

Estia Health Limited

Notice of Annual General Meeting 2018

Thursday, 29 November 2018, at 2.00pm (AEDT)

Grace Hotel

77 York Street

Sydney NSW 2000

Items of Business

Notice is hereby given that the Annual General Meeting (**AGM**) of Shareholders of Estia Health Limited ACN 164 350 387 (**Estia** or **Company**) will be held at Grace Hotel, 77 York Street, Sydney, NSW 2000 on Thursday, 29 November 2018, at 2.00pm (AEDT) (**Meeting**). Registration will commence at 1.30pm (AEDT).

The Explanatory Notes to this Notice provide additional information on the matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form form part of this notice.

BUSINESS OF THE MEETING

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 2018.

Item 2: Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

"To adopt the Remuneration Report for the year ended 30 June 2018."

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 statement applies to this resolution (see Explanatory Notes for details).

Item 3: Re-election of Ms Norah Barlow

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

"That Ms Norah Barlow, being a Director who retires by rotation in accordance with 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: Election of Ms Karen Penrose

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

"That Ms Karen Penrose, being a Director who was appointed by the Directors on 17 October 2018 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers herself for election, be elected as a director of the Company."

Item 5: Grant of Performance Rights to Ms Norah Barlow

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

“That, for the purpose of ASX Listing Rule 10.14, and all other purposes, approval is given for the grant and issue of 103,883 Performance Rights to Ms Norah Barlow, and the issue of Shares on the vesting of those Performance Rights, under the Company’s long term incentive plan, as described in the Explanatory Notes.”

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

Item 6: Grant of Performance Rights to Mr Ian Thorley

To consider and, if thought fit, to 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 201,322 Performance Rights to Mr Ian Thorley, and the issue of Shares on the vesting of those Performance Rights, under the Company’s long term incentive plan, as described in the Explanatory Notes.”

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

Information for Shareholders

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 27 November 2018 (**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.

ANNUAL REPORT

Copies of the Company's full Annual Report may be accessed at our website www.estiahealth.com.au by clicking on the "Investors" tab and then the "Reports and Presentations" tab.

VOTING OPTIONS AND PROXIES

If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Annual General Meeting.

Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and 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, 5 and 6 (see the Explanatory Notes below):

- if a Shareholder has not directed their proxy how to vote, 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 the Chair's voting intention as stated in this Notice of Meeting.

Proxy Voting by the Chair

For Item 2 (Remuneration Report), Item 5 (Grant of Performance Rights to Ms Norah Barlow) and Item 6 (Grant of Performance Rights to Mr Ian Thorley), 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, 5 and 6 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, 5 and 6 are connected directly or indirectly with the remuneration of Key Management Personnel.

The Chair intends to vote all undirected proxies in favour of all Items (including Items 2, 5 and 6) in the Notice of Meeting.

Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than 2.00pm (AEDT) on Tuesday 27 November 2018 (Proxy Deadline)**.

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

- (i) **By mail** to Link Market Services Limited using the reply paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches Link Market Services Limited by the Proxy Deadline;
- (ii) **By fax** to Link Market Services Limited on +61 2 9287 0309;
- (iii) **Online** via the Company's Share Registry website at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information; or
- (iv) **By hand delivery** to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000.

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

CORPORATE REPRESENTATIVES

Where a shareholding is registered in the name of a corporation, the corporate Shareholder may appoint a person to act as its representative to attend the Meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD



Leanne Ralph
Company Secretary
19 October 2018

Explanatory Notes

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. 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 2018, 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. Written questions must be received no later than 5.00pm (AEDT) on Monday 19 November 2018. A form to facilitate the submission of questions is attached to this Notice and it includes details on the return of this form to the Share Registry.

ITEM 2: Remuneration Report

In accordance with section 300A of the Corporations Act the Company has prepared a Remuneration Report for the consideration of Shareholders. The Remuneration Report is included in the Company's Annual Report for the year ended 30 June 2018.

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.

Estia's remuneration strategy and framework is designed to support and drive the achievement of the group's business strategy. It aims to ensure that remuneration outcomes are linked to the group's performance and aligned with shareholder outcomes.

Estia is committed to creating and ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the group. The Board believes that the group's commitment to this policy contributes to achieving the group's corporate objectives and embeds the importance and value of diversity within the culture of the group.

The Board regularly reviews the remuneration framework against the evolving business strategy and in the context of the commercial environment to ensure that it remains effective in achieving alignment with shareholder experience, employee motivation and the balance between short and long term performance focus.

In FY18, the executive remuneration framework comprised a mix of fixed annual remuneration, and short and long-term performance-linked incentive plans. The group aims to reward executives with a level and mix of remuneration appropriate to their position and responsibilities, while being market competitive and delivering outcomes that are aligned to the experience of the group's shareholders. The detail of this is outlined in the Remuneration Report.

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of this resolution.

Voting Exclusion Statement

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's Key Management Personnel (**Key Management Personnel** or **KMP**) or a Closely Related Party of any such member unless the person:

- (i) votes as a proxy appointed by writing (on behalf of a person who is entitled to vote on this Item 2) that specifies how the person is to vote on Item 2; or

- (ii) is the Chair of the Meeting and votes as a proxy appointed by writing (on behalf of a person who is entitled to vote on this Item 2) that authorises the Chair to vote on the resolution even though that resolution 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 and 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.

Clause 10.7 of the Constitution and ASX Listing Rule 14.4 states that a Director appointed to fill a casual vacancy holds office until the conclusion of the next annual general meeting but is eligible for election at that annual general meeting.

ITEM 3 – Re-election of Ms Norah Barlow

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 (**CEO/MD**) in November 2016. As announced to the ASX on 17 October 2018, Ms Barlow is reassuming her role as a non-executive Director of the company following Ian Thorley's succession into the CEO/MD role in November 2018. She now retires from the Board by rotation and offers herself for re-election.

Ms Barlow's relevant skills and experience are summarised below.

Ms Barlow 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 holds extensive experience as the highly-respected former CEO 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. Mrs. Barlow is a member of the National Advisory Council on the Employment of Women, 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.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board considers Ms Barlow to be a non-independent director given her recent executive role with the Company.

Directors' Recommendation

The Board unanimously (other than Ms Barlow) supports the election of Ms Barlow and recommends that Shareholders vote in favour of this resolution.

ITEM 4 – Election of Ms Karen Penrose

As announced to the ASX on 17 October 2018, Ms Penrose was appointed as an independent, non-executive Director of the Company to fill a casual vacancy. Under the Company's Constitution, a director appointed to fill a casual vacancy holds office until the conclusion of the next annual general meeting. In accordance with this requirement, Ms Penrose now retires from the Board and offers herself for election. Ms Penrose's relevant skills and experience are summarised below.

Ms Penrose has more than 30 years' business experience in senior executive and Chief Financial Officer roles across finance, property and resource industries. Her executive experience included 20 years in banking with HSBC and Commonwealth Bank of Australia. She is currently on the boards of Spark Infrastructure Group, Bank of Queensland, Vicinity Centres and Future General Global Investment Company Limited (pro bono role).

Ms Penrose also previously held non-executive Director roles with AWE Limited, Silver Chef Limited, Novion Limited and Landcom, trading as UrbanGrowthNSW.

Having had regard to the ASX Principles, the Board considers Ms Penrose to be an independent director.

Directors' Recommendation

The Board unanimously (other than Ms Penrose) supports the election of Ms Penrose and recommends that Shareholders vote in favour of this resolution.

ITEMS 5 and 6: Grant of Performance Rights

Items 5 and 6 seek Shareholder approval for the grant and issue of Performance Rights to Ms Barlow and Mr Thorley under the Company's Long Term Incentive Plan (LTIP).

The proposed grants are in relation to the year ended 30 June 2019 and are outlined below.

Item 5: Grant of Performance Rights to Ms Norah Barlow

The number of Performance Rights to be granted to Ms Barlow in respect of the FY19 LTIP is 103,883.

The FY19 LTIP award is based on Ms Barlow's total fixed remuneration for FY19, pro-rata for her tenure as CEO/MD from 1 July 2018 to 23 November 2018 when she reassumed her role as a non-executive Director. The face value of the maximum number of rights to be granted under the FY19 LTIP is equivalent to 100% of Ms Barlow's total fixed remuneration for FY19.

The maximum number of Performance Rights was calculated by dividing the remuneration value for this pro-rata period by 2.96486, being the volume weighted average price of Estia's shares (up to 5 decimal places) for the ten trading days following 16 August 2018 (being the date of release of the Company's FY18 results).

No price is payable by Ms Barlow for the grant or exercise of the Performance Rights.

Item 6: Grant of Performance Rights to Mr Ian Thorley

As announced to the ASX on 23 July 2018, Mr Thorley's role with the Company changes from Chief Operating Officer to CEO/MD in November 2018 (specifically 23 November 2018). The number of Performance Rights to be granted to Mr Thorley in respect of the FY19 LTIP is 201,322, comprised as follows:

COO: 33,759

CEO/MD: 167,563

The FY19 LTIP award is based on Mr Thorley's total fixed remuneration for FY19 (and pro-rata for his tenure in each of the roles above). The face value of the maximum number of rights to be granted under the FY19 LTIP is equivalent to 70% of Mr Thorley's total fixed remuneration for his role as COO between 1 July 2018 and 23 November 2018 and 100% of total fixed remuneration for his role as CEO/MD between 23 November 2018 and 30 June 2019.

The maximum number of Performance Rights was calculated by dividing the remuneration value by 2.96486, being the volume weighted average price of Estia's shares (up to 5 decimal places) for the ten trading days following 16 August 2018 (being the date of release of the Company's FY18 results).

No price is payable by Mr Thorley for the grant or exercise of the Performance Rights.

Timing of grants

If Items 5 and 6 are approved by Shareholders, the Company will offer Ms Barlow and Mr Thorley the 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 12 months after the Meeting.

Basis on which Performance Rights vest

The Performance Rights for Ms Barlow and Mr Thorley will vest to the extent that the Performance Measures set out below are satisfied at the end of the 3 year Performance Period (being from 1 July 2018 to 30 June 2021).

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

Performance Measures

The Performance Rights offered are subject to the three Performance Measures as follows.

1. 70% of the award will be subject to a Relative Total Shareholder Return (**TSR**) measure, split as follows:
 - 50% of the TSR measure will be Estia versus the ASX 200 excluding mining & energy, over the performance period; and
 - 50% of the TSR measure will be Estia versus the weighted average performance of ASX-listed (including dual-listed NZX/ASX entities) companies involved in the provision of aged care services, comprising Regis Healthcare (25% weighting), Japara Healthcare (25% weighting), Aveo Group (25% weighting), Oceania Healthcare (12.5% weighting) & Summerset Group (12.5% weighting), over the performance period.
2. 30% of the award will be subject to an Earnings per Share (**EPS**) compound annual growth over a three-year period. Where the threshold EPS CAGR set by the Board is achieved, 25% of the EPS tranche will vest. Where the stretch EPS CAGR set by the Board is achieved, 100% of the EPS tranche will vest. Straight line vesting will occur between threshold and stretch.

TSR Condition for 50% of the TSR measure of Estia versus the ASX200, excluding mining & energy:

Estia's TSR percentile ranking in the relevant Comparator Group*	% of Performance Rights in the relevant Tranche that will vest**	Estia's TSR percentile ranking in relevant Comparator Group*	% of Performance Rights in the relevant Tranche that will vest**
		62nd	74%
75 th and above	100%	61st	72%
74 th	98%	60th	70%
73rd	96%	59th	68%
72nd	94%	58th	66%
71st	92%	57th	64%
70th	90%	56th	62%
69th	88%	55th	60%
68th	86%	54th	58%
67th	84%	53rd	56%
66th	82%	52nd	54%
65th	80%	51st	52%
64th	78%	50th	50%
63rd	76%	Below 50 th	Nil

* Estia's TSR percentile ranking will be rounded up to the nearest whole number, with fractions ending in 0.5 being rounded up.

** The number of Performance Rights will be rounded up to the nearest whole number, with fractions ending in 0.5 being rounded up.

TSR Condition for 50% of the TSR measure of Estia versus the weighted average performance of ASX-listed (including dual-listed NZX/ASX entities) companies involved in the provision of aged care services:

Estia's TSR relative to the weighted average performance of aged care services peer group	Vesting percentage
Below weighted average performance	0%
At weighted average performance	50%
Straight line vesting	50% - 100%
15% percentage points above weighted average performance	100%

** The number of Performance Rights will be rounded up to the nearest whole number, with fractions ending in 0.5 being rounded up.

EPS Performance Condition

Estia's compound annual growth rate (CAGR) from FY18 base year of 15.8 cents per share (cps)	EPS CAGR	EPS in FY21	Vesting percentage
Below threshold	<6%	<18.8 cps	0%
At threshold	6%	18.8 cps	25%
Between threshold and target	6% - 10.3%	18.8 – 21.2 cps	25% - 50%
At target, or above	10.3% - 11%	21.2 – 21.6 cps	50% - 100%

** The number of Performance Rights will be rounded up to the nearest whole number, with fractions ending in 0.5 being rounded up.

Other Conditions of the Grants

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.

Why Shareholder approval is sought

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

Accordingly:

- Item 5 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant and issue 103,883 Performance Rights to Ms Barlow and to the issue of Shares on the vesting of those Performance Rights; and
- Item 6 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant and issue 201,322 Performance Rights to Mr Thorley and to the issue of Shares on the vesting of those Performance Rights.

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

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 Performance Rights proposed to be granted to Ms Barlow and Mr Thorley:

(i) Number and price of securities

The number of Performance Rights that may be acquired Ms Barlow is 103,883. The maximum number of Shares that may be acquired by Ms Barlow on the vesting of Performance Rights is 103,883. No payment for the Performance Rights is required by Ms Barlow and, on vesting, Shares will be issued to Ms Barlow for no consideration.

The number of Performance Rights that may be acquired Mr Thorley is 201,322. The maximum number of Shares that may be acquired by Mr Thorley on the vesting of Performance Rights is 201,322. No payment for the Performance Rights is required by Mr Thorley and, on vesting, Shares will be issued to Mr Thorley for no consideration.

(ii) Securities issued under the LTIP received since the last approval

222,738 Performance Rights were issued to Ms Barlow for a zero acquisition price during the financial year ended 30 June 2018 following approval at the 2017 AGM.

(iii) Persons who are entitled to participate in the LTIP

Participation in the LTIP and the number of Performance Rights offered to each individual participant is determined by the Board. Performance Rights may be granted to certain senior executives of the Company on an annual basis as part of their annual remuneration review. Ms Barlow and Mr Thorley are the only persons referred to in ASX Listing Rule 10.14 who are currently entitled to participate in the LTIP.

(iv) Terms of any related loan

There are no loans provided in relation to the acquisition of Performance Rights by Ms Barlow or Mr Thorley.

Voting exclusion – Items 5 and 6

The Company will disregard any votes cast in favour on Items 5 and 6 by or on behalf of Ms Barlow or Mr Thorley and any associate of Ms Barlow or Mr Thorley (being the only Director's eligible to participate in the LTIP). However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy does.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on Items 5 and 6 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on Items 5 or 6 (as applicable); or
- b) the person is the Chair and votes as a proxy appointed by writing that authorises the Chair to vote on Items 5 or 6 (as applicable) even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation – Item 5

The Board unanimously (other than Ms Barlow) recommends that Shareholders vote in favour of the resolution in Item 5.

Directors' Recommendation – Item 6

The Board unanimously (other than Mr Thorley) recommends that Shareholders vote in favour of the resolution in Item 6.

GLOSSARY

2017 AGM means the annual general meeting of the Company held on 14 November 2017.

2018 AGM means the annual general meeting of the Company held on 29 November 2018.

A\$ or \$ means Australian dollars.

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

Annual General Meeting 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 (3rd edition).

Board means the current board of directors of the Company.

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

Company means Estia.

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 27 November 2018.

Estia means Estia Health Limited (ACN 164 350 387).

Explanatory Notes means the Explanatory Notes accompanying and forming part of the Notice.

FY18 means the financial year ended 30 June 2018.

FY19 means the financial year ended 30 June 2019.

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 Notes accompanying the Notice and the Proxy Form.

Performance Right means a performance right to acquire a Share under the LTIP.

Proxy Deadline means 2.00pm (AEDT) on Thursday 29 November 2018.

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 2018.

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
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

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 of the person or body corporate you are appointing as your proxy

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 **2:00pm (AEDT) on Thursday, 29 November 2018 at the Grace Hotel, 77 York Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Items 2, 5 & 6: 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 Items 2, 5 & 6, even though the Items 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

For Against Abstain*

For Against Abstain*

2 Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6 Grant of Performance Rights to Mr Ian Thorley

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Re-elect Ms Norah Barlow as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Elect Ms Karen Penrose as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Grant of Performance Rights to Ms Norah Barlow

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or 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)

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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).

HOW TO COMPLETE THIS SHAREHOLDER 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.**

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 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 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 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:

- (a) on each of the first Proxy Form and the second 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
- (b) 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 the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of 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 PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (AEDT) on Tuesday, 27 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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 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 Proxy Form).



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*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**