information relating to Apiam, its Related Entities, or any of their businesses and operations,

in each case in connection with or with a view to obtaining or which would reasonably be expected to encourage or lead to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

- (b) During the Exclusivity Period, Apiam agrees not to waive, and to take such steps as Apiam considers (acting in good faith) appropriate to enforce, any standstill obligations with third parties and any confidentiality obligations owed by third parties to Apiam.

4.5 **Fiduciary out**

Clauses 4.3 and 4.4 do not apply after the Hard Exclusivity End Date to the extent they would restrict Apiam, the Apiam Board or a Representative of Apiam from taking or refusing to take any action with respect to an actual, proposed or potential Competing Proposal (in relation to which there has been no contravention of clauses 4.2, 4.3 or 4.4) provided that the Apiam Board has determined, in good faith after:

- (a) receiving written advice from its financial advisors, that the Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) receiving written legal advice from its external legal advisers experienced in transactions of this nature,

that failing to respond to that Competing Proposal would constitute, or would be reasonably likely to constitute, a breach of the Apiam Board's fiduciary or statutory obligations.

The **Hard Exclusivity End Date** is the date which is 20 Business Days after the date of this deed.

4.6 **Notice of Competing Proposals**

- (a) During the Exclusivity Period, Apiam must promptly (and, in any event, within 48 hours) notify Adamantem in writing of any approach, inquiry or proposal made by any person to it or any of its Representatives in relation to an actual, proposed or potential Competing Proposal (including, for the avoidance of doubt, any request or proposal to which clauses 4.3, 4.4 and/or 4.5 may apply), and as part of that notification will provide all material details of the approach (including the price (or if not cash, implied value), form of consideration, conditions, timing, break fee provisions and other key terms of any Competing Proposal) and the identity of the proponent(s) of any such proposal (to the extent known by Apiam).
- (b) During the Exclusivity Period, Apiam must also notify Adamantem in writing as soon as possible after becoming aware of any material developments in relation to any actual, proposed or potential Competing Proposal, including in respect of any of the information previously notified to Adamantem under clause 4.6(a).

4.7 **Non-public information**

- (a) If any material non-public information about the business or affairs of the Apiam Group is provided or made available to any person in connection with an actual, proposed or potential Competing Proposal by that person which has not

previously been provided or made available to Adamantem, Apiam must promptly, and in any event within 48 hours, provide to Adamantem:

- (i) in the case of written materials, a copy of; and
 - (ii) in any other case, a written statement of,
- that non-public information.

4.8 Matching right

- (a) If Apiam is permitted by virtue of clause 4.5 to engage in any activity that would otherwise breach either of clauses 4.3 or 4.4, Apiam must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal that contains obligations on that person that are, when assessed on an overall basis, on terms no less onerous in any material respect than the obligations of Adamantem under the Confidentiality Agreement.
- (b) If, during the Exclusivity Period, Apiam receives a Competing Proposal, Apiam must not, and must procure that each of its Representatives do not, enter into any legally binding agreement, understanding or commitment in respect of that Competing Proposal (other than a confidentiality agreement) unless each of the following conditions have been satisfied:
 - (i) the Apiam Board, acting in good faith and in order to satisfy its fiduciary or statutory obligations (having received written financial advice and legal advice from its external legal advisers) determines that the Competing Proposal constitutes, or is reasonably likely to result in, a Superior Proposal;
 - (ii) Apiam has provided Adamantem with the material terms and conditions of the Competing Proposal, including price (or implied value), consideration, conditions, timing, break fee provisions and the identity of the third party making the Competing Proposal to the extent known by Apiam;
 - (iii) Apiam has given Adamantem until the Cut Off Date to provide a matching or Superior Proposal to the terms of the Competing Proposal; and
 - (iv) either:
 - (A) Adamantem has not announced or provided to Apiam an Adamantem Counterproposal before the Cut Off Date; or
 - (B) Adamantem has announced or provided to Apiam an Adamantem Counterproposal before the Cut Off Date and the Apiam Board has determined, in good faith, that the Adamantem Counterproposal would not provide an equivalent or superior outcome to Apiam Shareholders as a whole compared with the Competing Proposal.

4.9 Matching or superior Adamantem proposal

If, in accordance with clause 4.8(b)(iv)(B), Adamantem provides to Apiam a proposal (**Adamantem Counterproposal**), Apiam must procure that the Apiam Board considers the Adamantem Counterproposal and determines whether, in good faith, the Adamantem Counterproposal would provide an equivalent or superior outcome to Apiam Shareholders as a whole compared with the Competing Proposal. Following that determination, Apiam must:

- (a) procure that the Apiam Board promptly, and in any event within one Business Day, notifies Adamantem of the determination in writing; and
 - (i) if the determination is that the Adamantem Counterproposal would provide an equivalent or superior outcome to Apiam Shareholders as a whole compared with the Competing Proposal, then for a period of three Business Days after Apiam delivers to Adamantem the notice referred to in clause 4.9(a), Apiam and Adamantem must use their best endeavours to agree:
 - (A) amendments to this deed and any other transaction documentation that are reasonably necessary to reflect the Adamantem Counterproposal; and
 - (B) the transaction documentation required to implement the Adamantem Counterproposal,

as soon as reasonably practicable.

4.10 **Extension of Exclusivity Period**

If before the end of the Exclusivity Period, Adamantem confirms to Apiam in writing that it has completed its due diligence investigations and that it is willing to proceed with a transaction at the Indicative Offer Price in accordance with the NBIO, then the Exclusivity Period will be extended by 10 Business Days from the date it would otherwise have expired. The parties agree that they will act reasonably and in good faith when complying with their obligations under this clause.

4.11 **Acknowledgements**

- (a) Adamantem represents and warrants to Apiam that it would not have entered into this deed without the benefit of this clause 4.
- (b) Apiam represents and warrants to Adamantem that it has received legal advice on this deed and the operation of this clause 4.
- (c) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination in relation to clause 4. Nothing in this clause 4.11(c) prevents a party responding to, or making any submissions in respect of, an application to the Takeovers Panel brought by another person.

5. **General**

5.1 **Termination**

- (a) This deed terminates on the earlier of:
 - (i) the expiry of the Exclusivity Period;
 - (ii) the execution of an Implementation Deed;
 - (iii) either party giving the other party a termination notice with immediate effect after a notification from Adamantem under clause 3.5 or clause 3.9;
 - (iv) when termination under clause 3.7(b) occurs; and
 - (v) Apiam giving Adamantem written notice of termination with immediate effect if Apiam determines, after all of Adamantem's rights under clauses

4.8 and 4.9 have been exhausted, that a Competing Proposal is, or is reasonably likely to result in, a Superior Proposal.

- (b) Clause 1 and this clause 5.1(a) survive the termination of this deed.

5.2 Other

- (a) Each party acknowledges entering into this deed and incurring obligations and giving rights under this document for valuable consideration received from each other party.
- (b) Each party agrees that:
 - (i) this deed is not intended to constitute, and does not constitute, an offer capable of acceptance or to otherwise give rise to a binding contract to proceed with the Transaction;
 - (ii) there is no certainty that the Transaction will proceed; and
 - (iii) this deed does not constitute a proposal to make a takeover bid for the purposes of section 631 of the Corporations Act.
- (c) This deed is governed by the laws of Victoria. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria.
- (d) This deed may only be varied if the parties agree in writing.
- (e) Each party agrees that, to the extent practicable and permitted by law or the rules of any stock exchange, it will consult with the other party as to the form of any public announcement about this deed, the Transaction or the content or existence of negotiations between the parties prior to making any such announcement.
- (f) Unless expressly stated otherwise in this deed, all amounts payable or consideration to be provided under this deed are exclusive of GST. If GST is payable on any supply made under this deed, for which the consideration is not expressly stated to include GST, then subject to receiving a valid tax invoice Apiam agrees to pay to Adamantem an additional amount equal to the GST payable at the same time that the consideration for the supply is to be provided.
- (g) Waiver of any right under or arising from this deed must be in writing and signed by the party giving the waiver, and will not be a waiver of any other right or the same or a similar right where such right arises from another breach. A failure or delay in exercising, or a partial exercise of, a right under or arising from this deed does not result in a waiver of that right (or any part thereof).
- (h) This deed contains the entire agreement of the parties in respect of its subject matter. It sets out the only conduct relied on by the parties and supersedes all earlier conduct by the parties in respect of its subject matter. This deed applies to the extent of any inconsistency between this deed and the Confidentiality Agreement.
- (i) **Costs and duty**
 - (i) Each party must bear its own costs arising out of the negotiation, preparation and execution of this deed.

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- (ii) Unless expressly stated otherwise in this document, all amounts payable or consideration to be provided under this document are exclusive of GST.
- (j) This deed may be executed in any number of counterparts. All counterparts, when taken together, constitute one instrument.
- (k) Any notice, demand, consent, approval or communication under this deed **(Notice)** must be:
 - (i) in writing, in English and signed by a person duly authorised by the sender; and
 - (ii) had delivered or sent by prepaid post or email to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender:

For Apiam:

Post: 27-33 Piper Lane, East Bendigo VIC 3550
 Email: avizard@icloud.com
 Attention: Andrew Vizard

With a copy (for information purposes only) to Philippa Stone and Andrew Rich, Herbert Smith Freehills Kramer by email to philippa.stone@hsfkramer.com and andrew.rich@hsfkramer.com

For Adamantem:

Post: Level 8, 167 Macquarie Street, Sydney NSW 2000
 Email: angus.stuart@adamantem.com.au
 Attention: Angus Stuart

With a copy (for information purposes only) to Neil Pathak/Susannah Macknay, Ashurst by email at neil.pathak@ashurst.com / susannah.macknay@ashurst.com

- (l) A Notice given in accordance with clause 5.2(k) takes effect when taken to be (or at a later time specified in it), and is taken to be received:
 - (i) if hand delivered, on delivery;
 - (ii) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia); and
 - (iii) if sent by email, immediately unless the sender receives a message indicating that the email has not been received by the intended recipient,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00 pm on a Business Day, the Notice is taken to be received at 9.00 am on the next Business Day.

Schedule 1

Dictionary

1.1 Dictionary

In this deed:

Adviser means, in relation to a party, its legal, financial, taxation or other expert adviser.

Adamantem Counterproposal has the meaning set out in clause 4.9.

Apiam Board means the independent board committee of the Apiam Board which has been established to consider the NBIO and other inbound interest received by the Apiam Board, and **Apiam Director** means any member of independent board committee.

Apiam Group means Apiam and its Subsidiaries and **Apiam Group member** means any one of them.

Apiam Share means a fully paid ordinary share in the capital of Apiam.

Apiam Shareholder means a person shown in the register of members of Apiam as the holder of one or more Apiam Shares.

Business Day means a day (other than a Saturday, Sunday or public holiday) when banks in Melbourne and Sydney are open for general banking business.

Competing Proposal means any expression of interest, proposal, offer or transaction which, if entered into or completed in accordance with its terms, would result in any third party (either alone or together with one or more third parties):

- (a) acquiring Voting Power in Apiam of more than 20% or otherwise acquiring a legal or economic interest in more than 20% of the Apiam Shares (including through one or more derivative contracts);
- (b) acquiring Control of or merging with Apiam or a material member of the Apiam Group;
- (c) acquiring, becoming the holder of or having a right to acquire all or a substantial part of the property, or the material assets, of the Apiam Group, or otherwise acquiring a legal or economic interest in all or a substantial part of the property, or the material assets, of the Apiam Group; or
- (d) entering into any agreement, arrangement or understanding requiring Apiam to abandon, or otherwise fail to proceed with, the Transaction,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement or other transaction or arrangement.

Confidentiality Agreement means the confidentiality deed between Apiam and Adamantem dated the date of this document.

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

Cut Off Date means the date that is five Business Days after the date of the provision of the information referred to in clause 4.8(b)(ii).

Exclusivity Period means the period starting on the date of this deed and ending, subject to clause 3.7(b), on the earlier of:

- (a) 30 Business Days after the date of this deed; and
- (b) the termination of this deed.

GST means a goods and services tax, or similar value added tax, levied or imposed in Australia under the GST Law.

Hard Exclusivity End Date has the meaning set out in clause 4.5.

Implementation Deed means an agreement between Apiam and Adamantem (or its Related Entity or nominee) in relation to the implementation of a Transaction under which funds advised by Adamantem (or its Related Entity or nominee) would acquire Apiam for no less than the Indicative Offer Price.

Indicative Offer Price means \$0.88 cash per Apiam Share.

Notice has the meaning set out in clause 5.2(k).

Purpose has the meaning given in the Confidentiality Agreement.

Related Entity means any entity which is related to that party within the meaning of section 50 of the Corporations Act and, in relation to Adamantem, includes any of its related bodies corporate and any acquisition vehicle used for the potential Transaction which is in aggregate at least 50% owned (directly or indirectly) by any of the foregoing.

Representative of a party means an officer, employee, Adviser, consultant or partner of that party or of a Related Entity of that party.

Requested Due Diligence Materials means the due diligence materials set out in the request list provided by Adamantem to Apiam on or before the date of this deed as set out in the NBIO (to the extent they exist and are within the possession or control of the Apiam Group).

Subsidiary of an entity means another entity which is a subsidiary of the first entity within the meaning of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal (in relation to which there has been no contravention of clause 4) which the Apiam Board, acting in good faith, and after taking written advice from its external legal and financial advisers, determines:

- (a) is reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal, and all relevant legal, regulatory and financial matters; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to be more favourable to Apiam Shareholders than the Transaction (or any amended or varied proposal provided by Adamantem to Apiam following application of the matching right set out in clauses 4.8 and 4.9) (**Latest Proposal**), taking into account all aspects of the Competing Proposal and the Latest Proposal, including the identity, reputation and financial condition of the

person making such proposal, legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.

Transaction means the acquisition by a company controlled or managed by Adamantem (or a nominee) of up to 100% of the Apiam Shares by a Apiam Board recommended scheme of arrangement or takeover bid (on terms and conditions set out in the NBIO, including in respect of form of consideration and price, such that the bidder will acquire all of the Apiam Shares on issue for at least the Indicative Offer Price, as adjusted for any dividends made, paid or declared by Apiam as expressly stated in the NBIO).

Voting Power has the meaning given in section 610 of the Corporations Act.

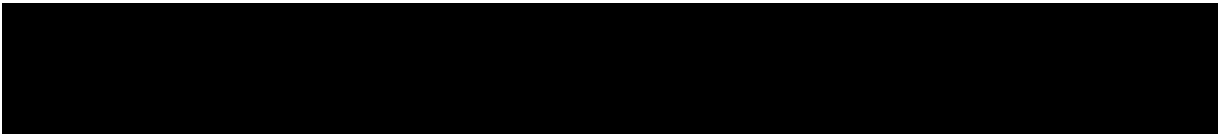
1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) In this deed, unless the context otherwise requires:
 - (i) words importing the singular include the plural and vice versa;
 - (ii) a reference to any thing (including any right) includes a part of that thing but nothing in this clause 1.2(b)(ii) implies that performance of part of an obligation constitutes performance of that obligation;
 - (iii) a reference to a right includes a remedy, power, authority, discretion or benefit;
 - (iv) a reference to an agreement or document is to the agreement or document as amended, varied, supplemented, novated or replaced from time to time, except to the extent prohibited by this deed;
 - (v) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate or entity and includes any government agency;
 - (vi) the expressions "include", "including", "to avoid doubt", "having regard to" and similar expressions are not words of limitation and do not limit what else might be included;
 - (vii) a reference to a clause or a party is a reference to a clause of, or a party to, this deed (as applicable);
 - (viii) a reference to a party to this deed or another agreement or document includes the party's successors and permitted substitutes and assigns (and, if applicable, the party's legal personal representatives);
 - (ix) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
 - (x) a reference to conduct includes an omission, statement and undertaking, whether or not in writing;
 - (xi) a reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement whether or not in writing; and
 - (xii) a reference to time is to time in Melbourne, Australia.

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

Signed sealed and delivered by **APIAM ANIMAL HEALTH LIMITED** in accordance with section 127 of the Corporations Act:



Signature of director

Signature of director/secretary

Andrew Vizard

Evonne Collier

Name

Name

Signed sealed and delivered by **PEPPER BIDCO PTY LTD** in accordance with section 127 of the Corporations Act:

Signature of director

Signature of director/secretary

Name

Name

For personal use only

EXECUTED as a deed.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

Signed sealed and delivered by **APIAM ANIMAL HEALTH LIMITED** in accordance with section 127 of the Corporations Act:

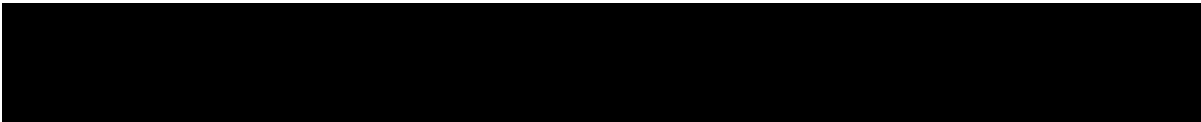
Signature of director

Signature of director/secretary

Name

Name

Signed sealed and delivered by **PEPPER BIDCO PTY LTD** in accordance with section 127 of the Corporations Act:



Signature of director

Signature of director/secretary

Angus Stuart

Antony Rumboll

Name

Name

For personal use only