



# Notice of Annual Meeting

RYMAN HEALTHCARE 2021



## Dear Shareholder,

We warmly invite you to join us for the Annual Meeting of Shareholders of Ryman Healthcare Limited (**Ryman**).

**Where:** Lambton Room, InterContinental Hotel, 2 Grey Street, Wellington - and online.

**When:** Thursday 29 July 2021 at 10am.

You are welcome to join us after the meeting for refreshments.

## Important dates

Latest time for receipt of postal votes and proxy forms: 10am on 27 July 2021.

Time for determining voting entitlements at the annual meeting: close of business on 27 July 2021.

All times are given in New Zealand time.

## Hybrid meeting

Shareholders have the choice to attend and participate in the Annual Meeting in person at InterContinental Hotel or virtually via an online platform provided by our share registrar, Link Market Services at [www.virtualmeeting.co.nz/rym21](http://www.virtualmeeting.co.nz/rym21).

Shareholders attending and participating in the Annual Meeting virtually via the online platform will 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>.

## Keeping our residents, team members and shareholders safe

The safety of our residents, team members and shareholders is our number one priority.

All attendees at the annual meeting will be required to sign a health declaration before entering the meeting and it is critically important that if anyone is feeling unwell, even slightly, that they do not attend.

Should the current COVID-19 threat level increase from its current level – level 1 – and the government restrictions change from those currently in place, we will move to a fully online meeting.

## Agenda

1. Chairman and Group Chief Executive's address.

## Ordinary Business

2. Director election and re-election:
  - 2.1 That Mr Gregory Campbell, who retires having been appointed by the board, is elected as a director of Ryman.
  - 2.2 That Mr Geoffrey Cumming, who retires, is re-elected as a director of Ryman.
  - 2.3 That Mr Warren Bell, who retires, is re-elected as a director of Ryman.
  - 2.4 That Ms Jo Appleyard, who retires, is re-elected as a director of Ryman.
3. That the Ryman board is authorised to fix the auditor's remuneration for the ensuing year.
4. To approve an increase in the maximum directors' fees payable to \$1,500,000 per annum, such amount to be divided amongst the directors in such proportion and such manner as the directors from time to time determine (see details of increase in explanatory notes overleaf).

## Notes

### 1. Proxies:

A shareholder entitled to vote at the meeting but who cannot attend is entitled to appoint a proxy to attend the meeting and vote on their behalf. A proxy need not be a shareholder in the company.

To be valid, a completed proxy form (and any certificate of appointment of a corporate representative or power of attorney - refer to the notes on the proxy form) must be deposited at the company's registry, Link Market Services, no later than 10 am (New Zealand time) on 27 July 2021.

A proxy notice may be deposited by delivering it to the company's registry as per the instructions on the reverse of the proxy, which includes online voting this year.

### 2. Eligibility to Vote:

Any Shareholder whose name was recorded in the company's share register at close of business on 27 July 2021 is entitled to attend the meeting and vote on the resolutions either in person or by proxy.

The resolutions required for agenda items 2, 3, and 4 are ordinary resolutions, which must be passed by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions.

By order of the board



David Bennett  
Company Secretary  
Christchurch, 18 June 2021

# Explanatory Notes

## Ordinary Resolution 2.1

Ryman's constitution and NZX Listing Rule 2.7.1 require that any director appointed by the board must retire from office at the next annual meeting but is eligible to seek election.

Director Gregory Campbell retires in accordance with this requirement and offers himself for election.

The board unanimously supports the election of Greg.



**Gregory Campbell**

Greg joined the board in March 2021. He is an experienced chief executive and board director with more than 25 years' experience in leading large organisations across Australasia. Greg has strong governance and commercial skills and a deep operational understanding of business. Greg was previously the Chief Executive of Ravensdown Limited, Ngāi Tahu Holdings Limited, Waste Management NZ and Cleanaway Australia. Greg is currently a director of Christchurch City Holdings Limited and Transdiesel Limited.

Board committees: Audit and Financial Risk, People and Safety, and Development and Construction.

## Ordinary Resolutions 2.2, 2.3 and 2.4

Under NZX Listing Rule 2.7.1 a director must not hold office past the later of three years and the third annual meeting after their appointment without being re-elected by shareholders.

Directors Geoffrey Cumming, Warren Bell and Jo Appleyard retire in accordance with these requirements and, being eligible, offers themselves for re-election.

The board unanimously supports the re-election of Geoff, Warren and Jo.



**Geoffrey Cumming**

Geoff re-joined the board in June 2018, having previously served as a director during 1999 to 2000, being before and after the IPO. He is a Melbourne-based New Zealand citizen who is an economist, investor, and philanthropist. He has more than 30 years' experience as a chief executive and as a company director, having served on more than 25 corporate boards in a wide range of countries and industries. In recent years, Geoff was inducted in the Business Hall of Fame in Alberta, Canada and received an honorary LLD from the University of Calgary in Canada.

Board committees: Audit and Financial Risk, People and Safety, and Governance, Remuneration and Nomination (chair).



**Warren Bell**

Warren joined the board in 2011 and is deputy chair. He is an experienced public and private company director and was previously an audit partner. He is currently chair of Hallenstein Glasson and St George's Hospital, and is a director of several private companies.

Board committees: Audit and Financial Risk, and Development and Construction.



**Jo Appleyard**

Jo is a partner at Chapman Tripp. She is a skilled advocate and litigator specialising in commercial, employment, and resource management law. Jo was a member of the NZ Markets Disciplinary Tribunal between 2011 and 2020.

Board committees: People and Safety, Clinical Governance, and Development and Construction.

## Ordinary Resolution 3

Deloitte is automatically reappointed as the auditor of Ryman under section 207T of the Companies Act 1993. Pursuant to section 207S of the Companies Act 1993, this resolution authorises the board to fix the auditor's remuneration.

## Ordinary Resolution 4

The resolution seeks shareholder approval to increase the maximum aggregate amount of director remuneration ("fee pool") that may be paid each year to the directors of Ryman for their services.

Shareholders approved a fee pool of \$985,000 per annum at the 2018 annual meeting based on 7 directors. This has been allocated to individual directors at a rate of \$222,000 for the chair, \$128,500 for sub-committee chairs and \$110,500 for other directors.

In November 2019 and March 2021, two additional directors were appointed to the board. At the time of each these appointments the board resolved to increase the fee pool as permitted by NZX Listing Rule 2.11.3, resulting in an effective fee pool of \$1,235,000 per annum. Individual director fees remained unchanged.

Earlier in 2021, the board engaged Ernst and Young LLP (EY) to benchmark the fees paid to the directors against a peer group of NZX-listed and ASX-listed companies selected on the basis of comparable market capitalisation and annual revenue. EY's report is available on the company's website <https://www.rymanhealthcare.co.nz/about-us/investors/governance/EY-director-fees-report.pdf>. The report recommended a fee pool of \$1,500,000 per annum based on 9 directors.

After reviewing the report in detail, the board seeks approval to increase the fee pool by \$265,000 to \$1,500,000 per annum for 9 directors.

The actual amount paid is likely to be a slightly lower as there is an allowance for, among other factors, some movement in the Australian dollar forex rate.

The last fee increase for individual directors was three years ago.

### Directors Fees FY 21 and FY22 (proposed)

	FY21	FY22 (proposed)
Chair	\$222,000	\$263,000
Director	\$110,500	\$110,000
Committee Chair	\$18,000	\$20,000
Committee Member	nil	\$10,000

Within that fee pool allowance, there would be a number of changes to the structure of the compensation to ensure it is more properly aligned with the interests of shareholders.

It is proposed that the fee for the chair be \$263,000 (as per the EY report) and the remaining directors would earn a board fee of \$110,000 per annum. In addition, committee chairs would receive a stipend of \$20,000 per annum and each member of a committee \$10,000 per annum. The committee chair and committee member fees would total \$290,000. As Australian directors are paid in AUD, we estimate the forex adjustment to be \$30,000.

If resolution 4 is passed, the board intends to adopt a Fixed Trading Plan for directors, under which directors will allocate 35% of the amount of their total director's fees to acquire shares in Ryman through on-market purchases during a fixed term by way of an automatic process. Ryman will announce further details of a Fixed Trading Plan once the terms of a plan are finalised.

Consequently, the resolution seeks an increase of the aggregate fee pool to \$1,500,000 which the board considers is sufficient to account for movements in foreign exchange. This amount is consistent with the EY report.

The enterprise value of Ryman is approximately \$9 billion, and the board believes a total payment to the nine directors of an aggregate amount of up to \$1.5 million is appropriate.

This increase proposed reflects the significant increase in the growth in the business and the increase in complexity that comes with ongoing expansion in multiple markets. Not only are there different country markets but the company operates effectively in three different and quite distinct industries: real estate development, construction and aged-care operations. Each of these businesses is large and complex and each is quite different from the others. Following the achievement of our long-held goal of opening five villages in Victoria by 2020, the pace of growth in Australia continues to increase. Ryman's 42 villages are home to more than 12,500 people, in two countries, and there are another 12 villages across New Zealand and Australia in the pipeline.

The workload for, and responsibilities of, the directors continue to increase appreciably as the company expands and the development activity intensifies. The input each director provides requires a greater time commitment and demands a more specialised skillset, including considerable time and travel on and for board committees, which consider highly complex and technical areas.

In accordance with NZX Listing Rule 6.3.1, no non-executive director or their associated persons (as defined under the NZX Listing Rules) may vote on this resolution, unless casting votes under an express proxy of a person who is not disqualified from voting.