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ASX STATEMENT

23 July 2018

ESTIA HEALTH ANNOUNCES CEO AND COO SUCCESSION

Estia Health ("Estia") (ASX:EHE) Chairman Dr Gary Weiss today announced that Chief Operating Officer and Deputy Chief Executive Officer Ian Thorley would succeed Norah Barlow as Estia's Chief Executive Officer and Managing Director when Norah steps down in November 2018, having advised the Board of her wish to return to New Zealand after successfully leading the company through a period of significant change and onto a path of sustainable growth.

Dr Weiss also announced today the appointment of highly experienced aged care executive Sean Bilton to the role of Estia Deputy CEO and COO, adding to the depth and expertise of the executive team. Sean is currently the Acting Managing Director of Opal Aged Care.

Succession planning has been a core focus for the Estia Board and this has laid the foundation for a seamless transition among the company's most senior executives.

Dr Weiss said Mrs Barlow had made a significant contribution to Estia since joining the company as an independent Non-Executive Director in November 2014, but particularly since her appointment as Managing Director and CEO in September 2016.

"Estia has gone from strength to strength under Norah's leadership. She took the helm at a challenging time for the company and implemented a number of significant operational changes that have been in many ways transformative.

"Norah's focus on improving and expanding Estia's existing portfolio has also ensured the company is on a very solid and sustainable path for future growth."

Mrs Barlow said it was a privilege to lead Estia and see the positive impact of the initiatives implemented during her tenure.

"I have always maintained there were a number of significant changes that needed to be made to put the company in a much better position for future growth, and I feel I have achieved what I set out to do," Mrs Barlow said.
Dr Weiss said Estia's succession planning would enable a smooth transition

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to Mr Thorley.

“Estia is very fortunate to have such a natural and obvious successor in Ian. He has worked in the health and aged care sectors for more than 30 years and played a critical role in the operational changes at Estia which started to take shape soon after his appointment as COO in October 2016 and Deputy CEO shortly after that.”

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SUMMMARY OF KEY TERMS OF EMPLOYMENT

A summary of the material terms and conditions of the Executive Service Agreement ("**ESA**") entered into with Ian Thorley are provided below.

Key Terms	Details
Position	Chief Executive Officer ("**CEO**") and Managing Director.
Commencement date	Mr Thorley will complete transition from his current role as Deputy CEO and Chief Operating Officer by November 2018 following a period of handover from Ms Norah Barlow, the current CEO and Managing Director.
Fixed Remuneration	Fixed Remuneration of $720,000 (including compulsory superannuation) ("**Fixed Remuneration**") which will be reviewed annually by the Board.
At risk remuneration	**1 Short term incentive:** Mr Thorley will be eligible to receive an annual short term incentive ("**STI**") with a maximum STI of 50% of his annual Fixed Remuneration, subject to the Board's assessment of his achievement of applicable performance targets. Mr Thorley's STI for FY19 will be pro-rated to recognise his employment under the ESA is commencing part way through the performance year. A portion of any STI payment awarded to Mr Thorley will be subject to mandatory deferral on terms determined by the Board from year to year. **2 Long term incentive:** Mr Thorley will be eligible to participate in the Company's Long Term Incentive Plan ("**LTIP**") on an annual basis, with a maximum LTIP of 100% of his annual Fixed Remuneration. The vesting of these performance rights will be subject to achievement of performance conditions over a defined vesting period. The Company proposes to make a pro-rated award of performance rights under the LTIP to Mr Thorley for FY19 to recognise his employment under the ESA is commencing part way through the performance year, the grant of which will be subject to shareholder approval at the Company's 2019 Annual General Meeting. These performance rights will be subject to a 3 year vesting period and performance conditions during the vesting period reflecting: (i) the Company's relative Total Shareholder Return measured against appropriate ASX-listed comparator companies; and (ii) the Company's earnings per share.
Leave entitlements	Mr Thorley is entitled to statutory leave entitlements.

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Confidential information and IP	Mr Thorley's employment agreement contains customary provisions for the protection of the Company's confidential information and intellectual property.
Termination provisions	The Company may terminate Mr Thorley's employment (without cause) by providing six months' written notice. The Company may terminate Mr Thorley's employment summarily without notice if he engages in particular conduct (for example serious misconduct, he becomes disqualified from holding office and other specified grounds). Mr Thorley may terminate his employment by providing the Company with six months' written notice. The Company may elect to make a payment in lieu of all or part of any period of notice of termination given by either party with the payment to be based on Mr Thorley's Fixed Remuneration during the notice period. The Company may also direct Mr Thorley to take 'gardening leave' during a period of notice.
Post-employment restraint	Mr Thorley must not engage in, or provide services to, any business that is the same or similar as the Company's business for a period of six months after ceasing employment. Further, Mr Thorley must not, for a period of six months after ceasing employment: (i) solicit business or services from any person who was a customer or supplier of the Company; or (ii) entice away from the Company or the Group any person who was an officer, employee or consultant in a managerial role of the Company or the Group.