

Purpose

The Board recognises the importance of aligning executive interests with the long term interests of shareholders and considers that a meaningful investment in Estia Health Limited (**Estia Health** or **Company**) shares by the Company's Non-executive Directors (**NEDs**) and Senior Executives demonstrates this alignment.

Scope

This policy applies to Estia Health's NED's and Estia Health's Senior Executives, comprising the Chief Executive Officer (**CEO**) and direct reports to the CEO.

Policy

The NEDs and Senior Executives are encouraged to accumulate, and thereafter maintain, a direct minimum holding in Estia Health shares that is equivalent to the following:

- Board Members At least 50% of one year's prevailing Board Fees
- Senior Executives At least 50% of one year's prevailing total fixed remuneration

For NEDs and the CEO this minimum target shareholding is to be achieved by the later of:

- the 3rd anniversary of the commencement date of this policy; or
- the 3rd anniversary of the NED's or CEO's commencement date (the Measurement Date).

For Senior Executives this minimum target shareholding is to be achieved by the later of:

- the 5th anniversary of the commencement date of this policy; or
- the 5th anniversary of the Senior Executive's commencement date (the Measurement Date).

Total fixed remuneration consists of base salary and compulsory employer superannuation contributions, before any tax deductions, on the Measurement Date.

The commencement date of this policy is 2 April 2019.

Definition of shareholding

All Estia Health shares and unvested performance rights that are subject to a tenure based hurdle which are held, legally or beneficially, by the NED or Senior Executive will count towards satisfaction of the required minimum shareholding.

For the avoidance of doubt, unvested rights to Estia Health shares that are subject to non-tenure related performance conditions (e.g. performance rights granted as part of the LTI Plan) do not count towards satisfaction of the Senior Executive's minimum shareholding.

Interests Counted in Minimum Holding

Estia Health Shares or interests in shares that count towards a NED or Senior Executive meeting the minimum holding are shares or interests in shares that are:

- owned by the NED or Senior Executive or associated entities and close associates, each as defined in the Corporations Act 2001 (Cth); or
- owned through a trust or in a superannuation fund or are otherwise held for the benefit of a person or entity referred to above.

Responsibilities of NEDs and Senior Executives

All trading in Estia Health shares must be undertaken in accordance with Estia Health's Company Securities Policy. Nothing in this Policy is intended to impact the requirement for the NED or Senior Executive to comply with the Company Securities Policy.

Exemption

There may be circumstances in which compliance with this Policy would cause or contribute to severe financial difficulty for a NED or Senior Executive or could prevent a NED or Senior Executive from complying with an order of a court of law.

In these circumstances, the NED or Senior Executive may submit a request to the Chief People Officer including details of the applicable financial difficulty or other circumstances relative to the exemption from this Policy being sought.

The Chair of the Nomination and Remuneration Committee will decide on whether and to what extent any exemption may be granted. In doing so they will consider the Securities Trading Policy and whether any related clearance to dispose of Estia Health shares should be granted under that Policy.

If an exemption is granted, the Chair of the Nomination and Remuneration Committee will work with the NED or Senior Executive to develop an alternative arrangement.

Monitoring and Reporting

The Company Secretary will report to the Nomination and Remuneration Committee annually in relation to progress towards the minimum shareholding requirement for each NED and Senior Executive.

The price used to determine compliance with this Policy is the share price at the later of the date the Non-executive Director/Senior Executive joined the Company or the date of the original adoption of this policy which was 02 April 2019.

Review of Policy

The Nomination and Remuneration Committee will review this policy on an annual basis. Changes can be approved by a resolution of the Board.