

Estia Notice of Annual General Meeting 2017



Tuesday, 14 November at 10.30am (AEDT)

King & Wood Mallesons Offices,
Level 50, Bourke Place,
600 Bourke Street, Melbourne, Victoria.

ANNUAL GENERAL MEETING

Items of Business



Notice is hereby given that the fourth Annual General Meeting (“**AGM**”) of Estia Health Limited (“**Estia**” or the “**Company**”) will be held at the offices of King & Wood Mallesons, Level 50, Bourke Place, 600 Bourke Street, Melbourne, Victoria on Tuesday, 14 November 2017, at 10.30am (AEDT). Registration will commence at 10.00am.



ITEM 1 **Financial Statements and Reports**

To receive and consider the Financial Report for the year ended 30 June 2017, together with the Directors’ Report and Auditor’s Report as set out in the Annual Report.

There will be no vote on this item.

The Company’s Auditor will be present at the meeting to answer questions regarding the Audit and the Auditor’s Report.



ITEM 2 **Election of Director – Warwick L. Smith AM**

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

“THAT Warwick L. Smith AM, having been appointed to fill a casual vacancy, retires as required in accordance with the Company’s Constitution, and being eligible, offers himself for election as a Director of the Company, is elected as a Director of the Company.”

ANNUAL GENERAL MEETING

Items of Business



ITEM 3 Election of Helen Kurincic

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

“THAT Helen Kurincic, having been appointed to fill a casual vacancy, retires as required in accordance with the Company’s Constitution, and being eligible, offers herself for election as a Director of the Company, is elected as a Director of the Company.”



ITEM 4 Election of Andrew Harrison

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

“THAT Andrew Harrison, being a Director who retires by rotation in accordance with the Company’s Constitution, and being eligible, offers himself for election as a Director, is elected as a Director of the Company.”



ITEM 5 Remuneration Report

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

“THAT the Remuneration Report forming part of the Directors’ Report for the year ended 30 June 2017 be adopted.”

This resolution is advisory only and does not bind the Company or the Directors.

Voting restrictions apply.



ITEM 6 Grant of Performance Rights - CEO

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

“THAT, for the purpose of ASX Listing Rule 10.14, and all other purposes, the grant of performance rights to the Chief Executive Officer, Mrs. Norah Barlow, under the Company’s long term incentive plan, as described in the Explanatory Notes, be approved.”

Voting restrictions apply.

By Order of the Board

Suzy Watson - Group General Counsel and Company Secretary

13 October 2017

ANNUAL GENERAL MEETING

INFORMATION FOR SHAREHOLDERS



Voting at the meeting

The Directors have determined that, for the purposes of voting at the AGM, shareholders will be taken to be those persons who are the registered holders of shares in the Company as at 7.00 pm (AEDT) on 12 November, 2017.

Appointing proxies and powers of attorney

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or attorney to attend and vote on behalf of the shareholder. A proxy or attorney need not be a shareholder and can be either an individual or a body corporate.

Where the Chairman is appointed as a proxy, unless he is restricted from voting on a resolution, he will vote in accordance with the shareholder's directions as specified on the Proxy Form, or, in the absence of a direction, in favour of the resolutions contained in the Notice of Meeting.

A shareholder that is entitled to cast two or more votes may appoint no more than two proxies or attorneys. Shareholders who wish to appoint two proxies may obtain an additional Proxy Form from the Company's Share Registry, or alternatively, copy their Proxy Form and return both forms together. To appoint a second proxy, shareholders should state the percentage or number of votes that each proxy may exercise on both Proxy Forms. If no such percentage or number of votes is stated, the rights of each proxy are deemed to be 50% each. Fractions of votes will be disregarded.

Voting by proxies

Shareholders should consider directing their proxy as to how to vote on each resolution by marking either the "For", "Against" or "Abstain" box when completing their Proxy Form to ensure that their proxy appointment specifies the way their proxy is to vote on each resolution.

Under the Corporations Act 2001 (Cth.) ("**Corporations Act**"), if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting exclusions);
- if the proxy has two or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands;
- if the proxy is not the Chairman of the Meeting, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chairman of the Meeting, the proxy must vote on a poll and must vote as directed.

In addition, there are some circumstances where the Chairman of the Meeting will be taken to have been appointed as a shareholder's proxy, (for the purposes of voting on a particular resolution), even if the shareholder has not expressly appointed the Chairman of the Meeting as their proxy. This will be the case where:

ANNUAL GENERAL MEETING

INFORMATION FOR SHAREHOLDERS



- the appointment of proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairman of the Meeting; and
- a poll is called on the resolution;

and either of the following applies:

- the proxy is not recorded as attending the AGM; or
- the proxy attends the AGM but does not vote on the resolution.

Lodging your Proxy Form

A personalised Proxy Form accompanies this Notice of Meeting. To be valid, your Proxy Form must be received at the Estia Share Registry, by one of the means outlined below, by no later than 10.30am (AEDT) on 12 November, 2017 ("**Proxy Deadline**"):

By mail or in person to:

LINK Market Services Limited

By mail:

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

In person:

1A Homebush Bay Drive,
Rhodes, NSW, 2138.

OR

Level 12,
680 George Street,
Sydney, NSW, 2000

By facsimile to:

LINK Market Services Limited
02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)

Online at:

www.linkmarketservices.com.au

(To use this facility please follow the instructions on your enclosed Proxy Form.)

If a shareholder has appointed an attorney to attend and vote at the meeting, or if the Proxy Form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by the Estia Share Registry before the Proxy Deadline, unless this document has previously been lodged with the Estia Share Registry for notation.

ANNUAL GENERAL MEETING

INFORMATION FOR SHAREHOLDERS



Powers of attorney may be delivered to the Estia Share Registry by mail (Estia Health Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235) or by hand (1A Homebush Bay Drive, Rhodes, NSW, 2138 or Level 12, 680 George Street, Sydney, NSW, 2000).

Corporate representatives

In accordance with section 250D of the Corporations Act, any corporate shareholder or proxy may appoint a person to act as its representative. The representative must bring a formal Notice of Appointment of Corporate Representative which is duly signed by the relevant corporation. A copy of that Notice can be obtained from the Estia Share Registry by calling 1300 554 474 within Australia or +61 1300 554 474 outside Australia between 9.00am and 5.00pm (AEDT) or at www.linkmarketservices.com.au

A copy of the signed Notice of Appointment of Corporate Representative, or other evidence satisfactory to the Chairman of the Meeting, must be produced prior to admission to the AGM.

Shareholder questions

If you are entitled to vote at the AGM, you may submit written questions in advance which are relevant to the business of the meeting. Questions may also be submitted for the attention of the external auditor about the Auditor's Report and the conduct of the Audit. Written questions must be received by the Company by no later than 5.00pm, Tuesday, 7 November 2017.

Voting restrictions

Item 5 – Remuneration Report

A vote must not be cast (in any capacity) on Item 5 by or on behalf of a member of the key management personnel (“**KMP**”) of the Company's consolidated group (whose remuneration details are included in the Remuneration Report), or a KMP's closely related party. A “closely related party” includes a spouse, dependant and certain other close family members of KMP, as well as any companies controlled by members of the KMP. However, a vote may be cast on Item 5 by a KMP, or a KMP's closely related party as a proxy, if the vote is not cast on behalf of the KMP or the closely related party and:

- the proxy appointment is in writing and specifies how the proxy is to vote on Item 5; **or**
- the proxy is the Chairman of the Meeting, **and**:
- the appointment does not specify the way the proxy is to vote on Item 5; **and**
- the appointment expressly authorises the Chairman to exercise the proxy even if Item 5 is connected directly or indirectly with the remuneration of a KMP.

If you appoint the Chairman of the Meeting as your proxy, and you do not direct your proxy how to vote on Item 5 on the Proxy Form, you will be expressly authorising the Chairman to exercise your proxy even if Item 5 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the Meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 5.

EXPLANATORY NOTES ON ITEM 1

FINANCIAL STATEMENTS AND REPORTS



The Corporations Act requires that the Financial Report and the Reports of the Directors and Auditor be laid before the AGM. There is no requirement for shareholders to vote on these Reports. Shareholders will be given a reasonable opportunity to raise questions and make comments on these Reports and on the management of the Company at the Meeting.



EXPLANATORY NOTES ON ITEM 2

Election of Director – Warwick L. Smith AM



THE HON. WARWICK L. SMITH AM; LL.B.



Warwick L. Smith AM is currently an independent, non-executive Director of the Company.

Mr Smith was appointed as a non-executive Director in May 2017 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, Mr Smith now retires from the Board and offers himself for election. Mr Smith's relevant skills and experience are summarised below.

Mr. Smith has extensive public policy and corporate experience. He is Senior Managing Director and Chairman, New South Wales and Australian Capital Territory, Australia and New Zealand Banking Group Limited (**ANZ Bank**); Board Director of ANZ Bank Greater China and Chairman of the Board ANZ Bank Thailand and former Chairman of E*TRADE Ltd. In addition, he is Chairman of the Advisory Board of Australian Capital Equity, and a Director of Seven Group Holdings Limited and Coates Hire Limited. He was also an Executive Director at Macquarie Bank Limited for 10 years.

Mr. Smith held many portfolios as a Federal Government Minister, including Family Services and Aged Care, during his parliamentary career spanning fifteen years. He was Australia's first Telecommunications Ombudsman.

If elected, the Board considers that Mr. Smith would be an independent, non-executive Director.

Recommendation

The Board recommends the election of Mr. Smith as a Director. The Chairman intends to vote all undirected proxies in favour of the election of Mr. Smith.

EXPLANATORY NOTES ON ITEM 3

Election of Director – Helen Kurincic



MS. HELEN KURINCIC MBA; Grad Dip Wom Stud; PBC Crit Care; Cert Nsg; FAICD



Helen Kurincic is currently an independent, non-executive Director of the Company.

Ms. Kurincic was appointed as a non-executive Director in July 2017 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. Kurincic now retires from the Board and offers herself for election. Ms. Kurincic's relevant skills and experience are summarised below.

Ms. Kurincic has extensive executive and non-executive experience across the healthcare sector. She is Chairman of Integral Diagnostics Ltd, and a non-executive Director of HBF Health Ltd and Sirtex Medical Ltd. Ms. Kurincic was previously the Chief Operating Officer and a Director of Genesis Care for 7 years from early inception in 2007, creating Australia's largest radiation oncology and cardiology service business. Previous roles also include; a non-executive Director of DCA Group Ltd, which included residential aged care in Australia and New Zealand, non-executive Director of AMP Capital Investor's aged care business, Domain Principal Group, as CEO and Executive Director of residential aged care provider Benetas and Board Member of Melbourne Health and Orygen Research Centre. Ms. Kurincic has also been actively involved in healthcare government policy reform across various areas of the healthcare sector.

If elected, the Board considers that Ms. Kurincic would be an independent, non-executive Director.

Recommendation

The Board recommends the election of Ms. Kurincic as Director. The Chairman intends to vote all undirected proxies in favour of the election of Ms. Kurincic.

EXPLANATORY NOTES ON ITEM 4

Election of Director – Andrew Harrison



MR ANDREW HARRISON, BEc, MBA; CA



Andrew Harrison is currently an independent, non-executive Director of the Company.

Mr. Harrison was appointed as a non-executive Director in November 2014. In accordance with the Company's Constitution, Mr. Harrison now retires from the Board by rotation and offers himself for election. Mr. Harrison's relevant skills and experience are summarised below.

Mr. Harrison is an experienced company director and corporate adviser. He is currently a non-executive Director of Bapcor Limited, WiseTech Global Limited, IVE Group Limited and Xenith IP Limited. He has previously held executive and non-executive directorships with public, private and private equity owned companies, including as the CFO of Seven Group Holdings, Group Finance Director of Landis + Gyr. and CFO and as a Director of Alesco.

Mr. Harrison was previously a Senior Manager at Ernst & Young (Sydney and London) and Gresham Partners Limited, and an Associate at Chase Manhattan Bank (New York).

If elected, the Board considers that Mr. Harrison would be an independent, non-executive Director.

Recommendation

The Board recommends the election of Mr. Harrison as a Director. The Chairman intends to vote all undirected proxies in favour of the election of Mr. Harrison.

EXPLANATORY NOTES ON ITEM 5

Remuneration Report



The Corporations Act requires a non-binding resolution to be put to shareholders for the adoption of the Remuneration Report. The Remuneration Report is included in the Company's 2017 Annual Report.

The 2017 Annual Report is available on the Investor Centre section of the Company's website, (at <http://www.estiahealth.com.au/investor-centre>), and copies will also be available at the AGM.

The Remuneration Report includes information on:

- the remuneration policy adopted by the Board;
- the relationship between that policy and the Company's performance;
- the remuneration details of each Director and KMP; and
- the performance conditions that must be met prior to an executive deriving any value from the "at risk" components of their remuneration

At the AGM, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on, the Remuneration Report. The shareholder vote on this resolution is advisory only and will not bind the Directors or the Company. The vote will, however, be taken into consideration in determining future remuneration policy for directors and executives.

The Board recommends that shareholders vote in favour of this resolution. The Board encourages shareholders to apply the same level of diligence to voting on this resolution as for the binding resolutions. Additionally, as a result of provisions in the Corporations Act, (known generally as the "two strikes rule"), shareholders should note that the result of the vote on this resolution may affect next year's AGM. If 25% or more of the votes cast on this resolution are "against" the resolution at both the 2017 AGM and the 2018 AGM, then a further resolution on whether to hold a meeting to spill the Board would need to be considered at the 2018 AGM.

Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report), the Board recommends that shareholders vote in favour of Item 5. The Chairman intends to vote all undirected proxies in favour of Item 5.

Grant of Performance Rights - CEO



Shareholders are asked to approve a grant of up to 484,233 performance rights to the Chief Executive Officer (“**CEO**”) under the Company’s Long Term Incentive Plan (“**LTIP**”). The proposed grant is comprised of up to 261,495 performance rights in respect of the 2017 financial year (“**FY17 LTIP**”) and up to 222,738 performance rights in respect of the 2018 financial year (“**FY18 LTIP**”).

Each performance right proposed to be granted to Mrs. Barlow will give her the right to acquire one ordinary share in the Company subject to the achievement of certain performance hurdles over the applicable performance period.

The details of the proposed FY17 LTIP grant were previously announced to shareholders on 23 November 2016 upon the CEO’s appointment but are now required to be formally considered and approved by shareholders for the purpose of ASX Listing Rule 10.14, (as the Company is seeking to provide the long-term incentive awards in the form of equity). The Board believes that an equity-based long-term incentive is an important component of the CEO’s remuneration, to ensure that an appropriate part of the CEO’s reward is linked to generating satisfactory long-term results for shareholders.

If shareholder approval is not obtained, the proposed grant of performance rights under the FY17 LTIP to Mrs. Barlow will not proceed, (though the Company may elect to re-seek shareholder approval in respect of the FY18 LTIP at the next AGM). In this event, issues may arise with the competitiveness of the total remuneration package and the Board would then need to consider alternative remuneration arrangements for Mrs. Barlow consistent with the Company’s remuneration principles.

The Key Features of the grant of performance rights proposed to be made to Mrs. Barlow in respect of the FY17 LTIP and FY18 LTIP is set out on the following page.

Recommendation

The Board, (other than Mrs. Barlow due to her respective interests), unanimously recommends that shareholders vote in favour of Item 6. The Chairman intends to vote all undirected proxies in favour of Item 6.

Voting restrictions

The Company will disregard any votes cast on Item 6 by or on behalf of Mrs. Barlow or any of her associates. In addition, the Company will disregard votes cast by a member of the KMP (or any of their closely related parties).

However, the Company need not disregard a vote cast by such persons appointed as a proxy on behalf of a person who is entitled to vote, in accordance with the direction on the proxy form; or by the Chairman of the Meeting as proxy on behalf of a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

GRANT OF CEO PERFORMANCE RIGHTS

Key Features



Key features	Performance Rights granted under the FY17 Long Term Incentive Plans	Performance Rights granted under the FY18 Long Term Incentive Plans
Number of rights allocated	Maximum number of performance rights to be allocated in respect of FY17 LTIP: 261,495.	Maximum number of performance rights to be allocated in respect of FY18 LTIP: 222,738.
	The FY17 LTIP award is based on Mrs. Barlow's total fixed remuneration for FY17 (as disclosed in the Company's Remuneration Report). The face value of the maximum number of rights to be granted under the FY17 LTIP is equivalent to 100% of Mrs. Barlow's total fixed FY17 remuneration.	The FY18 LTIP award is based on Mrs. Barlow's total fixed remuneration for FY18. The face value of the maximum number of rights to be granted under the FY18 LTIP is equivalent to 100% of Mrs. Barlow's total fixed FY18 remuneration.
	To calculate the maximum number of performance rights, the FY17 remuneration value determined above was divided by \$2.68, being the volume weighted average price of Estia shares (up to 2 decimal places) in the 10 trading days up to and including the date that Mrs. Barlow accepted her role as CEO.	To calculate the maximum number of performance rights, the FY18 remuneration value determined above was divided by \$3.14, being the volume weighted average price of Estia shares (up to 2 decimal places) in the 10 trading days following 24 August 2017 (being the date of release of the Company's FY17 results).
	No price is payable by Mrs. Barlow for the grant or exercise of performance rights.	No price is payable by Mrs. Barlow for the grant or exercise of performance rights.
Date of grant	If shareholder approval is obtained, the performance rights under the FY17 LTIP and FY18 LTIP will be granted to Mrs. Barlow as soon as practicable after the 2018 AGM, and, in any event, they will be granted within 12 months of receiving shareholder approval.	
Performance Measures	<p>The same performance measures and vesting conditions apply to the proposed grants to the CEO under the FY17 LTIP and FY18 LTIP.</p> <p>70% of the award will be subject to a Relative Total Shareholder Return ("TSR") measure against companies in the ASX200 (excluding mining & energy companies). Vesting of this tranche will commence if the Company's TSR, relative to companies in the ASX200 (excluding mining & energy companies), is at the 50th percentile, at which point, 50% of the relative TSR tranche will vest. Where the Company's TSR is at the 75th percentile of the ASX200 (excluding mining & energy companies), 100% of the relative TSR tranche will vest. Straight line vesting will occur between the 50th and 75th percentile.</p> <p>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.</p>	

GRANT OF CEO PERFORMANCE RIGHTS *CONTINUED*



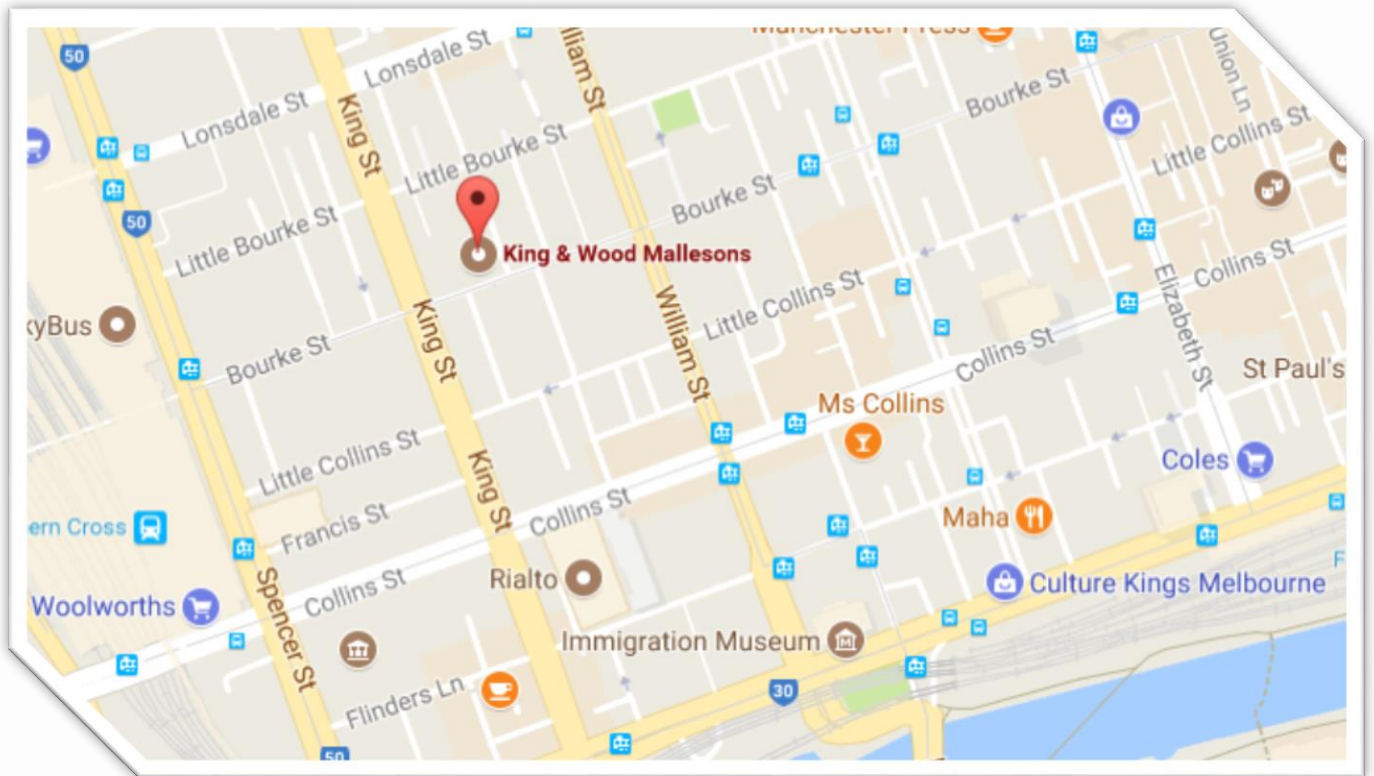
Key Features	Performance Rights granted under the FY17 Long Term Incentive Plans	Performance Rights granted under the FY18 Long Term Incentive Plans
Performance Period	<p>The TSR performance measure will be tested from 31 October 2016 to 31 October 2019 (i.e. the three year period from the date that Mrs. Barlow accepted her role as CEO).</p> <p>The EPS performance measure will be tested from 1 July 2016 to 30 June 2019. Any rights which do not vest following testing of the performance hurdle at the end of the performance period will lapse.</p>	<p>The TSR and EPS performance measures will be tested from 1 July 2017 to 30 June 2020.</p> <p>Any rights which do not vest following testing of the performance hurdle at the end of the performance period will lapse.</p>
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 clawback 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.	
In addition, Estia makes the following disclosures in accordance with ASX Listing Rule 10.15;		
Performance rights issued to directors or associates since last approval The issue of performance rights under the LTIP has not previously been approved by shareholders. No performance rights have been issued under the LTIP to Directors or their associates to date.		
Directors and associates entitled to participate in the LTIP As at the date of this Notice of Meeting, the only person eligible to participate in the LTIP (to whom ASX Listing Rule 10.14 applies) is Mrs. Barlow.		
Terms of any loan in relation to the acquisition of performance rights No loan applies in relation to the acquisition by Mrs. Barlow of securities under the LTIP.		

ANNUAL GENERAL MEETING

Venue Information



The fourth AGM of Estia Health Limited will be held at the offices of King & Wood Mallesons, Level 50, Bourke Place, 600 Bourke Street, Melbourne, Victoria on Tuesday, 14 November 2017 at 10.30am (AEDT). Registration will commence at 10.00am.



By Public Transport

The venue is walking distance from the Southern Cross Train Station and is also accessible via any tram along Swanston or Elizabeth street to Bourke Street.

Parking

There are ample parking facilities located close to the venue.

Accessibility

If you would like to discuss your access or communication requirements please contact the King & Wood Mallesons offices on 03 9643 4000.

Photographs

The Company may arrange for photographs to be taken at the AGM. If you chose to attend, you may be included in photographs. We reserve the right to restrict the use of video or audio recorders or other electronic devices, including mobile phones, at the AGM.



estiahealth.com.au

**REGISTERED OFFICE
VICTORIA**

357 Camberwell Road,
Camberwell VIC 3124

**HEAD OFFICE
NEW SOUTH WALES**

L4/15 Kensington Street
Kogarah NSW 2217

COMPANY ENQUIRIES

Company Secretary

T +03 9811 9777

E investor@estiahealth.com.au

**SHAREHOLDER
ENQUIRIES**

Link Market Services

T +61 1300 554 474