

NOTICE OF 2018 ANNUAL MEETING OF SHAREHOLDERS

NOTICE OF MEETING

Notice is hereby given that the 2018 Annual Meeting of Shareholders of Abano Healthcare Group Limited (the "Company" or "Abano") will be held in the **Pakuranga Hunt Room, Ellerslie Event Centre, 80-100 Ascot Avenue, Ellerslie, Auckland, on Tuesday 9 October 2018, commencing at 11.00am.**

AGENDA

- 1. CHAIRMAN AND MANAGEMENT PRESENTATIONS**
- 2. SHAREHOLDER DISCUSSION**
- 3. RESOLUTIONS**

To consider and, if thought fit, pass the following ordinary resolutions:

RESOLUTION 1

To record the reappointment of PricewaterhouseCoopers as auditor of the Company and to authorise the Directors to fix the auditor's remuneration.

RESOLUTION 2

That Dr Ginni Mansberg, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 3

That Dr Tracey Batten, who was appointed as a Director by the Board during the year, be elected as a Director of the Company.

RESOLUTION 4

To authorise an increase in the total amount of remuneration payable per annum to non-executive Directors from \$663,000 to \$697,100 (an increase of \$34,100 or 5.1%), to be paid and allocated to the non-executive Directors as the Board considers appropriate.

Further information relating to the resolutions is set out in the Explanatory Notes to this Notice of Meeting.

- 4. OTHER BUSINESS**

The Board of Abano invites attendees to join them for light refreshments at the end of the Meeting.

By Order of the Board of Directors



Rosemary Ferguson
Authorised Officer
11 September 2018

EXPLANATORY NOTES

RESOLUTION 1: FIX THE REMUNERATION OF THE AUDITOR

Pursuant to section 207T of the Companies Act 1993, PricewaterhouseCoopers is automatically reappointed at the Annual Meeting as auditor of the Company. The resolution authorises the Board to fix the remuneration of PricewaterhouseCoopers as the Company's auditor.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – DR GINNI MANSBERG

Under NZX Main Board Listing Rule 3.3.11 and clause 11.6 of the Company's constitution, at least one third of Directors, or if their number is not a multiple of three, the number nearest to one third, are required to retire from office at the Annual Meeting. Those who retire are eligible for re-election at the Annual Meeting. The Directors required to retire are those who have been longest in office since their last election.

Accordingly, Dr Ginni Mansberg and Ted van Arkel both retire by rotation. Ginni Mansberg, being eligible, has offered herself for re-election. Ted van Arkel is not standing for re-election.



DR GINNI MANSBERG BMed GradDip Journalism

TERM OF OFFICE: Appointed 24 August 2016

BOARD RESPONSIBILITIES: Independent Director

Dr Mansberg is a Sydney-based GP with a successful clinical practice. She is a member of the Australian Institute of Company Directors and sits on a number of corporate and not for profit Advisory Boards, including the Australian Cervical Cancer Foundation, and the Australian Immunization Coalition as well as being an ambassador for Barnardos Mother of the Year.

Dr Mansberg has experience in medical journalism and is a former political advisor and speech writer. She appears regularly on radio and television, writes for lifestyle and medical magazines and is the author of several books, as well as running her own skincare company.

The Board has determined that Dr Mansberg is an Independent Director and supports her re-election.

RESOLUTION 3: ELECTION OF DIRECTOR – DR TRACEY BATTEN

Abano regularly reviews Board membership and has a succession plan to ensure the appropriate skills, capabilities, experience and knowledge are in place to provide effective oversight of Abano's strategy and growth. New Directors will be appointed in an orderly fashion to ensure a seamless transition and conveyance of knowledge.

In line with this, Dr Tracey Batten was appointed to the Board on 23 May 2018. In accordance with NZX Main Board Listing Rule 3.3.6 and clause 11.5 of the Company's constitution, Dr Batten holds office until the next Annual Meeting, and being eligible, offers herself for election by shareholders.



DR TRACEY BATTEN MBBS, MHA, MBA (Harvard) FRACMA FAICD

TERM OF OFFICE: Appointed 23 May 2018

BOARD RESPONSIBILITIES: Independent Director

Based in New Zealand, Dr Batten has 15 years' experience as CEO for large, complex healthcare organisations in both Australia and the United Kingdom and has worked closely with businesses in the hospital, aged care and medical research sectors.

She is a fellow of the Australian Institute of Company Directors and has held a number of governance positions with private and public organisations, including currently being a director of Medibank Private Limited in Australia and the National Institute of Water and Atmospheric Research.

Tracey's knowledge of the health sector, as well as her understanding of the Australasian market, is of value to the company and shareholders.

The Board has determined that Dr Batten is an Independent Director and supports her re-election.

RESOLUTION 4: INCREASE IN DIRECTORS' FEES

Resolution 4 is put to shareholders in accordance with NZX Main Board Listing Rule 3.5.1, and expresses the Directors' remuneration as a monetary sum, payable to all non-executive Directors taken together per annum.

Abano's policy is to offer competitive Director fees to attract and retain the highest quality Directors, with the appropriate skills, experience and diversity. Consistent with this policy, as Abano has evolved from a multi-discipline healthcare investor to being solely focused on the \$11-billion trans-Tasman dental market, two Directors with clinical experience have been appointed, along with two Australian-based Directors.

Abano has used Strategic Pay Limited for several years to provide market data on Director fees. Strategic Pay are an independent consulting organisation who specialise in assessing and recommending senior executive and Director remuneration in New Zealand and they have one of the largest databases of comparative information available. A summary of Strategic Pay's report can be viewed on the Abano website at <https://www.abano.co.nz/investor-information/shareholder-meetings/>.

In reviewing Directors' remuneration, the Board has taken Strategic Pay's recommendations into consideration and has also considered the skills, performance and experience of Directors, the additional time and effort required from Committee Chairs, the level of responsibility relative to other roles, and the relevant responsibilities for different roles. In some cases, these changes have led to a reduction in fees, specifically for the Deputy Chair's role and the Chair of the Governance and Remuneration Committee.

Taking the above into account, the Board recommends that the total annual remuneration available to be paid to all non-executive Directors taken together, per annum, be increased by \$34,100 or 5.1%, from \$663,000 to \$697,100. The proposed fees are at the bottom end of the range of the recommendations from Strategic Pay. The Board believes they are fair and reasonable to the Company and to shareholders and all increases would apply, if approved, for the FY19 financial year onwards.

The Board currently intends to allocate the aggregate pool of Directors' fees to the non-executive Directors based on their responsibilities, as set out below.

Role	Current Fees	Proposed Fees	Strategic Pay recommendation
Chair	\$130,000	\$143,000	\$140,000 to \$160,000
Deputy Chair	\$97,000	\$89,500	\$87,500 to \$100,000
Non-executive Director	\$65,000	\$71,500	\$70,000 to \$80,000
Chair of the Risk Assurance and Audit Committee	\$13,000	\$17,900	\$15,000
Chair of the Governance and Remuneration Committee	\$13,000	\$10,700	\$15,000
Special annual pool*	\$150,000	\$150,000	No change
TOTAL POOL	\$663,000	697,100	

*The special annual pool provides flexibility for the remuneration of non-executive Directors who assume significant additional responsibilities throughout the year and has only been used twice in the last 11 years, including once where costs were recouped from a takeover party.

Abano supports a transition period for new Directors to allow them to familiarise themselves with the business and strategy, before retiring Directors step down. This means that at times, Abano's Board may number seven Directors for short periods, before reducing again to what the Board currently considers to be the optimal level of six Directors. In this case, the total remuneration paid to Directors may increase without the need for a further shareholders' resolution, to enable payment to the additional Director or Directors (in accordance with, and subject to the limits in, NZX Main Board Listing Rule 3.5.1).

As part of the Board's ongoing succession planning and with three longer serving Directors retiring over the next 12 to 18 months, a phased refresh of the Board is currently in process.

Abano encourages Directors to hold shares in the Company, with the intention that non-executive Directors will acquire and own shares which are approximately equal in value to two years of their net Directors' fees. A Directors' Share Plan has been in place since 2012 which allows for a portion of the annual after tax fees for participating Directors to be applied to the acquisition of shares on the market on a quarterly basis. The Plan was renewed in May 2018 for a further three years.

PROCEDURAL NOTES

ENTITLEMENT TO VOTE

The only persons entitled to vote at the Annual Meeting are registered shareholders as at **5.00pm on Friday 5 October 2018**. Only the shares registered in those shareholders' names at that time may be voted at the Annual Meeting.

In line with NZX Main Board Listing Rule 9.3.1, all Directors intended to receive a payment under Resolution 4 and their Associated Persons (as that term is defined in the NZX Market Board Listing Rules) are prohibited from voting in favour of Resolution 4. If you appoint such a Director or any person who is an Associated Person of such a Director as your proxy, that person will only be able to vote on Resolution 4 in accordance with your express instructions.

PROXIES AND CORPORATE REPRESENTATIVES

Any shareholder who is entitled to vote at the Annual Meeting may appoint a proxy (or in the case of a corporate shareholder, a representative) to attend and vote on their behalf. A proxy does not have to be a shareholder in the Company. A shareholder may appoint the Chairman of the Meeting, or another person, to act as proxy.

A shareholder wishing to appoint a proxy can do so by:

- completing the enclosed Proxy/Voting Form and returning it by mail or fax to Computershare Investor Services Limited; or
- appointing a proxy online at www.investorvote.co.nz in accordance with the instructions set out in the enclosed Proxy/Voting Form,

so as to ensure it is received by **11.00am on Sunday 7 October 2018** (being 48 hours before the time for holding the Annual Meeting).

The address details for Computershare Investor Services Limited are: Private Bag 92119, Auckland 1142. Fax +64 9 488 8787 or email corporateactions@computershare.co.nz.

If you appoint a proxy, you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as s/he sees fit. If you wish to give your proxy discretion, you must mark the appropriate boxes to grant your proxy that discretion. If you do not tick any box for a particular resolution, or the form is otherwise unclear, then your instruction will be to abstain. If you mark more than one box on an item, your vote will be invalid on that item.

Subject to the prohibition described above in respect of Resolution 4, the Chairman of the Meeting and the Directors intend to vote proxies granted to them and marked 'Proxy Discretion' in favour of the resolutions.

Please see the Proxy/Voting Form for further details and instructions.

RESOLUTIONS

All of the resolutions notified for the Annual Meeting in this Notice of Meeting are ordinary resolutions and require approval by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.

QUESTIONS

The Company offers a facility for shareholders to submit questions to the Board in advance of the Annual Meeting. Questions should be relevant to matters at the Annual Meeting, including matters arising from the financial statements, general questions regarding the performance of the Company, and questions which relate to the resolutions. The Company has the discretion as to which of these questions will be addressed at the Annual Meeting. Please submit questions by email to enquiries@abanohealthcare.co.nz. Please write 'Questions from Shareholders' in the subject line of the email. There will also be the opportunity for shareholders to ask questions at the Annual Meeting.

PRESENTATIONS

The Chairman and Management presentations from the 2018 Annual Meeting will be released to the NZX and published on the Company website at the link set out below. A summary of the proceedings will be available as soon as practicable following the close of the Annual Meeting on the Company website at www.abanohealthcare.co.nz/annualmeeting.

2018 ANNUAL REPORT

The Annual Report (including the Annual Review and audited financial statements) for Abano Healthcare Group Limited for the year ended 31 May 2018 is available on the Company website at www.abano.co.nz/investor-information/shareholder-reports.

ABANO HEALTHCARE GROUP LIMITED

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