

21 October 2021

Scheme Meeting – Chairperson’s Address and Presentation Slides

Japara Healthcare Limited (**Japara**) (ASX:JHC) refers to the previously announced proposed scheme of arrangement under which Little Company of Mary Health Care Limited (**Calvary**) will acquire all the issued ordinary shares in Japara.

Attached to this announcement is a copy of the Chairperson’s Address and presentation slides for today’s virtual (online) Scheme Meeting.

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This document was authorised for release by Chris Price, Chief Executive Officer & Managing Director.

About Japara

Japara is one of Australia’s largest providers and developers of residential aged care, with a national footprint across five Australian states. Our unique approach to aged care is based on respect for the individual in delivering a better standard of residential living for elderly Australians.

With a team of around 6,000 nurses, carers and other support staff, we care for ~4,000 valued residents across 50 homes located throughout Eastern Australia. We also operate five villages co-located with our residential care homes, providing senior living unit and apartment accommodation.

21 October 2021

Scheme Meeting – Chairperson’s Address

Linda Bardo Nicholls AO, Chairman

Good morning everyone. My name is Linda Nicholls and I am Chairman of Japara Healthcare Limited. I will be acting as chairperson for today’s meeting, which is the scheme meeting of the shareholders of Japara.

It is now past the scheduled start time and our Company Secretary has informed me that a quorum of shareholders is present. Accordingly, I declare the meeting OPEN.

I’d like to begin by acknowledging the Traditional Owners of the various lands from where we are joining this meeting today and pay my respects to their Elders past, present and emerging.

On behalf of the Board and management of Japara, I welcome you to this scheme meeting, which has been convened in accordance with the orders of the Federal Court of Australia made on 17 September 2021.

Today is a significant day in the history of Japara. This meeting was convened to consider the proposed scheme of arrangement under which Little Company of Mary Health Care Limited, who I will refer to during this meeting as Calvary, would acquire all the shares in Japara at \$1.40 per share.

Due to the current restrictions on physical gatherings and travel imposed by governments as a result of the COVID-19 pandemic, and as an important health and safety measure, we are unable to convene today’s meeting in person.

Joining me online today are my fellow independent, non-executive directors, JoAnne Stephenson, Dr Leanne Rowe AM and David Blight.

Joining me in person today is our Chief Executive Officer and Managing Director, Chris Price, Chief Financial Officer, Anthony Rice and Company Secretary, Bruce Paterson. All other attendees are participating in this meeting via the online platform.

If we experience any technical issues during today’s meeting that result in a significant number of shareholders being unable to reasonably participate, I will adjourn the meeting. If that occurs, Japara will lodge an ASX release that sets out the details of the reconvened meeting. We would hope that any technical issues could be resolved quickly, and the reconvened meeting held later today. Please check the ASX website if this eventuates.

Scheme Overview

Before moving to the formal business, I would like to say a few words about the proposed scheme of arrangement. Details of the scheme are outlined in the Scheme Booklet dated 17 September 2021, which was made available to shareholders in accordance with the orders of the Federal Court of Australia.

If the scheme is approved and implemented, Calvary will acquire all shares in Japara held by shareholders for \$1.40 per share.

This scheme consideration implies an equity value for Japara of approximately \$380 million and an enterprise value of approximately \$592 million.

The \$1.40 per share offered by Calvary represents:

- a premium of 75% to the last undisturbed closing price of Japara shares on 29 April 2021 of \$0.80; and
- a premium of 87% to the undisturbed 90 day volume weighted average price of \$0.75.

About Calvary

For those shareholders who are not aware, Calvary is a charitable Catholic not-for-profit organisation with more than 12,000 staff and volunteers. It operates 14 public and private hospitals, 17 retirement and aged care facilities, and a national network of Community Care centres across six Australian states and territories. Calvary is an approved provider of residential aged care. Established in 1885 with the arrival of the Sisters of the Little Company of Mary in Australia, Calvary's mission is to provide health care to the most vulnerable, including those reaching the end of their life.

Reasons / Factors to Vote For and Against the Scheme

The Japara Board has identified several reasons why you should vote in favour of the scheme and factors which may lead you to consider to vote against it. These are set out in detail in the Scheme Booklet and summarised on the current slide.

Having regard to the Board's responsibility to act in the best interests of all shareholders, your directors believe the advantages of the scheme significantly outweigh the disadvantages.

Independent Expert's Conclusion

The Board appointed Deloitte Corporate Finance Pty Limited to prepare an independent expert's report, advising whether, in its opinion, the scheme is in the best interests of Japara shareholders.

The independent expert concluded that the scheme is fair and reasonable, and therefore in the absence of a superior proposal, is in the best interests of Japara shareholders.

In particular, the independent expert estimated the market value of Japara shares to be between \$1.12 to \$1.47, noting the cash consideration of \$1.40 per share offered by Calvary is toward the high end of this range.

The independent expert's full commentary in relation to the scheme is set out in its report which is contained in Annexure A of the Scheme Booklet and summarised on the current slide.

Recommendation of Japara Directors

The Japara Directors continue to unanimously recommend that shareholders vote in favour of the scheme. An extensive range of issues were considered in making this recommendation.

The Japara Directors consider that Calvary's proposal reflects the strategic value of Japara's business and its prospects.

At the time of this meeting, no superior proposal has emerged nor are Japara Directors aware of any superior proposal likely to emerge.

The scheme is subject to limited customary conditions consistent with other schemes of arrangement which are described in the Scheme Booklet and set out in the Scheme Implementation Deed. The Japara Directors are not aware of any reason why these conditions will not be satisfied.

Prior to the meeting, the Japara Directors instructed that the Japara shares owned or controlled by them be voted in favour of the scheme.

Procedural Matters

As outlined in the scheme booklet, voting at today's meeting on the scheme resolution will be conducted by a poll. Voting is now OPEN.

I'll now provide an overview of the online platform you are using, including how to ask questions and vote.

At the bottom of the online platform there are two buttons:

- Get a Voting Card; and
- Ask a Question.

There is also a Downloads section at the bottom of the online platform showing two documents, being:

- the Scheme Booklet, which includes the notice of this meeting; at Annexure D; and
- the Scheme Meeting Online Guide, which provides detailed guidance on how to use the online platform.

The "Ask a Question" and "Get a Voting Card" buttons at the bottom of the page are also replicated at the top of the page.

If at any stage you have difficulties with the platform there is a helpline number displayed at the top of the page which you can call. That number is 1800 990 363 or if you are calling from outside Australia +61 1800 990 363.

How to Ask Questions

If you would like to ask a question relating to the scheme resolution you can do so by using the online platform "Ask a Question" buttons. Instructions on how to do this are shown on the current slide and are also set out in the Scheme Meeting Online Guide.

If you experience any difficulties, the helpline number is displayed at the top of the online platform page. That helpline number again is 1800 990 363 or if you are calling from outside Australia +61 1800 990 363.

In order to ensure an orderly meeting, I propose to limit the number of questions to three per person.

I encourage you to submit your questions now as these will be addressed in a few minutes time.

How to Vote

I would like to briefly summarise the voting procedures which will apply to this meeting.

As mentioned earlier, voting on the scheme resolution will be conducted by a poll.

Japara shareholders and their authorised proxies, attorneys and corporate representatives may vote.

Shareholders had the option to appoint a proxy for today's meeting. If you did not do this, you may vote via the online platform during the meeting using the "Get a Voting Card" buttons. Instructions on how to do so are displayed on the current slide and are also set out in the Scheme Meeting Online Guide.

If you experience any difficulties, please call the helpline number displayed at the top of the online platform page.

You may vote at any time until voting closes, which will be five minutes after the close of this meeting. A red bar with a countdown timer will appear at the top of the online platform page advising the remaining voting time following the meeting.

I advise that all undirected proxies appointing the Chairperson of this meeting as proxy will be voted in favour of the scheme resolution. The number of proxy votes received prior to the meeting in relation to the scheme resolution will be disclosed later in the meeting.

After the meeting closes, all votes will be counted by the Share Registry, Link Market Services, and the results will be lodged on the ASX as soon as available.

Scheme Vote and Resolution

I will now move to the formal business of the meeting.

The sole item of business is to consider, and, if thought fit, to pass the scheme resolution, which is set out in the notice of this meeting contained in Annexure D of the Scheme Booklet.

The scheme resolution is also now shown on the current slide and is as follows:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification or conditions as approved by the Federal Court of Australia to which Japara and Little Company of Mary Health Care Limited agree).”

For the scheme to be approved by Japara shareholders, the scheme resolution must be passed by:

- a majority in number (that is more than 50%) of Japara shareholders present and voting at the meeting (either in person or by proxy); and
- at least 75% of the total votes cast on the scheme resolution by Japara shareholders present and voting at the meeting (either in person or by proxy).

Implementation Timetable

If the scheme resolution is passed today by the required majorities, and the customary conditions I referred to earlier in the meeting are satisfied, Japara will apply to the Federal Court of Australia for approval of the scheme.

If the court approves the scheme, a copy of the court orders will be lodged with ASIC, following which the scheme will become legally effective, and Japara shares will be suspended from trading on the ASX.

The court hearing to approve the scheme is scheduled for 10.15am (Melbourne time) on 25 October 2021. Lodgement of the court orders with ASIC and suspension from trading on the ASX is expected to occur on the same day as the court approval.

The scheme is then expected to be implemented on 5 November 2021 and it is on this date that the scheme consideration will be paid to shareholders in respect of shares held on the proposed record date of 29 October 2021.

These dates are subject to satisfaction of the outstanding conditions, with any changes to be announced to the ASX.

If the outstanding conditions are not satisfied or the scheme is not approved by shareholders and the court, the scheme will not proceed and Japara will continue as a standalone entity listed on the ASX.

Questions

I will now address any questions received relating to the scheme resolution. I will endeavour to answer questions straight away. However, I may take a question on notice if necessary.

As there were no pre-registered requests to ask a question by telephone, I will now take any online questions.

Voting Procedure

Thank you. I now ask shareholders and other eligible participants to cast their vote in relation to the scheme resolution if they have not already done so, as the meeting and voting will be closing shortly.

While you are finalising your votes, I will read out details of proxies received in respect of the scheme resolution which are also shown on the current slide.

We received:

- 122,421,932 votes in favour from 522 shareholders;
- 1,050,995 votes undirected from 78 shareholders in favour of the Chairperson, which I will vote in favour;
- 19,308 votes undirected from 3 shareholders in favour of others to vote; and
- 13,879,897 votes against from 73 shareholders.

61,072 proxies from 10 shareholders abstained and are accordingly not counted when determining the outcome of the scheme resolution.

Thank You

Finally, I'd like to take this opportunity to thank all of our shareholders for your support and belief in Japara. Many of you have been a part of the Company's growth since its IPO in 2014 and I want to personally acknowledge your contribution and commitment to Japara's vision.

I'd also like to thank my fellow directors for their commitment, oversight and wisdom which has helped guide Japara over the last seven and a half years.

To the Japara executive team and our dedicated 'frontline' and support staff, thank you for the hard work and commitment in caring for and supporting our valued residents. You have helped make Japara a leading and respected provider in our sector and we wish you every success for the future.

Importantly, I would also like to thank our residents and their relatives for entrusting Japara to be your carer and your home. The Japara Board and executive team believe that Calvary will be good future owners of Japara and given its mission, history and current operations, that Calvary will take good care of our residents, their families and Japara staff.

This now concludes the official business of the meeting.

As a reminder, the results of the vote will be announced to the ASX as soon as available and will also be displayed on Japara's investor centre website.

As mentioned earlier, there will be a five minute period at the conclusion of the meeting to allow shareholders to finalise their voting using the online platform.

Thank you for your participation this morning. I now DECLARE this scheme meeting CLOSED for all purposes, subject to the conduct and conclusion of the poll.

Japara Healthcare Limited

Scheme Meeting

**Proposed Scheme of Arrangement with
Little Company of Mary Health Care Limited**

21 October 2021

Japara Healthcare Limited
ABN 54 168 631 052

Scheme Booklet

For a scheme of arrangement between Japara Healthcare Limited and its shareholders in relation to the proposed acquisition by Little Company of Mary Health Care Limited (Calvary)

VOTE IN FAVOUR

**Your Directors unanimously recommend
that you vote in favour of the Scheme in
the absence of a superior proposal**

This is an important document and requires your immediate attention.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your financial, legal or other professional adviser immediately.

 **MACQUARIE**
Financial Adviser

 **HERBERT
SMITH
FREEHILL**
Legal Adviser

JAPARA



Board of Directors



Linda Bardo Nicholls AO
Independent, non-executive
Chairman



JoAnne Stephenson
Independent, non-executive
Director



Dr Leanne Rowe AM
Independent, non-executive
Director



David Blight
Independent, non-executive
Director



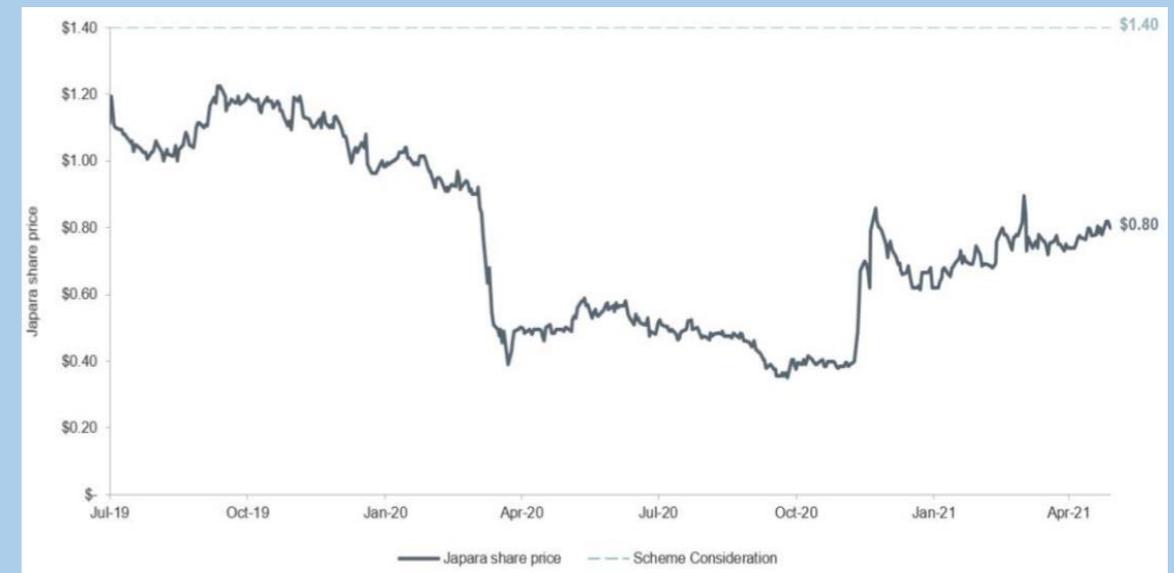
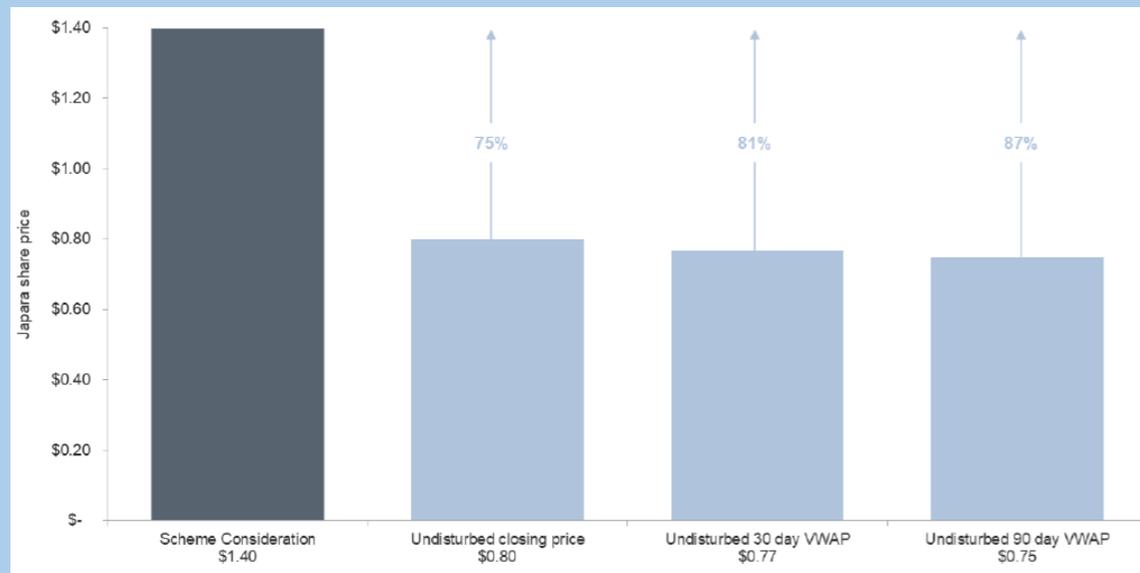
Chris Price
CEO &
Managing Director

Technical Issues

Scheme Overview

Overview of the Scheme

- Proposed that Little Company of Mary Health Care Limited (**Calvary**) will acquire all of the issued capital of Japara via a scheme of arrangement for consideration of \$1.40 cash per share (**Scheme Consideration**).
- The Scheme Consideration implies an equity value for Japara of approximately \$380 million and an enterprise value of approximately \$592 million.
- The Scheme Consideration represents:
 - a premium of 75% to the last undisturbed closing price of Japara shares on 29 April 2021¹ of 80 cents;
 - a premium of 81% to the undisturbed 30 day volume weighted average price of 77 cents; and
 - a premium of 87% to the undisturbed 90 day volume weighted average price of 75 cents.



¹ The last day of trading on the ASX before the announcement of the receipt of a non-binding indicative acquisition proposal from Calvary

About Calvary

- Calvary is a charitable Catholic not-for-profit organisation with more than 12,000 staff and volunteers, 14 public and private hospitals, 17 retirement and aged care facilities, and a national network of Community Care centres.
- Calvary operates across six states and territories within Australia and is an approved provider of residential aged care.
- Established in Sydney in 1885 with the arrival of the Sisters of the Little Company of Mary in Australia, Calvary's mission is to provide health care to the most vulnerable, including those reaching the end of their life.
- For further information about Calvary, refer section 6 of the Scheme Booklet or visit www.calvarycare.org.au.



Reasons / Factors to Vote For and Against the Scheme

- Your Directors unanimously recommend that you should vote in favour of the Scheme, in the absence of a superior proposal
 - The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in your best interests
 - The Scheme Consideration of \$1.40 cash per Japara Share represents a significant premium to recent historical Japara Share prices
 - You will receive certain value for your investment in Japara
 - No superior alternative has emerged as at the date of this Scheme Meeting
 - Japara's share price is likely to fall if the Scheme is not implemented
 - If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with Japara's business and general market risks
 - The Scheme is subject to limited conditions
 - No brokerage will be payable by you for the transfer of your Japara Shares under the Scheme
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- You may disagree with the Japara Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests
 - You may prefer to participate in the future financial performance of the Japara business
 - You may wish to maintain your investment profile
 - The tax consequences of the Scheme for you may not suit your financial position
 - You may consider that there is potential for a superior proposal to emerge

Independent Expert's Conclusion

- The Independent Expert (Deloitte Corporate Finance) concluded that the scheme is **fair and reasonable**, and therefore in the absence of a superior proposal, **is in the best interests of Japara shareholders**.
- The Independent Expert estimated the market value of Japara shares to be between **\$1.12 to \$1.47**.
- The Independent Expert noted the cash consideration of **\$1.40 per share** offered by Calvary is toward the **high end of this range**.
- The Independent Expert noted:
 - there is **certainty** in the cash consideration;
 - the likelihood of an alternative superior offer emerging is **low**;
 - Japara's **share price is likely to fall** if the scheme is not implemented and no superior proposal emerges; and
 - shareholders will continue to be **subject the risks and uncertainties** associated with Japara's business and general market risks if the Scheme does not proceed.

Recommendation of Japara Directors

- The Japara Directors continue to unanimously recommend that shareholders **vote in favour of the scheme**.
- Calvary's proposal reflects the strategic value of Japara's business and its prospects.
- **No superior proposal has emerged** nor are Japara Directors aware of any superior proposal likely to emerge.
- The Japara Directors are not aware of any reason why the customary conditions precedent applying to the scheme will not be satisfied.
- The Japara Directors have instructed that the Japara shares owned or controlled by them be **voted in favour of the scheme**.

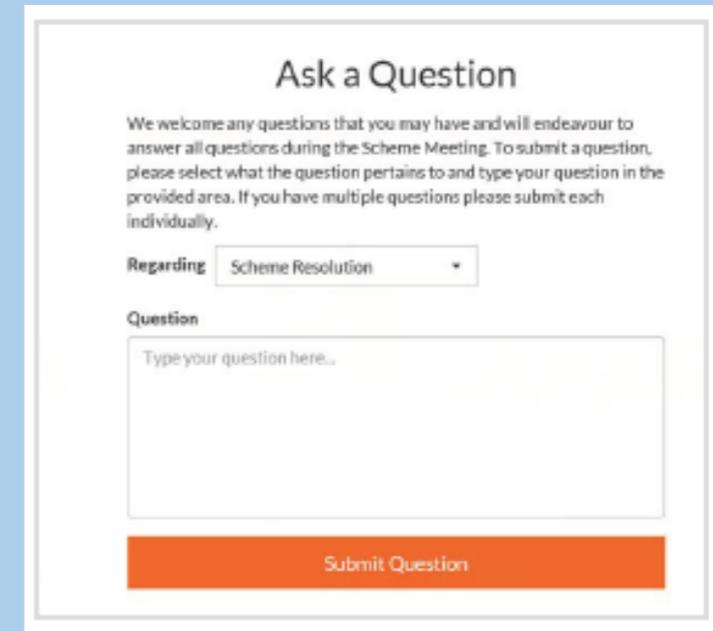
Procedural Matters

How to Ask a Question

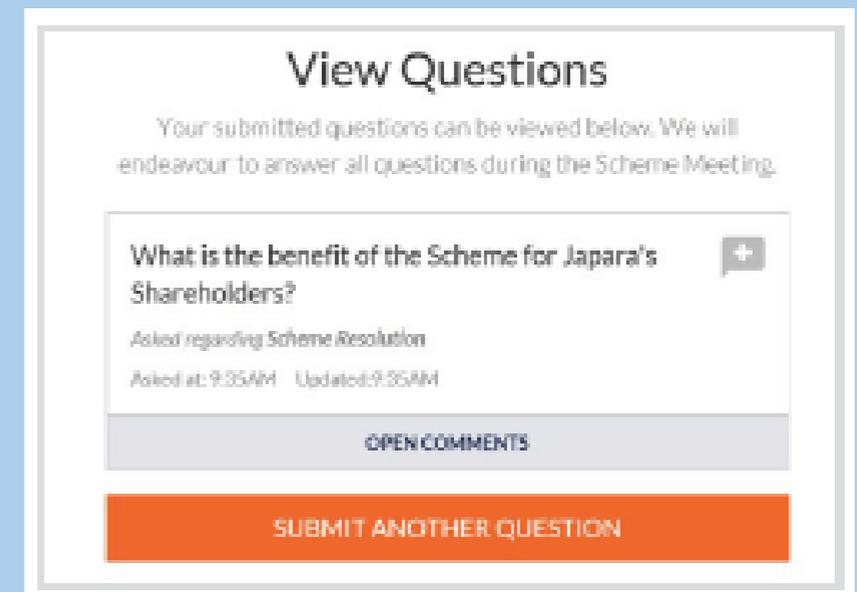
1. To ask a question, click on the '**Ask a Question**' button either at the top or bottom of the online platform.
2. The '**Ask a Question**' box will pop up with two sections for completion (see top right for example image).
3. In the '**Regarding**' section click on the drop down arrow and select '**Scheme Resolution**' as the category for your question.
4. Click in the '**Question**' section and type your question and click on '**Submit Question**'.
5. A '**View Questions**' box will appear where you can view your questions at any point (see bottom right for example image). Only you and Japara can see the questions you have asked.
6. If your question has been answered and you would like to ask another question, please click '**Submit Another Question**'.

The chairperson of the Scheme Meeting will endeavour to address as many of the more relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available to address all of the questions raised.

Note: If you have yet to obtain a voting card, you will be prompted to enter your shareholder number (SRN or HIN) and postcode or proxy details before you can ask a question online.



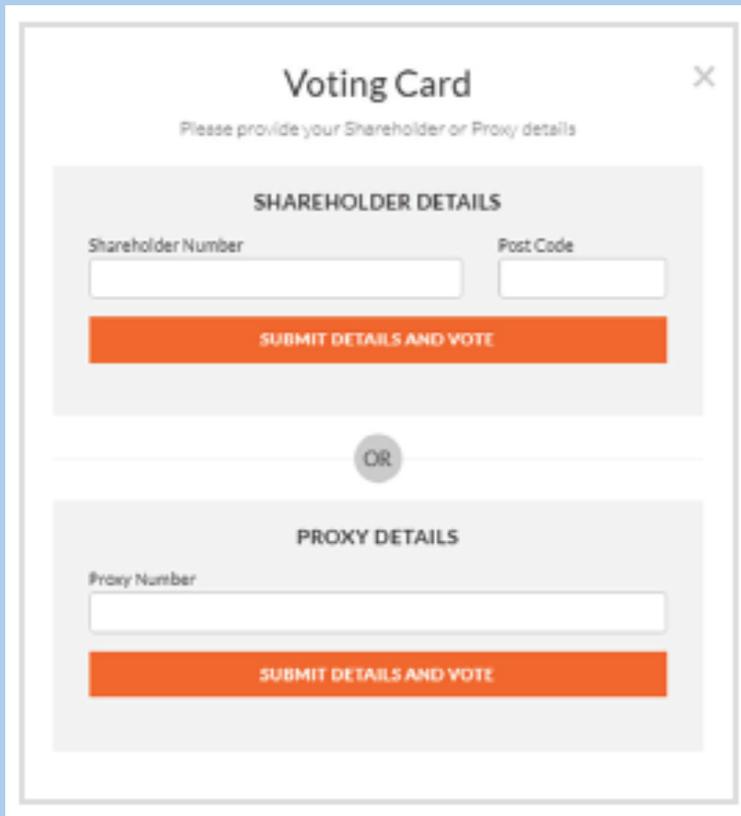
The 'Ask a Question' form is titled 'Ask a Question' and includes a welcome message: 'We welcome any questions that you may have and will endeavour to answer all questions during the Scheme Meeting. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.' Below this is a 'Regarding' section with a dropdown menu set to 'Scheme Resolution'. The 'Question' section contains a text input field with the placeholder 'Type your question here..'. At the bottom is an orange 'Submit Question' button.



The 'View Questions' form is titled 'View Questions' and includes a message: 'Your submitted questions can be viewed below. We will endeavour to answer all questions during the Scheme Meeting.' Below this is a question card for 'What is the benefit of the Scheme for Japara's Shareholders?' with a plus icon in the top right corner. The card also shows 'Asked regarding Scheme Resolution', 'Asked at: 9:35AM', and 'Updated: 9:35AM'. Below the question card is a grey 'OPEN COMMENTS' button. At the bottom is an orange 'SUBMIT ANOTHER QUESTION' button.

How to Vote

1. Click on the '**Get a Voting Card**' button either at the top or bottom of the online platform. This will bring up a box similar to that below.
2. Enter your SRN/HIN and postcode if you are an individual or joint shareholder (or an authorised attorney or corporate representative) in the '**Shareholder Details**' section. If you are an appointed proxy, enter the Proxy Number issued to you by the Share Registry in the '**Proxy Details**' section. Then click the '**Submit Details And Vote**' button.
3. Once you have registered, your voting card will appear with the scheme resolution to be voted on at the Scheme Meeting (as set out in the notice of meeting).



The screenshot shows a 'Voting Card' window with a close button (X) in the top right corner. Below the title, it says 'Please provide your Shareholder or Proxy details'. There are two main sections: 'SHAREHOLDER DETAILS' and 'PROXY DETAILS', separated by an 'OR' button. The 'SHAREHOLDER DETAILS' section has two input fields: 'Shareholder Number' and 'Post Code', followed by an orange 'SUBMIT DETAILS AND VOTE' button. The 'PROXY DETAILS' section has one input field: 'Proxy Number', followed by an orange 'SUBMIT DETAILS AND VOTE' button.

Full Votes

To submit a full vote on the scheme resolution ensure you are in the '**Full Vote**' tab. Place your vote by clicking on the '**For**', '**Against**', or '**Abstain**' voting buttons.

Partial Votes

To submit a partial vote on the scheme resolution ensure you are in the '**Partial Vote**' tab. You can enter the number of votes you would like to vote for the resolution. The total amount of votes that you are entitled to vote will be listed under the scheme resolution.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as 'No Instruction' and therefore will not be counted.

Once you have finished voting, scroll down to the bottom of the box and click on the '**Submit Vote**' or '**Submit Partial Vote**' button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the online platform. The message '**Not yet submitted**' will appear at the bottom.

You can edit your voting card at any point while voting is open by clicking on '**Edit Card**'. This will reopen the voting card with any previous votes made. Once voting has been closed all submitted voting cards cannot be changed.

Scheme Vote

Scheme Resolution

Consider and, if thought fit, to pass the following resolution:

“That, pursuant to and in accordance with section 411 of the *Corporations Act 2001* (Cth), the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification or conditions as approved by the Federal Court of Australia to which Japara and Little Company of Mary Health Care Limited agree).”

Requisite Majorities

For the scheme to be approved by Japara shareholders, the scheme resolution must be passed by:

- a majority in number (that is more than 50%) of Japara shareholders present and voting at the Scheme Meeting (either in person or by proxy); and
- at least 75% of the total votes cast on the scheme resolution by Japara shareholders present and voting at the Scheme Meeting (either in person or by proxy).

Implementation Timetable

If the Scheme is approved by Japara Shareholders	
Second Court Date for approval of the Scheme	25 October 2021
Effective Date Court order lodged with ASIC and announcement to the ASX Last day of trading in Japara Shares – Japara Shares suspended from trading on the ASX from close of trading	25 October 2021
Scheme Record Date for determining entitlements to Scheme Consideration	7.00pm, 29 October 2021
Implementation Date Payment of Scheme Consideration to Japara Shareholders	5 November 2021

Note: All times and dates in the above timetable are references to the time and date in Melbourne, Victoria. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction. All dates in the above timetable are indicative only and, among other things, are subject to all necessary approvals from the Federal Court of Australia (or such other court of competent jurisdiction under the Corporations Act 2001 agreed to in writing by Japara and Calvary) or any other regulatory authority. Any changes to the above timetable will be announced through the ASX and notified on Japara's investor centre website.

Questions

Voting on Scheme Resolution

Proxy votes

	Number of votes	% of votes	Number of shareholders	% of shareholders
For	122,421,932	89.12%	522	77.22%
Open – Chairperson ¹	1,050,995	0.77%	78	11.54%
Open – Other	19,308	0.01%	3	0.44%
Against	13,879,897	10.10%	73	10.80%
Total	137,372,132	100.00%	676	100.00%
Abstaining ²	61,072	-	10	-
Requisite majorities for resolution to pass	At least 75%		More than 50%	

¹ Open (undirected) proxies in favour of the Chairperson will be voted in favour of the resolution

² Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities

Thank You

Please Cast Your Vote

JAPARA

Better, in every Respect.