

20 March 2020

## Leadership Transition

Japara Healthcare Limited (“Japara”) (ASX: JHC) today announced that its long-standing Chief Executive Officer & Managing Director, Andrew Sudholz, would be standing down from the role for personal reasons and its Chief Financial Officer, Chris Price, would be appointed as the new Chief Executive Officer & Managing Director with effect from 20 March 2020.

Japara Chairman Linda Nicholls said “Andrew was the founder of Japara Healthcare and we have enormous gratitude for all that he has done in growing the company into one of Australia’s leading aged care providers and establishing high standards for residential aged care in Australia both as our Chief Executive & Managing Director and as Chair of the Aged Care Guild. Andrew is stepping back to be present with a family member dealing with a serious health issue. They have our care and support at this important time.

“Incoming Chief Executive Officer & Managing Director and current Chief Financial Officer, Chris Price, joined Japara in 2015. Chris has 30 years experience in management and finance at the executive level, the majority obtained with ASX listed companies. In the last 5 years with Japara he has developed a deep understanding of the residential aged care sector and its particular challenges and opportunities.

“Long term colleagues, Andrew and Chris are committed to ensuring a seamless leadership transition.”

Anthony Rice, Japara’s current Chief Investment Officer, will now also assume the role of Chief Financial Officer. Anthony had a 20 year career in investment banking and joined Japara from Macquarie Group, where as a Managing Director, he led the firm’s aged care sector coverage.

Chairman Linda Nicholls said “The Board is pleased the succession of Chris and Anthony into the new leadership roles will mean minimal disruption to the business in challenging times for the sector.”

A summary of the material terms of the new Chief Executive Officer & Managing Director’s employment agreement is attached.

Bruce Paterson  
Company Secretary

*This announcement is authorised by the Board.*

## **SUMMARY OF MATERIAL TERMS OF EMPLOYMENT – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR APPOINTMENT**

A summary of the material terms and conditions of the Executive Service Agreement (“ESA”) with Mr Chris Price are set out below.

**Position:** Chief Executive Officer (“CEO”) & Managing Director.

### **Commencement date**

Mr Price will be appointed to the role effective 20 March 2020 and will complete handover from his current role as Chief Financial Officer by the end of April 2020 following a period of handover from Mr Andrew Sudholz, the current CEO & Managing Director.

### **Fixed Remuneration**

Fixed Remuneration of \$720,000 per annum (including compulsory superannuation) (“Fixed Remuneration”) which will be reviewed annually by the Board.

### **At risk remuneration**

Short-term incentive: Mr Price 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 Price’s STI for FY2020 will be pro-rated to recognise his employment under the ESA is commencing part way through the performance year. An amount of 50% of any STI payment awarded to Mr Price will be deferred into equity with a deferral period of 12 months. The remaining 50% will be paid in cash following closure of the financial year.

Long-term incentive: Mr Price will be eligible to participate in the Company’s Equity Incentive Plan on an annual basis to receive long-term incentive (“LTI”) with a maximum LTI of 100% of his annual Fixed Remuneration. LTI will be in the form of equity which will be subject to achievement of gateways and performance conditions over a vesting period of four (4) years. Any award of equity for LTI purposes to Mr Price for FY2020 will be pro-rated to recognise his employment under the ESA is commencing part way through the performance period. This equity, in the form of performance rights, will be subject to a four (4) year vesting period and gateway and performance conditions during the vesting period reflecting: (i) the Company’s Absolute Total Shareholder Return; and (ii) the Company’s Earnings Per Share.

### Leave entitlements

Mr Price is entitled to statutory leave entitlements.

### Termination provisions

The Company may terminate Mr Price’s employment (without cause) by providing twelve (12) months’ written notice. The Company may terminate Mr Price’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 Price may terminate his employment by providing the Company with twelve (12) 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 Price’s Fixed Remuneration during the notice period.

Post- employment restraint

Mr Price must not carry on, be employed by or engaged in, any business that is a competitor providing services the same as or similar to the Company's business for a period of twelve (12) months after ceasing employment. In addition, Mr Price must not, for a period of twelve (12) months after ceasing employment entice away from the Company or the Group any person who was a director or employee of the Company or the Group.

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