

# MALLESONS STEPHEN JAQUES

Company Announcements Office  
Australian Stock Exchange

12 February 2008

**Fax 1900 999 279**

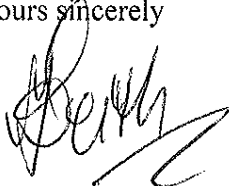
Dear Sir/Madam

**Strides Arcolab Limited - Notice of initial substantial holder in relation to Genepfarm Australasia Limited (ASX Code GAA)**

We act for Strides Arcolab Limited (“Strides”).

On behalf of Strides, and in accordance with section 671B of the *Corporations Act 2001* (Cth), we attach a copy of a notice of initial substantial holder in relation to Genepfarm Australasia Limited dated 12 February 2008.

Yours sincerely



Melanie Beith  
Senior Associate  
Direct line +61 3 9643 4351  
Email [melanie.beith@mallesons.com](mailto:melanie.beith@mallesons.com)

Neil Carabine  
Partner  
Direct line +61 3 9643 4085

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**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Genepharm Australasia LimitedACN/ARSN 52 107 340 367**1. Details of substantial holder (1)**Name Strides Arcolab Limited (incorporated and registered in India) and each of its controlled entities, including Linkace Limited (incorporated and registered in Cyprus) (the Strides Controlled Entities)

ACN/ARSN (if applicable) \_\_\_\_\_

The holder became a substantial holder on 8 / 2 / 2008**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| ORDINARY                | 27,426,114           | 27,426,114         | 19.8%            |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7)                                                                           | Class and number of securities |
|-----------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------|
| Strides Arcolab Limited     | Call Option (relevant interest acquired under s 608(8) by virtue of the agreement attached as Annexure A) | 24,500,000                     |
| Linkace Limited             | Relevant interest acquired through on-market transactions from December 2007 to January 2008              | 2,926,114                      |
| Strides Arcolab Limited     | Deemed relevant interest under s 608(3)                                                                   | 2,926,114                      |

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities            | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|--------------------------------------------|------------------------------------------------|--------------------------------|
| Strides Arcolab Limited     | Genepharm Asia Pacific Enterprises Limited | Genepharm Asia Pacific Enterprises Limited     | 5,040,000                      |
| Strides Arcolab Limited     | Pelaro Trading Limited                     | Pelaro Trading Limited                         | 5,040,000                      |
| Strides Arcolab Limited     | Relio Holdings Limited                     | Relio Holdings Limited                         | 5,040,000                      |
| Strides Arcolab Limited     | Tofino Enterprises Limited                 | Tofino Enterprises Limited                     | 5,040,000                      |
| Strides Arcolab Limited     | Mandriola Investments Limited              | Mandriola Investments Limited                  | 4,340,000                      |
| Strides Arcolab Limited     | HSBC Australia                             | Linkace Limited                                | 2,926,114                      |

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition       | Consideration (9)                                                                                           |          | Class and number of securities |
|-----------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------|----------|--------------------------------|
|                             |                           | Cash                                                                                                        | Non-Cash |                                |
| Strides Arcolab Limited     | 8 /2/ 2008                | NIL (see attached agreement for details of floating exercise price to be paid upon exercise of call option) | -        | 24,500,000 ordinary shares     |
| Strides Arcolab Limited     | 4/ 12/ 2007 - 11/ 1/ 2008 | \$1,013,036.99 AUD                                                                                          | -        | 2,926,114 ordinary shares      |

#### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable)                           | Nature of association                                                                      |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Strides Arcolab Limited and the Strides Controlled Entities | Strides Arcolab Limited is an associate of each Strides Controlled Entity under s 12(2)(a) |

#### 7. Addresses

The addresses of persons named in this form are as follows:

| Name                                                        | Address                                                                              |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Strides Arcolab Limited and the Strides Controlled Entities | 'Strides House', Bilekahalli<br>Bannerghatta Road<br>Bangalore 560 076, India        |
| Genepharm Asia Pacific Enterprises Limited                  | 18 Vasili Michaelide<br>2046 Engomi<br>Nicosia, Cyprus                               |
| Pelaro Trading Limited                                      | 38 Rigenis Street, Office 3E<br>1010 Nicosia, Cyprus                                 |
| Relio Holdings Limited                                      | 18 Vasili Michaelide Street<br>2406 Engomi<br>Nicosia, Cyprus                        |
| Tofino Enterprises Limited                                  | 9A Idipodos Street<br>2063 Strovolos<br>Nicosia, Cyprus                              |
| Mandriola Investments Limited                               | 16 Kyriacou Malsi, Eagle House, 10th Floor<br>1082 AG, Omologites<br>Nicosia, Cyprus |

#### Signature

print name ARUN KUMAR

capacity Director

sign here



date 12 / 2 / 2008

#### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

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## Annexure A: Option Agreement

This is annexure "A" of ~~17~~<sub>18</sub> pages referred to in ASIC Form 603: Notice of initial substantial holder

Company name: Geneparm Australiasia Limited

ACN: 52 107 340 367

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Signed by:



ARUN KUMAR

Date:

12 / 02 / 2008

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# MALLESONS STEPHEN JAQUES

## Heads of Agreement

Dated 8 February 2008

Strides Arcolab Limited (**Optionholder**)

Geneparm Asia Pacific Enterprises Limited  
Pelaro Trading Limited  
Relio Holdings Limited  
Tofino Enterprises Limited  
Mandriola Investments Limited (**Sellers**)

**Mallesons Stephen Jaques**

Level 50  
Bourke Place  
600 Bourke Street  
Melbourne Vic 3000  
Australia  
T +61 3 9643 4000  
F +61 3 9643 5999  
DX 101 Melbourne  
[www.mallesons.com](http://www.mallesons.com)  
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# Heads of Agreement

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# Heads of Agreement

## (Agreement format)

### Details

| Parties                   | Sellers and Optionholder  |                                                                                                        |
|---------------------------|---------------------------|--------------------------------------------------------------------------------------------------------|
| <b>GAPE</b>               | Name                      | <b>Geneparm Asia Pacific Enterprises Limited</b>                                                       |
|                           | Company's Registration No | HE 141748                                                                                              |
|                           | Incorporated in           | Cyprus                                                                                                 |
|                           | Address                   | 18 Vasili Michaelide<br>2046 Engomi<br>Nicosia, Cyprus                                                 |
|                           | Telephone                 | +357 22 662 176                                                                                        |
|                           | Fax                       | +357 22 662 186                                                                                        |
|                           | Attention                 | Ken Lianeas                                                                                            |
|                           | <b>Pelaro</b>             | Name                                                                                                   |
| Company's Registration No |                           | HE 138215                                                                                              |
| Incorporated in           |                           | Cyprus                                                                                                 |
| Address                   |                           | 16 Kyriakos Matsis Avenue, Eagle House, 10 <sup>th</sup> floor, 1082 Ayioi Omoloyites, Nicosia, Cyprus |
| Telephone                 |                           | +357 22 662 176                                                                                        |
| Fax                       |                           | +357 22 662 186                                                                                        |
| Attention                 |                           | Ken Lianeas                                                                                            |
| <b>Relio</b>              | Name                      | <b>Relio Holdings Limited</b>                                                                          |
|                           | Company's Registration No | HE 142795                                                                                              |
|                           | Incorporated in           | Cyprus                                                                                                 |

Address 18 Vasili Michaelide Street  
 2406 Engomi  
 Nicosia, Cyprus

Telephone +357 22 662 176

Fax +357 22 662 186

Attention Ken Lianeas

---

**Tofino** Name **Tofino Enterprises Limited**

Company's Registration No HE 127600

Incorporated in Cyprus

Address 9A Idipodos Street  
 2063 Strovolos  
 Nicosia, Cyprus

Telephone +357 22 662 176

Fax +357 22 662 186

Attention Ken Lianeas

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**Mandriola** Name **Mandriola Investments Limited**

Company's Registration No HE 145224

Incorporated in Cyprus

Address 16 Kyriacou Matsi, Eagle House, 10th Floor  
 1082 AG. Omologites  
 Nicosia, Cyprus

Telephone +357 22 662 176

Fax +357 22 662 186

Attention Ken Lianeas

---

**Optionholder** Name **Strides Arcolab Limited**

Incorporated in India

Address 'Strides House', Bilekahalli  
Bannerghatta Road  
Bangalore 560 076, India  
Telephone (91) 80 - 66580738/739  
Fax (91) 80 - 66580700/800  
Attention Arun Kumar, Managing Director

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**Recitals**      **A**      The Sellers have agreed to grant to the Optionholder a Call Option over the Option Shares on the terms and conditions of this Heads of Agreement.

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**Date of agreement**      See Signing page

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# Heads of Agreement

## General terms

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### 1 Definitions

These meanings apply unless the contrary intention appears:

**Call Option** has the meaning set out in clause 3.1(a).

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

**Dispose** means, in relation to a Share (including the Option Shares) and the Call Option:

- (a) dispose of, or agree or offer to dispose of, a Share (including the Option Shares);
- (b) create, or agree or offer to create, any security interest in a Share (including the Option Shares);
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership of a Share or any legal or equitable rights in relation to a Share (including the Option Shares) or the Call Option (including the granting of any options).

**Exercise Price** means the exercise price per Option Share payable by the Optionholder on exercise of the Call Option, being lower of:

- (a) A\$0.60 per Option Share; and
- (b) the agreed price (if any) per Share issued to the Optionholder by GAA under the Strides Acquisition and notified by the Optionholder to the Sellers in writing,

but, in any event, no lower than A\$0.55 per Option Share.

**GAA** means Genepharm Australasia Limited (ACN 107 340 367).

**GAPE** means Genepharm Asia Pacific Enterprises Limited.

**Mandriola** means Mandriola Investments Limited.

**Option Shares** means the following Shares held by the Sellers:

- (a) 5,040,000 Shares held by GAPE;
- (b) 5,040,000 Shares held by Pelaro;
- (c) 5,040,000 Shares held by Relio;

(d) 5,040,000 Shares held by Tofino; and

(e) 4,340,000 Shares held by Mandriola.

**Pelaro** means Pelaro Trading Limited.

**Related Bodies Corporate** has the meaning it has in the Corporations Act.

**Related Entity** has the meaning it has in the Corporations Act.

**Relio** means Relio Holdings Limited.

**Seller** means each of GAPE, Pelaro, Relio, Tofino and Mandriola and **Sellers** means each of them jointly and severally.

**Shares** means fully paid ordinary shares in the capital of GAA.

**Strides Acquisition** means the transactions described in clause 2.1.

**Strides Acquisition Completion** means the date that the Optionholder first receives any consideration (whether Shares or otherwise) as a result of or in completion of the Strides Acquisition.

**Strides Asia Heads of Agreement** means the Heads of Agreement in relation to the Strides Acquisition between the Optionholder and GAA dated on or about the date of this Heads of Agreement.

**Tofino** means Tofino Enterprises Limited.

**Transaction** means the granting by the Sellers to the Optionholder of the Call Option on the terms and conditions of this Heads of Agreement.

---

## 2 Background

### 2.1 Strides Acquisition

The Optionholder:

- (a) is the ultimate holding company of Drug Houses of Australia (Asia) Pte Ltd ("**DHA**"), a company incorporated in Singapore which conducts a registered pharmaceutical distribution business; and
- (b) has business interests throughout Asia and Australia for the supply of pharmaceutical products ("**Strides Asia Businesses**").

GAA and the Optionholder are pursuing the following proposed transactions in accordance with the Strides Heads of Agreement:

- (a) the proposed acquisition by GAA of all of the issued shares in the capital of the holding company of DHA and of the Strides Asia Businesses in consideration of the issue of new Shares to Strides; and
- (b) a supply and licence agreement between GAA and the Optionholder,

(collectively, the "Strides Acquisition").

## 2.2 Purpose of this Heads of Agreement

Subject to the Strides Acquisition Completion, the Optionholder wishes to have the option to acquire the Option Shares from the Sellers on the terms and conditions of this Heads of Agreement.

---

## 3 Transaction

### 3.1 Transaction

- (a) Subject to the terms and conditions set out in this Heads of Agreement, the Sellers undertake and agree to grant to the Optionholder the right to require the Sellers to sell the Option Shares (subject to customary adjustment provisions in the event that GAA increases or reduces its capital to ensure compliance with Chapter 6 of the Corporations Act - in particular, clause 606(1) of the Corporations Act) ("Call Option") in consideration of payment by the Optionholder of the Exercise Price to the Sellers (the "Transaction").
- (b) The parties acknowledge that, as at the date of this Heads of Agreement, the Optionholder currently has a Relevant Interest (as defined in Section 608 of the Corporations Act) in 2,926,114 Shares (or, approximately 2% of the issued share capital of GAA). The Optionholder agrees and undertakes that, prior to the exercise of the Call Option or termination of this Heads of Agreement (whichever happens earlier), it will not to take any steps to increase its Relevant Interest in GAA other than by virtue of the transactions contemplated by the Strides Asia Heads of Agreement or this Heads of Agreement.

### 3.2 Transaction Documents

The parties agree that the terms and conditions of the Transaction may be set out in definitive call option agreements between the Optionholder and Sellers (Transaction Documents).

### 3.3 Condition to the Call Option

- (a) The parties agree that the Call Option and any Transaction Documents in respect of the Call Option are conditional upon Strides Acquisition Completion. The parties further agree that this condition is for the benefit of the Optionholder and, subject to any applicable laws, may be waived by the Optionholder at any time by notice given to the Sellers.
- (b) The parties acknowledge and agree that the Strides Acquisition is conditional upon, amongst other things:
  - (i) the Treasurer (or his delegate) has provided unconditional written advice that there are no objections under Australia's foreign investment policy to the Transaction; or

- (ii) following notice of the Transaction having been given by the Optionholder to the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cwlth), the Treasurer has ceased to be empowered to make any order under Part II of that Act because of lapse of time,

and that the notice to be sent to the Treasurer in respect of the Strides Acquisition will include reference to the Transaction.

The Optionholder must use all reasonable endeavours to ensure that this clause 3.3 ("Condition to the Call Option") is satisfied as soon as possible after the date of this Heads of Agreement, and must keep the Sellers informed of any circumstances which may result in this clause not being satisfied in accordance with its terms. The Optionholder must immediately notify the Sellers following the satisfaction of this clause.

### 3.4 Call Option

Subject to the terms and conditions of this Heads of Agreement, the parties agree that:

- (a) **(no fee)** there is no fee payable for the grant of the Call Option;
- (b) **(option certificates)** option certificates in definitive form evidencing the Call Option issued pursuant to this Heads of Agreement will be executed by the Sellers;
- (c) **(notice to exercise)**
- (i) the Optionholder may exercise the Call Option by giving notice to the Sellers; and,
- (ii) on exercise of the Call Option, the Sellers agree to sell and transfer (or procure the sale and transfer) the Option Shares to the Optionholder, and the Optionholder agrees to purchase from the Sellers the Options Shares for the Exercise Price, on the terms of the Transaction Documents;
- (d) **(mandatory exercise)** the Optionholder must exercise the Call Option as soon as practicable following Strides Acquisition Completion;
- (e) **(deemed exercise)** if paragraph (d) above applies and the Optionholder has not exercised the Call Option before midnight on the date of the Strides Acquisition Completion, then the Optionholder will be deemed to have given the relevant exercise notice to the Sellers under clause 3.4(c) and the Call Option will be deemed to have been exercised;
- (f) **(escrow)** the Optionholder must deposit the Exercise Price for the Option Shares in respect of the Call Option with an escrow agent on the business day following GAA obtaining shareholder approval for the Strides Acquisition, and the escrow arrangements must include a

requirement that the escrow agent release the funds relating to the Call Option to the Sellers upon receipt from either party of:

- (i) documentary evidence that the Call Option has been exercised (or is deemed to have been exercised); and
- (ii) share transfer forms executed by the Sellers under which the Shares that are the subject of the exercised Call Option are transferred to the Optionholder,

and the Sellers must agree to all steps required for the Option Shares to be subject to a holding lock or restrictions satisfactory to the Optionholder; and

- (g) At the time of release of the funds to the Sellers, the escrow agent must also release the executed share transfer forms to the Optionholder.

### 3.5 Termination

Without limiting any other provision of the Heads of Agreement, this Heads of Agreement:

- (a) may be terminated by the Optionholder if a Seller breaches a material term of this Heads of Agreement (including, without limitation, clause 5.1 ("Restriction on disposal")) and does not cease the conduct within three business days following written notice from the Optionholder;
- (b) may be terminated by the Sellers at any time after 30 June 2008 if the notice of meeting in respect of the GAA shareholder meeting required to approve the Strides Acquisition is not issued to GAA shareholders on or before 31 May 2008; and
- (c) will automatically terminate if the Call Option has not been exercised by 31 July 2008 or such later date as the parties otherwise agree.

Where a party has a right to terminate this Heads of Agreement, that right for all purposes will be validly exercised if a party delivers a notice in writing to the other party stating that it terminates this Heads of Agreement. In the event that this Heads of Agreement is terminated, then all further obligations of the parties under this Heads of Agreement, other than the obligations set out in clauses 6.2 ("Confidentiality") and 6.5 ("Costs") will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause releases any party from liability for any breach of this Heads of Agreement.

---

## 4 Transaction Documents

### 4.1 Best endeavours

- (a) The parties agree to use best endeavours and to act in good faith to negotiate, conclude and enter into the Transaction Documents.

Notwithstanding any other provision in this Heads of Agreement, the parties agree that their respective obligations as set out in this Heads of Agreement continue to apply irrespective of whether the parties use best endeavours to negotiate, conclude, enter into and complete the Transaction Documents.

- (b) Each party must co-operate with, and comply with all reasonable requests of the other party for the purposes of procuring the satisfaction of the condition set out in clauses 3.3 ("FIRB approval") of this Heads of Agreement.

#### 4.2 Restraint

The parties agree that the Transaction Documents will include provisions restraining Sellers, their Related Entities, shareholders, employees and agents from carrying out any of the following activities in Australia:

- (a) soliciting any customer or employee of GAA or any of its Related Bodies Corporate ("**GAA Group**") in respect of any business activity; or
- (b) establishing or operating any business or activity of selling products,

which is the same as, similar to or otherwise (directly or indirectly) in competition with the businesses operated by the GAA Group within Australia for a period of 2 years after the date of exercise of the Call Option.

#### 4.3 Warranties, undertakings and indemnities

The parties agree that the Transaction Documents will include comprehensive warranties, indemnities and undertakings customary in transactions of this type, including, without limitation:

- (a) (**warranties**) warranties from each of the Sellers that:
  - (i) (**registered owner**) the Sellers are the registered owners of the Option Shares and the Sellers are the sole beneficial owners of the Option Shares;
  - (ii) (**no encumbrances**) there are no mortgages, charges, pledges, liens, encumbrances or other security interests over or affecting the Option Shares;
  - (iii) (**Option Shares are fully paid**) the Option Shares are fully paid;
  - (iv) (**no restrictions on transfer etc**) there is no restriction on the sale, or transfer of the Option Shares to the Optionholder; and
  - (v) (**valid title on exercise**) on exercise of the Call Option, the Optionholder will receive valid and marketable title to the Option Shares; and

- (b) (**indemnities**) the Sellers will indemnify the Optionholder against all liabilities and loss which may be incurred as a direct or indirect result of a breach of warranty under the Transaction Documents;
- (c) (**undertakings**) undertakings from the Sellers that, on exercise of the Call Option:
- (i) the Sellers will execute and deliver all necessary documents and give all necessary instruments to ensure that all right, title and interest in the Option Shares passes from the Sellers to the Optionholder;
  - (ii) the Sellers will procure that the Option Shares are transferred free from any mortgages, charges, pledges, liens, encumbrances or other security interests attaching or accruing to them; and
  - (iii) the Option Shares issued to the Optionholder will rank equally in all respects with all existing Shares in GAA.

---

## **5 Exclusivity and voting**

### **5.1 Restriction on disposal**

The Sellers agree and undertake not to Dispose of, or negotiate with a third party to Dispose of, all or any of the Option Shares the subject of the Call Option until 6 months after the date of this Heads of Agreement.

### **5.2 Voting**

The Sellers acknowledge and agree that in accordance with item 7 of section 611 of the Corporations Act, at a general meeting of GAA convened to approve the Strides Acquisition, they cannot vote in favour of the Strides Acquisition Resolution.

### **5.3 Damages not sufficient remedy for breach**

The Sellers acknowledge that:

- (a) the restrictions in clause 5 (“Exclusivity and voting”) are reasonable and necessary in the circumstances to protect the interests of the Optionholder; and
- (b) damages are not an adequate remedy to compensate the Optionholder if the Sellers breach this clause 5 (“Exclusivity and voting”).

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## **6 Miscellaneous**

### **6.1 Announcement**

On the date on which this Heads of Agreement is executed, the parties agree that Strides may release a public announcement that includes the agreed paragraphs set out in Schedule 1.

### **6.2 Confidentiality**

All information exchanged between the parties under or in connection with this Heads of Agreement or during the negotiations preceding this Heads of Agreement is confidential to them and may not be disclosed to any person except:

- (a) to employees, legal advisers, auditors or other consultants of the party or its Related Bodies Corporate requiring the information for the purposes of this Heads of Agreement or implementing the Transaction;
- (b) with the written consent of the party who supplied the information;
- (c) if required by law;
- (d) if strictly and necessarily required in connection with legal proceedings related to this Heads of Agreement; or
- (e) if the information is generally and publicly available other than as a result of a breach of confidence by the person receiving the information.

### **6.3 Binding Heads of Agreement**

- (a) The parties agree that the signing of this Heads of Agreement will constitute a legal and binding agreement between the parties in accordance with its terms. The parties acknowledge that this agreement is entered into in consideration of the parties incurring obligations and giving rights under this Heads of Agreement and for other valuable consideration.
- (b) The parties agree to do everything within their power to assist with completion of the Transaction.

### **6.4 Governing law**

This agreement is governed by the law in force in Victoria, Australia.

### **6.5 Costs**

Each party is responsible for its own costs in connection with the negotiation and preparation of this agreement and completion of the Transaction.

**6.6 Remedies cumulative**

The rights, powers and remedies provided in this Heads of Agreement are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this Heads of Agreement.

**6.7 Severability**

If the whole or part of a provision of this Heads of Agreement is void, unenforceable or illegal in Australia, it is severed to the extent it is void, unenforceable or illegal. The remainder of this Heads of Agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

**6.8 Representations and warranties**

Each party represents and warrants to the other that:

- (a) it has all the power to enter into and perform its obligations under this Heads of Agreement and has obtained all necessary consents and corporate authorisations to do so; and
- (b) this Heads of Agreement does not contravene its constituent documents or any obligation by which it is bound.

**6.9 Counterparts**

This Heads of Agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

**EXECUTED** as a deed.

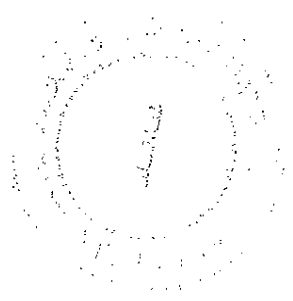
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# Heads of Agreement

## Signing page

DATED: 8/2/08

EXECUTED by **GENEPHARM ASIA  
PACIFIC ENTERPRISES LIMITED** by  
being signed by those persons who are  
authorised to sign for the company:



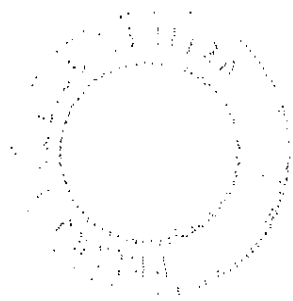
Georgia Vasiliou Director

Georgia Vasiliou Full name

CHANTECLAIR SECRETARIAL LIMITED Director (or Company Secretary)

Chanteclair Secretarial Limited Full name

EXECUTED by **PELARO TRADING  
LIMITED** by being signed by those persons  
who are authorised to sign for the company:



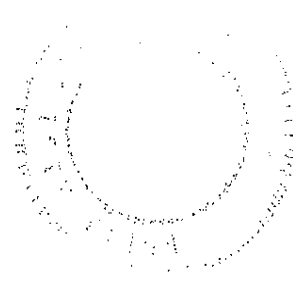
Vanna Alexandrou Director

Vanna Alexandrou Full name

Georgia Vasiliou Director (or Company Secretary)

Georgia Vasiliou Full name

EXECUTED by **RELIO HOLDINGS  
LIMITED** by being signed by those persons  
who are authorised to sign for the company:



Christalla Traynidou Director

Christalla Traynidou Full name

THEMIS SERVICES LIMITED Director (or Company Secretary)

Themis Services Limited Full name

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For personal use only

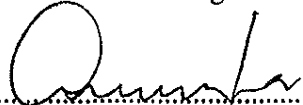
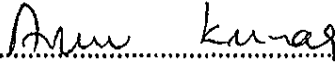
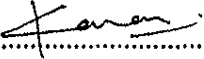
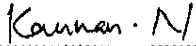
**EXECUTED by TOFINO** )  
**ENTERPRISES LIMITED** by being )  
signed by those persons who are authorised )  
to sign for the company: )

..... Director  
..... Full name  
..... Director (or Company Secretary)  
..... Full name

**EXECUTED by MANDRIOLA** )  
**INVESTMENTS LIMITED** by being )  
signed by those persons who are authorised )  
to sign for the company: )

..... Director  
..... Full name  
..... Director (or Company Secretary)  
..... Full name

**EXECUTED by STRIDES ARCOLAB** )  
**LIMITED** by being signed by those persons )  
who are authorised to sign for the company: )  
)

  
..... Director  
  
..... Full name  
  
..... Director (or Company Secretary)  
  
..... Full name

# Heads of Agreement

## Schedule 1 - Agreed paragraphs

*Paragraph for release to the Australian Stock Exchange:*

### **Strides to become a strategic shareholder**

On Friday 8 February, Strides announced to the Bombay Stock Exchange and National Stock Exchange of India Limited that it has acquired a relevant interest of approximately 19.8% in Genepharm. A 2.1% stake was acquired last year via on-market purchases, with the balance acquired by way of a share acquisition arrangement over 17.7% of Genepharm's existing shares currently held by the Genepharm Group of Companies based in Cyprus. Genepharm understands that this share acquisition arrangement is only subject to Strides obtaining Foreign Investment Review Board ("FIRB") approval, and that the option under that agreement will be exercised if the proposed acquisition of Strides' Australian and Asian businesses is approved by Genepharm shareholders.

*Paragraphs for release to the Bombay Stock Exchange:*

- ❖ Strides has acquired a relevant interest over 17.7% of the issued shares in ASX-listed Genepharm under a share acquisition agreement with a group of Genepharm shareholders based in Cyprus that are associated with Genepharm's largest shareholder, Genepharm Asia Pacific Enterprises Limited ("GAPE Transaction"). When added to the existing 2.1% of Genepharm shares over which Strides currently has a relevant interest, the GAPE Transaction takes Strides' total relevant interest in Genepharm issued shares to approximately 19.8%.

### **Proposed Shareholding**

- A. Strides has acquired a relevant interest over 17.7% of the issued shares in Genepharm under the GAPE Transaction. When added to the existing 2.1% of Genepharm shares over which Strides currently has a relevant interest, the GAPE Transaction takes Strides' total relevant interest in Genepharm issued shares to approximately 19.8%.