

ASX Announcement

08 October 2021

2021 Annual General Meeting – Notice of Meeting

Attached is the Notice of Meeting and Proxy Form in respect of the 2021 Annual General Meeting (**AGM**) for Estia Health Limited (**Estia Health**) (ASX:EHE) which is being held as a virtual event on Thursday 11 November 2021 at 1.00pm AEDT.

Details on how to participate in the AGM are outlined in the Notice of Meeting and in the Online Meeting Guide. These documents are available at investors.estiahealth.com.au/agm.

The Annual Report for the year ended 30 June 2021 is available at <https://investors.estiahealth.com.au/investor-centre/?page=annual-reports>.

Approved for release by the Board of Estia Health Limited.

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Further Enquiries:

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Estia Health Limited

ACN 164 350 387

Notice of Annual General Meeting

Thursday, 11 November 2021, at 1.00pm (AEDT)

For personal use only

Participation in the AGM

The Annual General Meeting (AGM) of Estia Health Limited (**Estia Health**) will be held on Thursday 11 November 2021 commencing at 1.00pm (AEDT).

To make the meeting as accessible as possible for all Shareholders, we are offering the following options.

Shareholders can participate in the AGM in the following ways:

Before the AGM

AGM Notice of Meeting

Access online at
investors.estiahealth.com.au/agm

Request a hard copy of the Notice of Meeting by phone +61 1300 554 474 or email registrars@linkmarketservices.com.au

Vote or appoint proxy

Return the hard copy Proxy Form or vote online at
vote.linkmarketservices.com/EHE
To be valid, your proxy appointment must be received by **1.00pm AEDT on Tuesday 09 November 2021**

Ask a question

Submit questions online at
vote.linkmarketservices.com/EHE
by 5.00pm on Friday 05 November 2021

At the AGM

Join online

- Enter **agmlive.link/EHE21** into a web browser
- Enter your name, phone number, email and company name (if applicable) and select 'Continue' to register
- If you are a Shareholder, enter your SRN/HIN (located on the top of your Proxy Form or Dividend Statement) and postcode
- If you are a proxy, enter the code that Link will email to you 12 hours before the AGM

Vote online

- Only Shareholders, proxyholders, body corporate representatives or attorneys can vote.
- Once you have registered via the portal, your voting card will appear on your screen
 - Voting will open at the start of the AGM
 - Select 'Get a Voting Card' to vote

Ask a question online

- Only Shareholders, proxyholders, body corporate representatives or attorneys can ask questions.
- Click on the 'Ask a Question' box at the top or the bottom of the webpage
 - Select the Resolution to which your question relates from the 'Regarding' menu and type your question
 - Questions will be read aloud verbatim at the AGM

Attend and ask questions by telephone

If you wish to ask a question or make a comment orally rather than via the online platform, you can participate in the AGM via telephone. Only Shareholders, proxyholders, body corporate representatives or attorneys can listen to the AGM and ask questions. Further, it will not be possible to vote by telephone. To utilise the telephone option please call Link on +61 1800 990 363 **by 1.00pm AEDT on Tuesday 09 November 2021** to register your participation and obtain the required access code.

Once registered, you will then be able to ask a question at the Meeting by:

- Pressing *1 on your keypad
- When it is time to ask your question, the moderator will introduce you to the Meeting, your line will be unmuted and you can then start speaking
- Your line will be muted once your question is answered

Please refer to the Online Meeting Guide at **investors.estiahealth.com.au/agm** for further details about attending via the online portal. If you need assistance, please call +61 1800 990 363.

Chair's message

08 October 2021

Dear Estia Health Shareholder,

On behalf of the Board, I am pleased to invite you to attend the AGM of Estia Health Limited which will be held on Thursday 11 November 2021 commencing at 1.00pm (AEDT).

Due to the uncertainty of restrictions imposed by the Commonwealth and State Governments as a result of the COVID-19 pandemic, the meeting will be held as a virtual-only event.

All Estia Health Shareholders can participate in the AGM through the online platform at **agmlive.link/EHE21**. Details on how to join online are set out in the attached Notice of Meeting and in the Online Meeting Guide which are available on our website at **investors.estiahealth.com.au/agm**.

Shareholders participating in the AGM through the online platform or by telephone will have the opportunity to submit and ask questions of the Board and Estia Health's external auditors during the AGM. If you would like to ask a question prior to the AGM, please do so through our Share Registry at **vote.linkmarketservices.com/EHE**.

Please read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Voting/Proxy Form and consider how to vote on each resolution related to the items of business of the AGM.

I encourage you to read our 2021 Annual Report which provides a detailed overview of business performance last year, which can be found at **investors.estiahealth.com.au/agm**.

Thank you for your continued support of Estia Health. I look forward to the opportunity to provide you with a progress update and to hear your views at our AGM.

Yours sincerely,



Dr Gary Weiss AM
Chair

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM**) of Shareholders of Estia Health Limited (**Estia Health** or **Company**) will be held as a virtual-only event on Thursday 11 November 2021 (**Meeting**) at 1.00pm AEDT. Shareholders can participate in the Meeting via the online platform at agmlive.link/EHE21, or via telephone.

The Explanatory Memorandum accompanying this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Voting Procedures and the Voting/Proxy Form comprise part of this Notice.

Items of business

Item 1: Financial statements and reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2021.

All Shareholders can view the Annual Report, which contains the Financial Report for the year ended 30 June 2021, at investors.estiahealth.com.au/agm.

Item 2: Remuneration Report

To consider and, if thought fit, pass the following as an advisory resolution of the Company:

"To adopt the Remuneration Report for the year ended 30 June 2021."

Notes:

- (i) In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- (ii) A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

Item 3: Re-election of Ms Karen Penrose

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

"That Ms Karen Penrose, being a Director who is retiring in accordance with clause 10.3 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible, offers herself for re-election, be re-elected as a Director of the Company."

Item 4: Re-election of Ms Norah Barlow ONZM

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Ms Norah Barlow ONZM, being a Director who is retiring in accordance with clause 10.3 of the Company’s Constitution and ASX Listing Rule 14.4, and being eligible, offers herself for re-election, be re-elected as a Director of the Company.”

Item 5: Grant of Long Term Incentive Performance Rights to Mr Ian Thorley, Chief Executive Officer and Managing Director

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant and issue of 335,051 Performance Rights to Mr Ian Thorley, , the Chief Executive Officer and Managing Director of the Company, and the subsequent issue of Shares on the vesting of those Performance Rights, under the Company’s equity incentive plan and on the terms and conditions set out in the Explanatory Memorandum.”

Note: A voting exclusion applies to this resolution (see Explanatory Memorandum for details).

Item 6: Amendments to Constitution

To consider, and if thought fit, pass the following as a special resolution of the Company:

“That, the Constitution of the Company be amended in the manner set out in the Explanatory Memorandum, with effect from the close of the Meeting.”

Voting Procedures

All resolutions will be by poll

In accordance with the Company's Constitution (**Constitution**), the Chair intends to demand a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll. The Chair considers voting by poll to be in the interests of Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

Entitlement to vote

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7.00pm (AEDT) on Tuesday 09 November 2021 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to vote at the Meeting.

How to vote – before the AGM

Direct vote – using the Voting/Proxy Form

In accordance with clause 9.22 of the Constitution, Shareholders are able to vote directly on resolutions considered at the Meeting **at any time between the date of this Notice of Meeting and 1.00pm (AEDT) on Tuesday 09 November 2021** by returning the hard copy Voting/Proxy Form or by voting online (further details below).

If you lodge a direct vote you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf.

The Estia Health Direct Voting Regulations governing direct voting are available on the Estia Health website at www.estiahealth.com.au (under Investors). By submitting a direct vote, you agree to be bound by the Estia Health Direct Voting Regulations.

Appointment of Proxy

A Shareholder who is entitled to vote at this Meeting is entitled to appoint not more than two proxies to vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2 and 5 (see the Explanatory Memorandum below):

- If a Shareholder has not directed their proxy how to vote on Items 2, or 5, the proxy may vote as the proxy determines; and
- If a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting.

Submitting your Voting/Proxy Form

To be valid, a Voting/Proxy Form must be received by the Company in the manner set out in this Notice.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast in person, is conclusive and the Company reserves the right to declare invalid any Voting/Proxy Form not received in this manner.

For your proxy or direct vote prior to the AGM to be effective, your completed Voting/Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy holder is signed by an attorney) with the Company's Share Registry, Link Market Services, no later than 1.00pm (AEDT) on Tuesday 09 November 2021 (**Proxy Deadline**). After this time, you will still be able to lodge your direct vote during the AGM by submitting your direct vote using the online platform.

Voting/Proxy forms may be submitted in one of the following ways:

- | | |
|--------------------------|--|
| Online: | Via the Company's Share Registry at vote.linkmarketservices.com/EHE . You will need your Securityholder Reference Number (SRN) or Holding Identification Number (HIN) and postcode for your shareholding. |
| Mobile device: | Using a mobile device by scanning the QR code on the back of the Voting/Proxy Form. You will also need your SRN or HIN and postcode for your shareholding. |
| By post: | Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline. |
| By fax: | (02) 9287 0309 (within Australia), +61 2 9287 0309 (from outside Australia). |
| By hand delivery: | Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000. |

Voting/Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

Power of Attorney

A proxy appointment and the original power of attorney (if any) under which the proxy appointment is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than the Proxy Deadline.

How to vote – during the AGM

Direct vote – using the online platform

Shareholders can vote directly using the online platform (agmlive.link/EHE21) at any time between the commencement of the AGM (1.00pm AEDT on Thursday 11 November 2021) and the close of voting as announced by the Chair during the AGM.

Shareholders will be able to cast their vote using the electronic voting card received after clicking the 'Get a Voting Card' button. If you have more than one shareholding, continue to click on 'Get a Voting Card' to receive cards for each of your holdings. Shareholders can then choose to vote at any time during the meeting. A change can be made to your vote at any time while voting remains open. Once you submit your voting card, you will be unable to change it. Any cards not submitted by the close of voting will be automatically submitted.

More information about how to use the online platform, including how to vote and ask questions online during the AGM, is available in the Online Meeting Guide which has been lodged with the ASX and is available at our investors.estiahealth.com.au/agm. If you intend to use the online platform, we recommend that you check to ensure the online platform works on your device before the AGM.

Proxy Voting by the Chair

For Item 2 (Remuneration Report) and Item 5 (Grant of Performance Rights to the Chief Executive Officer and Managing Director), where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Items 2 and 5 the Shareholder is directing the Chair to vote in accordance with the Chair's voting intentions for these items of business, even though Items 2 and 5 are connected with the remuneration of Key Management Personnel (KMP).

The Chair intends to vote all undirected proxies **in favour** of the resolutions in the Notice of Meeting, including Items 2 and 5.

Questions from Shareholders

Before the AGM

Shareholders can submit questions in advance of the AGM via the Share Registry website at vote.linkmarketservices.com/EHE.

Please submit any questions by 5.00pm on Friday 05 November 2021.

Questions will be collated and the Chair and/or the Chief Executive Officer will seek to address as many of the frequently raised topics as possible during the AGM. Please note that individual response will not be sent to Shareholders.

During the AGM

Shareholders will be able to submit questions or comments at any time during the Meeting:

- If attending online: by using the 'Ask a Question' tab on the screen. We encourage you to ask your questions as early as possible in the Meeting. The questions will be read out to the Meeting verbatim on your behalf.

- If attending by telephone (once registered via the process described earlier in this Notice and in the Online Meeting Guide): by pressing *1 on your handset. When it is time to ask your question, the moderator will introduce you to the Meeting, your line will be unmuted and you can then start speaking. Your line will be muted once your question is answered

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'L. Ralph', with a stylized flourish at the end.

Leanne Ralph
Company Secretary
08 October 2021

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in relation to the business to be conducted the Company's AGM to be held on Thursday, 11 November 2021.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote on the resolutions.

Subject to the abstentions noted below in respect of each resolution, the Board recommends that Shareholders vote in favour of all resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

The resolutions in Items 3, 4 and 5 require a simple majority of votes cast by Shareholders entitled to vote on the resolution. The resolution in item 6 is a special resolution requiring greater than 75% approval. The resolution in Item 2 relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Item 1: Financial statements and reports

As required by section 317 of the Corporations Act the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented at the Meeting. The Financial Report contains the financial statements of Estia Health Limited and its subsidiaries.

There is no requirement for a formal resolution on this Item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company, and to ask questions about, or make comments on, the Remuneration Report. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Ernst & Young (EY), questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the financial year ended 30 June 2021, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of EY in relation to the conduct of the audit.

Shareholders may submit written questions to the Company in relation to the above matters and the way to do this is outlined earlier in this Notice.

Item 2: Remuneration Report

The Company has prepared a Remuneration Report for consideration and adoption by Shareholders. The Remuneration Report in the Company's Annual Report for the year ended 30 June 2021 sets out the remuneration policies of the company and reports on the remuneration arrangements and outcomes for Key Management Personnel, including the directors and executives of the Company. The 2021 Annual Report is available at investors.estiahealth.com.au/agm.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments from Shareholders when considering the Company's remuneration policies.

Board recommendation

The Board recommends that Shareholders vote FOR of the Resolution in Item 2.

Voting Exclusion

The Company will disregard any votes cast on Item 2 by, or on behalf of:

- (a) any member or a former member of the KMP whose remuneration details are disclosed in the Company's 2021 Remuneration Report, or
- (b) A Closely Related Party of such a KMP,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 2 because the Company's proxy appointment expressly authorised the Chair of the Meeting to exercise undirected proxies even though the Item is connected with the remuneration of a member of the Company's KMP.

What this means for Shareholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct her how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

Items 3 and 4: Re-election of Directors

In accordance with the Company's Constitution and the ASX Listing Rules, an election of Directors must be held at each annual general meeting.

Clause 10.3(a) of the Constitution and ASX Listing Rule 14.4 states that a Director must not hold office without re-election past the third annual general meeting following the Director's appointment or last election date, or for more than three years whichever is the longer. Clause 10.3(c) states that the rotation of Directors does not apply to one Managing Director, who is exempt from retirement and re-election.

Ms Karen Penrose and Ms Nora Barlow ONZM were last re-elected by Shareholders at the annual general meeting held on 29 November 2018 and therefore are obliged to retire at the Meeting by virtue of ASX Listing Rule 14.4 and clause 10.3 of the Constitution and are offering themselves for re-election.

The election of each of the candidates must be considered and voted on as a separate resolution. Details of the candidates are outlined below.

Item 3 – Re-election of Ms Karen Penrose

Ms Karen Penrose has been a Director of the Company since 17 October 2018 and during this time has been a valuable member of the Board.

Ms Penrose is an experienced Company Director who has served as a full-time Non-executive Director since 2014 on the boards of ASX listed companies across the financial services, aged care, healthcare, resources and infrastructure sectors.

Ms Penrose executive career was in leadership and CFO roles, mainly in financial services. She worked with CBA and HSBC for over 20 years. She is passionate about consumer outcomes, financial management and well-versed in operating in a rapidly changing regulatory environment.

Ms Penrose is a Director and Chair of the Audit Committee of Bank of Queensland, Ramsay Health Care and Vicinity Centres. She is also Director of Marshall Investments Pty Ltd and Rugby Australia Limited.

Ms Penrose was formally a director of Future Generation Global Investment Company Limited, AWE Limited and Spark Infrastructure Group Limited. Karen is also a member of Chief Executive Women.

Prior to submitting herself for re-election, Ms Penrose confirmed that she would continue to have sufficient time to properly fulfil her Director duties for the Company.

Having had regard to the ASX Corporate Governance Principles and Recommendations (4th edition) (**ASX Principles**), the Board considers Ms Penrose to be an independent director.

Board recommendation

The Board (with Ms Penrose abstaining) supports the election of Ms Penrose and recommends that Shareholders vote FOR Ms Penrose's re-election as a Director of the Company for her extensive ASX, business, finance and risk skills, as outlined above.

Item 4 – Re-election of Ms Norah Barlow ONZM

Ms Norah Barlow was appointed as a non-executive Director of the Company in November 2014 and was subsequently appointed Chief Executive Officer and Managing Director in November 2016. Ms Barlow resumed her role as a non-executive Director of the company following Ian Thorley's succession into the Chief Executive Officer and Managing Director role in November 2018.

Ms Barlow has extensive industry experience and is a valued member of the Board.

Ms Barlow holds a Bachelor of Commerce and Administration from Victoria University and is a Chartered Accountant.

She is amongst Australasia's most experienced and respected executives and directors, with an in-depth knowledge of the aged and health care sector. Ms Barlow also has extensive experience as the highly-respected former Chief Executive Officer and former Director of Summerset Group, a NZX and ASX-listed company named Australasia's best retirement village operator four years running.

Ms Barlow has a strong background across business leadership and management, strategy, corporate finance, governance, tax and accounting. Norah was President of the Retirement Villages Association (NZ) for seven years and made an Officer of the New Zealand Order of Merit for services to business in 2014.

Ms Barlow was previously a Non-executive Director of Ingenia Communities Group, Evolve Education Group Limited, and Methven Limited (chairing the Audit Committee), and is currently Chief Executive of Heritage Lifecare Limited.

Prior to submitting herself for re-election, Ms Barlow confirmed that she would continue to have sufficient time to properly fulfil her Director duties for the Company.

Having had regard to the ASX Principles, the Board considers Ms Barlow to be a non-independent director by virtue of her position of Chief Executive Officer between 2016 and 2018.

Board recommendation

The Board (with Ms Barlow abstaining) supports the election of Ms Barlow and recommends that Shareholders vote FOR Ms Barlow's re-election as a Director of the Company for her extensive sector experience, as outlined above.

Item 5: Grant of Long Term Incentive Performance Rights to Mr Ian Thorley, Chief Executive Officer and Managing Director

ASX Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of Shareholders:

- (i) A director of the Company.
- (ii) An associate of a director of the Company
- (iii) A person whose relationship with the Company or a person referred to in (i) and (ii) such that, in ASX's opinion, the acquisition should be approved by Shareholders.

Mr Thorley is a director of the Company. Accordingly Item 5 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant and issue 335,051 incentive-based Performance Rights (**Rights**) to Mr Thorley, Chief Executive Officer and Managing Director of the Company, as part of his remuneration for the year ended 30 June 2022 in accordance with the terms and conditions of the Company's Equity Incentive Plan (**Plan**), and to the issue of Shares on the vesting of those Rights.

As the Rights are to be issued under the Plan, the terms and conditions of the Plan govern the Rights to be issued to Mr Thorley. A copy of the Plan rules can be found on the Company website <https://investors.estiahealth.com.au/investor-centre> (under Corporate Governance).

If an approval under ASX Listing Rule 10.14 is obtained, then the securities issued to Mr Thorley will not be counted towards the Company's placement capacity under ASX Listing Rule 7.1.

Item 5 seeks Shareholder approval for the grant and issue of incentive-based Performance Rights to Mr Thorley under the Company's equity incentive plan.

Performance Rights have been used as they create alignment between the interests of the executives and Shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Rights vest and shares are allocated.

If Shareholder approval is obtained, the Company will issue Mr Thorley with 335,051 incentive-based Performance Rights on the terms described below.

Details of Mr Thorley's remuneration and proposed grant of Rights

In determining the Rights to be granted to Mr Thorley, the Board's objectives are to ensure that the level and composition of Mr Thorley's remuneration aligns with the interests of Shareholders and incentivises Mr Thorley to deliver strong performance and long-term Shareholder returns.

Mr Thorley's proposed remuneration for FY22 comprises the following:

- Fixed remuneration of \$780,000 per annum;
- STI opportunity of \$390,000 which represents 50% of fixed remuneration; and
- LTI opportunity of \$780,000 which represents 100% of fixed remuneration.

The number of Performance Rights proposed to be granted to Mr Thorley in respect of his FY22 LTI opportunity is 335,051.

The number of Performance Rights was calculated by dividing Mr Thorley's annual LTI opportunity (100% of total fixed remuneration, being \$780,000) by the face value attributable to a Performance Right. The face value attributable to each Performance Right is \$2.328 being the volume weighted average price of Estia Health's Shares for the ten trading days following 24 August 2021 (being the date of release of the Company's FY21 results).

Basis on which incentive-based Performance Rights vest

The number of incentive-based Performance Rights for Mr Thorley that will vest, will depend on the extent that the Performance Measures set out below are satisfied at the end of the three year Performance Period (being from 1 July 2021 to 30 June 2024).

Upon vesting, Estia Health will cause the relevant number of Shares (if any) to be issued or transferred to Mr Thorley. One vested Performance Right entitles Mr Thorley to one Share. No amount is payable by Mr Thorley for the issue or transfer of Shares on vesting of the Performance Rights.

Performance Measures

Of the total number of incentive-based Performance Rights proposed to be granted to Mr Thorley:

- 50% will be subject to a Relative Total Shareholder Return (**rTSR**) measure, assessing the Company's performance relative to constituents of the S&P/ASX300 index, excluding mining and energy companies over the Performance Period; and
- 50% will be subject to an Earnings per Share (**EPS**) measure.

rTSR vesting schedule

Broadly, Total Shareholder Return (**TSR**) calculates the return Shareholders would earn if they held a notional number of Shares over a period of time, and measures the change in the Company's Share price together with the value of dividends during the period, assuming that those dividends are re-invested into new Shares.

In order for any Rights subject to the rTSR measure to vest, a threshold level of performance must be achieved. The percentage of Rights that vest, if any, will be determined by the Board as follows:

Estia Health's TSR over the Performance Period, relative to constituents of the S&P/ASX300, excluding mining and energy companies	% of component that vests
Less than median of comparator group	Nil
At median of comparator group	50%
Between median and 75 th percentile of comparator group	Straight line pro rata vesting between 50% and 100%
Greater than 75 th percentile of comparator group	100%

EPS vesting schedule

Broadly, EPS measures the profit generated by the Company attributable to each Share on issue, adjusted for certain accounting items.

The table below sets out the percentage of Rights subject to the EPS hurdle that can vest depending on the Company's FY24 EPS.

For the purposes of assessing performance against the EPS target, the Board will consider whether any adjustments to statutory earnings are appropriate on a case-by-case basis to ensure that inappropriate outcomes are avoided.

% of component that vests	FY24 EPS (\$)
Nil	Less than 0.083
25%	Equal to 0.083 (threshold)
Straight line pro-rata 25% to 100%	Greater than 0.083 up to 0.10
100%	At or above 0.10

The threshold level of FY24 EPS (\$0.083) required to commence vesting (at 25% of the maximum LTI opportunity) compares with actual EPS of \$0.023 in FY21 and represents compound annual growth (**CAGR**) in EPS of approximately 53.5% p.a over the three year performance period. The achievement of 100% vesting would require EPS CAGR of 63.5% over the three year performance period.

Timing of grant

If Item 5 is approved by Shareholders, the Company expects to offer Mr Thorley the incentive-based Performance Rights under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant, and the Performance Rights will be issued shortly thereafter and, in any case, no later than three years after the date of the Meeting.

Other terms and conditions of the Rights

No amount is payable by Mr Thorley in return for the grant of Rights.

The following terms and conditions apply to Mr Thorley's Rights:

- From the vesting date and once confirmed by Mr Thorley, Estia Health will cause the relevant number of EHE Shares to be issued or transferred to Mr Thorley.
- No amount is payable in return for the issue or transfer of EHE Shares.
- Rights do not confer dividend or voting rights.

If Shareholder approval is not obtained

If Shareholders do not approve the proposed grant of Rights to Mr Thorley, the proposed grant of Rights and the subsequent issue or transfer of Shares upon Rights vesting, will not proceed. This may impact the Company's ability to incentivise Mr Thorley and to align his interests with those of Shareholders and the Board may need to consider alternative remuneration arrangements, including potentially a cash payment, to appropriately remunerate and incentivise Mr Thorley. Any alternative remuneration arrangements would be subject to the same performance and employment conditions.

Shareholder approval – Corporations Act

For the purposes of the exception contained in section 211(1) of the Corporations Act, the financial benefit to be given by the grant of Rights to Mr Thorley is considered to constitute reasonable remuneration given the circumstances of the Company and Mr Thorley's role and responsibilities. Shareholder approval is not therefore sought for the purposes of Chapter 2E of the Corporations Act.

Shareholder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholder approval before a director can acquire shares or rights to shares under an employee incentive scheme. Approval from Shareholders is being sought to grant Rights to Mr Thorley under the Company's Equity Incentive Plan in respect of FY22 with any Rights issued shortly after the date of the Meeting, and, in any case, no later than three years after the date of the Meeting.

Other information

Performance Rights are issued subject to the following:

Trading Restrictions: Shares allocated on vesting of the Performance Rights will not be subject to any additional trading restrictions on dealing (other than ordinary restrictions which apply under the Company's Trading Policy).

Claw back provision: The Board has discretion to reduce, cancel or claw back any unvested performance-based remuneration in the event of fraud, dishonesty, gross misconduct or a material misstatement or omission in the Company's financial statements.

Cessation of employment: For "bad leavers" (defined by the Company as resignation or termination for cause), all of the Performance Rights held by that employee upon cessation will automatically lapse. For cessation of employment for any other reason, a portion of the Performance Rights held by that employee upon cessation will lapse according to a formula which takes into account the length of time the participant has held the Performance Right and the performance period for the Performance Right, unless otherwise determined by the Board.

Additional information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the Rights proposed to be granted to Mr Thorley. Other disclosure requirements of this ASX Listing Rule have been disclosed earlier in this memorandum.

i. Number and class of securities proposed to be issued:

The number of Rights that may be acquired by Mr Thorley is 335,051. The maximum number of Shares that may be acquired by Mr Thorley on the vesting of the Rights is 335,051. No payment for the Rights is required by Mr Thorley and, on vesting, Shares will be issued to Mr Thorley for no consideration.

ii. Mr Thorley's current remuneration

Mr Thorley's current remuneration package is disclosed earlier in this memorandum.

iii. Rights previously issued to Mr Thorley under the Plan

Mr Thorley's has previously been granted 621,093 Performance Rights under the current Plan.

iv. Issue date of Rights

The Rights will be granted to Mr Thorley no earlier than immediately following this Meeting and no later than three years after the date of this Meeting, on the conditions described in the Explanatory Memorandum.

v. Price for each Right

There is no payment for the grant of Rights or upon vesting of the Rights required by Mr Thorley.

vi. Material terms of the Plan

The Rights are subject to specific terms outlined earlier in this memorandum and the terms and conditions of the Plan, a copy of which can be found on the Company website <https://investors.estiahealth.com.au/investor-centre> (under Corporate Governance).

vii. Terms of any loan made to Mr Thorley in relation to the acquisition of the Rights.

There is no loan provided in relation to the acquisition of the Rights by Mr Thorley.

viii. Disclosure

Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

ix. Persons who are entitled to participate in the Plan

Mr Thorley is the only person referred to in ASX Listing Rule 10.14 who is currently entitled to participate in the Plan. Details of any securities issued to Mr Thorley under the plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution in Item 5 are approved and who were not named in this Notice will not participate until approval is obtained under this rule.

Voting Exclusion

The Company will disregard any votes cast in favour on Item 5 by or on behalf of Mr Thorley (being the only person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate) and any associate of Mr Thorley.

However, this does not apply to a vote cast in favour of this resolution by:

- (a) Mr Thorley or any associate of Mr Thorley as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with the directions given to the proxy or attorney to vote on these resolutions in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Item 5, in accordance with a direction given to the Chair to vote on these resolutions as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Item 5; and
 - the holder votes on Item 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Item 5 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on Item 5.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting acting as proxy for a person entitled to vote on Item 5 because the Company's proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even though the resolutions are connected directly or indirectly with the remuneration of KMP of the Company.

Board recommendation

The Board (with Mr Thorley abstaining) recommends that Shareholders vote FOR the resolution in Item 5.

Item 6: Amendments to Constitution

Since the Constitution was adopted, there have been a number of developments in law, the Listing Rules, ASX Principles and general corporate and commercial practice for ASX listed entities. The Board recommends that the Constitution be amended to take some of these developments into account.

A copy of the existing Constitution is available in the Corporate Governance section of the Company's website at investors.estiahealth.com.au/agm. A marked up version of the Constitution is also available in the Corporate Governance section of the Company's website at investors.estiahealth.com.au/agm.

For the resolution in Item 6 to be passed as a special resolution, at least 75% of the votes cast by Shareholders entitled to vote must be in favour of the Resolution, in accordance with the Corporations Act.

Summary of the proposed changes to the Constitution

Several of the proposed changes are administrative or relatively minor in nature.

The key differences are outlined below:

General meetings

The current Constitution contemplates general meetings being held at a physical location, with only limited detail about hybrid meetings (where some attendees meet in person and others can participate online using technology), and does not contemplate fully virtual meetings.

If this Item 6 is approved, the amended Constitution will provide greater flexibility and clarity around how the Company can conduct both hybrid and virtual meetings in the future, particularly as the Corporations Act has now been amended to be more facilitative of such meetings.

The Board considers the proposed amendments are in the best interests of Shareholders because they provide flexibility, particularly in light of the continuing impact of the COVID-19 pandemic.

The amended Constitution also includes other minor amendments regarding general meetings, including clarification on suspensions and adjournments and enabling the results of polls to be announced to ASX.

Restricted securities

The amended Constitution also includes amended language regarding ASX restricted securities to align with amendments to the ASX Listing Rules.

Board recommendation

The Board recommends that Shareholders vote FOR the resolution in Item 6.

Chair's Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies **FOR the Resolutions in Items 2, 3, 4, 5 and 6.**

Glossary of key terms

A\$ or \$ means Australian dollars

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, Australia

AGM or Meeting means the meeting convened by the Notice

ASX means ASX Limited ACN 008 624 691

ASX Listing Rules means the Listing Rules of the ASX

ASX Principles means the ASX Corporate Governance Principles and Recommendations (4th edition)

Board means the board of directors of the Company

Closely Related Party has the meaning as defined in section 9 of the Corporations Act

Company means Estia Health Limited

Constitution means the Company's constitution

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

Directors means the current directors of the Company

Entitlement Time means 7.00pm (AEDT) on Tuesday 09 November 2021

Explanatory Memorandum means the Explanatory Memorandum accompanying and forming part of the Notice

FY21 means the financial year ended 30 June 2021

FY22 means the financial year ended 30 June 2022

Group means the Company and subsidiaries of the Company

Items means the resolutions set out in the Notice, or any one of them, as the context requires

Key Management Personnel (or **KMP**) has the meaning as defined in section 9 of the Corporations Act

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the Explanatory Memorandum accompanying the Notice and the Proxy Form

Performance Right means a performance right to acquire a Share under the equity incentive plan

Plan means the Company's Equity Incentive Plan

Proxy Deadline means 1.00pm (AEDT) on Tuesday 09 November 2021

Proxy Form means the proxy form accompanying the Notice

Related Body Corporate has the meaning set out in section 50 of the Corporations Act

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2021

Share means a fully paid ordinary share in the capital of the Company

Shareholder means a holder of a Share

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Estia Health Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

VOTING/PROXY FORM

I/We being a member(s) of Estia Health Limited and entitled to attend and vote hereby appoint:

A

VOTE DIRECTLY



elect to lodge my/our
vote(s) directly (mark box)



in relation to the Annual General Meeting of the Company to be held at **1:00pm (AEDT) on Thursday, 11 November 2021**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

B

APPOINT A PROXY



the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **1:00pm (AEDT) on Thursday, 11 November 2021** (the Meeting) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/EHE21> (refer to details in the Online Meeting Guide). You can view and download the **Notice of Annual General Meeting** and Online Meeting Guide at the Company's website at investors.estiahealth.com.au/agm.

Important for Resolutions 2 & 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 & 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Items

2 Remuneration Report

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Re-election of Ms Karen Penrose as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

4 Re-election of Ms Norah Barlow ONZM as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Grant of Long Term Incentive Performance Rights to Mr Ian Thorley, Chief Executive Officer and Managing Director

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Amendments to Constitution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

--

Joint Shareholder 2 (Individual)

--

Joint Shareholder 3 (Individual)

--

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

EHE PRX2101N

HOW TO COMPLETE THIS SHAREHOLDER VOTING/PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting/Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting/Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting/Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A VOTING/PROXY FORM

This Voting/Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **1:00pm (AEDT) on Tuesday, 9 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Voting/Proxy Form received after that time will not be valid for the scheduled Meeting.

Voting/Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Voting/Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Estia Health Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions