

Notice of Annual Meeting of Shareholders 2024



Notice of Annual Meeting of Shareholders

22 March 2024

Dear Shareholder

We invite you to join us for the Annual Meeting of Shareholders of Summerset Group Holdings Limited ("Summerset"), to be held at:

Where: Online: www.virtualmeeting.co.nz/sum24

Physical Location: The Makaro Room at Te Raukura, Odins Square,
Taranaki Street Wharf, Wellington

When: Wednesday, 24 April 2024 at 1.00pm (New Zealand time)

Summerset CEO, Scott Scoullar, and I will talk about Summerset's performance during the 2023 financial year and our plans for 2024. Questions from shareholders attending the meeting will be invited.

If you cannot attend, I encourage you to complete and lodge the proxy form in accordance with the instructions on the back of that form so that it reaches Link Market Services by 1.00pm (New Zealand time) on Monday 22 April 2024.

Items of Business:

- A. Chair's address
- B. Chief Executive Officer's address
- C. Update from Committee Chairs
- D. Ordinary resolutions
- E. General business and shareholder discussion.

Resolutions:

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

1. That the Board is authorised to fix the auditors' remuneration.
2. Having retired, that Marie Bismark be re-elected as a Director of Summerset for a further (and final) term of three years.
3. That the maximum aggregate fee pool amount of remuneration payable by Summerset to Directors (in their capacity as Directors) be increased by \$105,550 per annum (plus GST, if any), from \$904,450 per annum to \$1,010,000 (plus GST, if any).

Further information relating to these resolutions is set out in the Explanatory Notes accompanying this Notice of Meeting. Please read and consider the resolutions together with the Explanatory Notes.

I look forward to seeing you at the Annual Meeting and thank you for your ongoing support.

By order of the Board.



Mark Verbiest

Chair

22 March 2024

Explanatory Notes

Ordinary Resolution 1

Pursuant to the Companies Act 1993, Ernst & Young are automatically reappointed at the Annual Meeting as auditors of Summerset. The proposed resolution is to authorise the Directors to fix the remuneration of the auditors, Ernst & Young.

Ordinary Resolutions 2

Pursuant to NZX Listing Rule 2.7.1 a Director must not hold office (without re-election) past the third Annual Meeting following the Director's appointment or 3 years, whichever is longer.

Dr Marie Bismark retires in accordance with NZX Listing Rule 2.7.1 and offers herself for re-election.

The Board has determined that Marie currently qualifies as an Independent Director and unanimously supports her re-election. The Board notes that, if re-elected, Marie will have served as a director for 12 years on 1 September 2025. Whilst it is acknowledged that is a long term, nevertheless the Board considers that Marie should be considered an Independent Director despite her tenure.

At the request of the Board, given she continues to perform a valuable role as Chair of the Clinical Governance Committee, a critical role in the context of our business, Marie has agreed to stand for re-election. Marie has a very particular set of skills and experience which the Board and management, and hence the Company, benefits from.

Marie Bismark MBChB, LLB, MBHL, MPH, MD, MPsyCh, FAICD, FAFPHM



**Non-executive Director
Independent**

Term of Office: Appointed Director on 1 September 2013, re-elected 30 April 2015, 27 April 2018 and 28 April 2021

Board Committees: Clinical Governance Committee (Chair), People & Culture Committee

Marie works as a Consultant Psychiatrist at Te Whatu Ora, Capital & Coast, and as a Professor at Melbourne University. Her research focuses on patients' rights, quality of care, and medical regulation.

Marie is an experienced company director, serving on the boards of GMHBA Health Insurance, The Royal Women's Hospital in Melbourne, and on the Veterans' Health Advisory Panel.

Marie has been a director of Summerset since 2013.

Ordinary Resolution 3

The Board recommends to shareholders that the maximum annual Directors' remuneration payable to all Directors of Summerset taken together ("fee pool") be increased from the current level of \$904,450 to \$1,010,000 (plus GST, if any). This reflects a total increase of \$105,550 to the current approved fee pool plus any GST payable on the fee pool (an increase of 11.67%).

The current standard Directors' fees per annum are as follows (plus GST):

- | | |
|---|-----------|
| • Chair | \$195,000 |
| • Non-executive Director | \$97,500 |
| • Chair of Audit Committee | \$20,000 |
| • Chair of Clinical Governance Committee | \$15,000 |
| • Chair of People & Culture Committee | \$15,000 |
| • Chair of Development & Construction Committee | \$15,000 |

For Directors resident in Australia (currently Stephen Bull), their remuneration is paid in Australian dollars at the appropriate equivalent dollar amount as is paid to New Zealand Directors. In 2023, annualised standard Directors' fees were \$854,220 (plus GST), taking into account the foreign exchange rate applicable to the Directors' fees paid in Australian dollars.

In addition to standard Directors' fees, in 2023 \$15,467 (plus GST) was also paid for additional responsibilities above and beyond the normal duties of the Board or any standard Committee. These fees related to due diligence work for the issue of retail bonds in March 2023.

The fee pool was last increased in April 2022.

In making this recommendation, the Board has considered a report prepared by PwC for the People & Culture Committee. The purpose of this report was to benchmark the fees paid to Summerset's Directors against a peer group of NZX-listed companies selected on the basis of comparable market capitalisation. In accordance with the commentary to Recommendation 5.1 of the NZX Corporate Governance Code, a summary of PwC's report is attached and is also available on Summerset's investor website at www.summerset.co.nz/directorsfeesummary. It should be noted that the Company continues to grow and in particular has invested in, and is developing, an increasing proportion of assets in Australia. It is also worthy of note that the imposts of time, and the impacts of inflation, have meant that director remuneration for Summerset has tended to lag that of other listed companies.

The proposed standard Directors' fees per annum effective from 1 May 2024 are as follows (plus GST):

• Chair	\$220,000
• Non-executive Director	\$100,000
• Chair of Audit Committee	\$20,000
• Chair of Clinical Governance Committee	\$20,000
• Chair of People & Culture Committee	\$20,000
• Chair of Development & Construction Committee	\$20,000
• Committee member	\$10,000

The proposed Committee member fee is a new fee payable to Directors (other than the Chair) who are a member of a standing Committee. The fee is payable once per Director (i.e. if a Director is a member of two Committees, they will receive a single fee of \$10,000 (plus GST)). It should be noted that it is common practice among most listed companies to pay fees to Committee members, with these fees generally being paid per Committee as opposed to the single fee that has been proposed.

The addition of the Committee member fee brings the total Non-executive Director fees (excluding Committee Chair fees) to \$110,000 (plus GST) per annum, and consequently it is proposed that the Chair's fee be increased to the market standard of two times the Non-executive Director fees.

It is intended that directors resident in Australia continue to be paid in Australian dollars at the appropriate equivalent dollar amount as is paid to New Zealand directors. This reflects differences in taxation and currency and is regarded as appropriate given Summerset's investments in Australia.

In addition to providing for the proposed increases, the proposed change to the fee pool, if approved, will provide \$50,000 of headroom in order to allow for the Board to approve payments to Directors for assuming additional responsibilities above and beyond the normal duties of either the Board or any standard Committee. These payments will only be approved in the event of commitments such as significant strategic work or projects.

Summerset will disregard any votes on Ordinary Resolution 3 by:

1. any Director of Summerset; and
2. any Associated Person of any Director of Summerset,

except where any such vote is cast by the Director or one of his or her associates as proxy for a person who is entitled to vote and the Director or that associate votes in accordance with express instructions to vote for or against a particular resolution on the proxy form.

¹ The amount of headroom may vary depending on the foreign exchange rate applicable to the Directors' fees paid in Australian dollars to the Australian Directors.

IMPORTANT INFORMATION

Attendance

Shareholders will be able to attend the Annual Meeting in person, or, alternatively, virtually via an online platform provided by our share registrar, Link Market Services at www.virtualmeeting.co.nz/sum24.

Shareholders attending and participating in the Annual Meeting virtually via the online platform will still be able to vote and ask questions during the Annual Meeting. More information regarding virtual attendance at the Annual Meeting (including how to vote and ask questions virtually during the Meeting) is available in the Virtual Annual Meeting Online Portal Guide available at <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>

Proxies

Any shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy, who need not be a shareholder, to attend and vote instead of him or her by completing and returning the enclosed proxy form. 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 he/she sees fit. If you wish to give your proxy discretion then you must mark the appropriate boxes on the form to grant your proxy that discretion. If you do not tick any box for a particular resolution, then your instruction will be to abstain.

Shareholders can elect to vote their proxies on-line by visiting vote.linkmarketservices.com/SUM or by scanning the QR code on the Proxy Form with your smartphone.

NZX Register holders:

You will need to enter your CSN/Holder Number and Authorisation Code (FIN) to securely complete your proxy appointment.

ASX Register holders:

You will need to enter your Holder Number and postcode to securely complete your proxy appointment.

If you wish to mail the proxy form then please send it to our share registry, Link Market Services Limited, using the freepost envelope included with the form. Alternatively you can scan and email the completed proxy form to meetings@linkmarketservices.com (please put the words Summerset Proxy Form in the subject line for easy identification).

The completed proxy form must be received by the share registry no later than 1.00pm (New Zealand time) on Monday 22 April 2024. Any proxy form received after that time will not be valid for the scheduled meeting.

Ordinary Resolution

An ordinary resolution is one passed by a simple majority of votes from shareholders entitled to vote and voting on the resolution.

Voting

Voting entitlements for the Annual Meeting will be determined as at 5.00pm (New Zealand time) on Monday 22 April 2024. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those shareholders' names at that time may be voted at the Annual Meeting.

The Chair will require voting at the Annual Meeting to be conducted by poll, as required by the NZX Listing Rules.

More information

If you have any questions, or for more information, please contact Summerset's Company Secretary, Robyn Heyman, on (04) 894 7320.

Summerset Group Holdings Ltd

Non-executive directors' fees benchmarking Summary report

12 March 2024



Remuneration Service provider Independence declaration

PwC's Reward Services team has been engaged by the Summerset Group Holdings Limited (Summerset) Board of Directors (the Board) to provide independent remuneration benchmarking services in relation to Summerset's Directors' fees (the Services).

As lead engagement Partner for the provision of the Services to the Board, I declare that no influence has been brought to bear upon me or, to the best of my knowledge and belief, any member of the PwC Reward Services team, by any Board member, employee or executive of Summerset or any other party regarding the Services or outcomes of the Services.

Dated: 12 March 2024

A handwritten signature in blue ink, appearing to read 'Chris Place'.

Chris Place

Partner
PricewaterhouseCoopers

Summary

The table provided below summarises market remuneration data for directors' fees from a comparator group of 14 NZX-listed companies selected by the Summerset Board for the purposes of this exercise. The basis for the comparator group composition was comparable market capitalisation, together with inclusion of relevant industry comparators. Median market capitalisation across the sample was **\$2,268 million**, compared to Summerset's market capitalisation of **\$2,174 million**. The sample is evenly weighted between larger and smaller companies than Summerset by market capitalisation (seven larger and seven smaller). Details of the comparator group are provided in Appendix 1.

Data is current to the date of this report and has been sourced from publicly available information, including annual reports and NZX disclosures. Where the Board chooses to position its fees against this market data will depend on the Board's view of the overall relevance of the comparator group and specifically Summerset's perceived relative complexity of operations, relative scale, ranking (by scale) and risk profile as compared with those of the comparator companies.

Position	Sample size	Market median	Summerset fee policy	Comparison to the market median
Board Chair ¹	14	200,000	195,000	98%
NED ²	14	100,000	97,500	98%
Chair of Audit & Risk committee ³	14	20,000	20,000	100%
Chair of Audit & Risk committee – aggregated fee ³	14	120,000	117,500	98%
Chair of People & Culture committee ⁴	12	20,000	15,000	75%
Chair of People & Culture committee – aggregated fee ⁴	12	118,800	112,500	95%
Member of Audit & Risk committee ⁵	11	12,000	0	0%
Member of Audit & Risk committee – aggregated fee ⁵	11	114,000	97,500	86%
Member of People & Culture Committee ⁶	10	10,000	0	0%
Member of People & Culture Committee – aggregated fee ⁶	10	110,300	97,500	88%
Total approved pool fee ⁷	11	1,073,000	904,450	84%

Notes:

1. Analysis of the 14 companies in the sample which had a non-executive Board Chair. The majority of Chair roles receive no committee fees, with the base fee recompensing all Board contribution/roles held. Three companies in the sample paid committee fees on top of base Chair fees, these are captured in the market fee analysis for this position.
2. Analysis of base NED fees for all 14 companies in the comparator group.
3. Analysis of each of the 14 companies' committee fees that had this role/paid additional remuneration to this role. Aggregated remuneration analysis - which reflects payment of the NED fee + Chair of Committee fee - has also been itemised for completeness.
4. Analysis of each of the 12 companies that had this role/paid additional remuneration to this role. Some companies combined this committee portfolio e.g. People & Remuneration Committee, People & Nomination Committee etc. Both committee fee only and aggregated fee data (NED fee + Chair of Committee fee) has been provided.
5. Analysis of each of the 11 companies' committee fees that had this role/paid additional remuneration to this role. Aggregated remuneration analysis - which reflects payment of the NED fee + Member of Committee fee - has also been itemised for completeness.
6. Analysis of each of the 10 companies' committee fees that had this role/paid additional remuneration to this role. Aggregated remuneration analysis - which reflects payment of the NED fee + Member of Committee fee - has also been itemised for completeness.
7. Analysis of each of the 11 companies where a pool fee is set/disclosed.

Appendix 1 - Comparator Group

Organisation name	Market Capitalisation (\$ millions)	Company total revenue (\$ millions)	Company total assets (\$ millions)
Vector	3,800	1,192	7,528
Port of Tauranga	3,775	421	2,824
Fletcher Building	3,665	8,469	9,081
Ryman Healthcare	3,665	571	12,511
Chorus Limited	3,321	980	6,165
Goodman Property Trust	2,982	177	4,854
Genesis Energy	2,665	2,374	5,090
Precinct Properties New Zealand	1,872	219	3,643
Freightways	1,487	1,122	1,377
Vital Healthcare Property Trust	1,381	145	3,430
Manawa Energy (previously Trustpower)	1,349	437	2,104
Kiwi Property Group	1,321	259	3,238
Arvida Group	684	222	3,762
Oceania Healthcare	536	286	2,545
Summerset Group	2,174	239	5,840
Market median	2,268	429	3,702
Comparative ratio to median	96%	56%	158%

Source: Market capitalisation data: www.nzx.com December 2023, revenue and total assets data was taken from the latest annual reports

Thank you

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