

ASX Announcement

13 October 2023

Appendix 4G and Corporate Governance Statement

Estia Health Limited (ASX: EHE) provides the attached Appendix 4G and Corporate Governance Statement.

Approved for release by the Board of Directors of Estia Health Limited

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Further enquiries:

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About Estia Health

Estia Health Limited is one of Australia's leading aged care providers, operating 73 homes across Victoria, South Australia, New South Wales and Queensland. Estia Health cares for over 8,000 residents annually and supports them and their families at an important time in their lives.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Estia Health Limited

ABN/ARBN

37 160 986 201

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☐ This URL on our website: <https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 22 August 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 13 October 2023

Name of authorised officer authorising lodgement: Leanne Ralph

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters”).

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement.</p> <p>As we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>
<p>1.6 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>2.1(a)(4) in our Corporate Governance Statement</p> <p>2.1(a)(5) in our Director's Report Section of the Annual Report, which can be found at: https://investors.estiahealth.com.au/investor-centre/?page=annual-reports</p> <p>Note: The Committee is a combined Nomination and Remuneration Committee.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in our Corporate Governance Statement</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement.</p> <p>and the length of service of each director can be found in our Corporate Governance Statement.</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p><input checked="" type="checkbox"/></p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁵ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY		
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Corporate Governance Statement.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct which has a section on our anti-bribery and corruption policy at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance

⁵ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate governance/charters”).

Corporate Governance Council recommendation		Where a box below is ticked, ⁵ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>4.1(a)(4) in our Corporate Governance Statement</p> <p>4.1(a)(5) in our Director's Report Section of the Annual Report which can be found at:</p> <p>https://investors.estiahealth.com.au/investor-centre/?page=annual-reports</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<input checked="" type="checkbox"/>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	<input checked="" type="checkbox"/>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁵ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://www.estiahealth.com.au/ AND https://investors.estiahealth.com.au/investor-centre/?page=corporate-profile
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁵ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>7.1(a)(4) in our Corporate Governance Statement 7.1(a)(5) in our Directors Report Section of the Annual Report which can be found at: https://investors.estiahealth.com.au/investor-centre/?page=annual-reports</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed how our internal audit function is structured and what role it performs in our Corporate Governance Statement.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement.</p>

Corporate Governance Council recommendation		Where a box below is ticked, ⁵ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5):</p> <p>8.1(a)(4) in our Corporate Governance Statement</p> <p>8.1(a)(5) in our Director's Report Section of the Annual Report which can be found at: https://investors.estiahealth.com.au/investor-centre/?page=annual-reports</p> <p>Note: The Committee is a combined Nomination and Remuneration Committee.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Corporate Governance Statement and also in our Remuneration Report contained in the Annual Report, which can be found at: https://investors.estiahealth.com.au/investor-centre/?page=annual-reports</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement.</p>



Corporate Governance Statement 2023

Corporate Governance Statement 2023

The Estia Health Limited Board of Directors (**Board**) is pleased to present Estia Health's Corporate Governance Statement for 2023 (**Statement**). This Statement outlines our principal corporate governance practices in place during the financial year ended 30 June 2023 and in place as at the date of this Statement. Copies of all governance documents referred to in this Statement can be found at investors.EstiaHealth.com.au.

The Board and management team maintain high standards of corporate governance as part of our commitment to create value for our stakeholders through effective strategic planning, risk management, transparency, and corporate responsibility.

Our governance policies and practices have been consistent with the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (**ASX Governance Principles**) throughout the year. These policies and practices are reflected in this Statement as well as our Appendix 4G.

We regularly review our governance practices in light of the growth in the Company and relevant emerging corporate governance developments.

Our governance framework ensures accountability, both of the Board and senior executives, to the Company and our shareholders. The diagram below summarises our governance framework, including the functions reserved for the Board as at the date of this Statement. The functions carried out by the four Board Committees are outlined in section 2 of this Statement.

Diagram 1

Estia Health Board

Formally delegates certain functions to Board Committees and to management via the formal Board and Committee Charters. Directly retains responsibility for a number of matters, including:

- Overall strategic guidance, instilling of the Company's values and approving the Code of Conduct;
- Oversight of management;
- Oversight of financial and capital management;
- Promotion of effective engagement with shareholders;
- Promoting ethical and responsible decision-making;
- Ensuring a robust risk management framework is in place;
- Establishing the Company's risk appetite;
- Monitoring the systems of compliance, risk management and control;
- Overseeing the Company's process for making timely and balanced disclosure of all material information; and
- Oversight of policies governing the Company's relationship with other stakeholders and those related to ESG, WHS and other regulatory and statutory requirements.

Board Committees

**Audit
Committee**

**Risk
Management
Committee**

**Nomination &
Remuneration
Committee**

**Property &
Investment
Committee**

CEO/Managing Director and other Senior Executives

Executive Committees

Operations and Line Management

1 The Board of Directors

Relevant governance document:

- **Board Charter**

1.1 The responsibilities of the Board

Our Board is accountable to our stakeholders and as such the Board is responsible for demonstrating leadership, defining the Company's purpose, establishing strategic objectives, approving our values and the Code of Conduct and oversight of the management of the Company. To clarify the roles and responsibilities of directors and management and assist the Board in discharging its responsibilities, our Board operates under a formal Charter that sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management.

Our Board has reserved for itself the specific responsibilities summarised in Diagram 1.

Further detail around the responsibilities reserved for the Board and those specifically delegated to the CEO/MD are outlined in the Board Charter, which is reviewed on an annual basis to ensure that the division of functions between the Board and management continues to be appropriate for the needs of the Company.

Our Board has delegated specific authority to four Board committees, which assist the Board by examining various issues and making recommendations. A description of each committee and its responsibilities are set out in section 2 of this Statement.

In FY23 there were 59 formal Board and Board Committee meetings. Between formal meetings management provided the Board with material business and other updates as well as information in response to requests from Board meetings. In addition, Board members have informal conversations with staff are important in assessing the culture within Estia Health and therefore visits to homes are scheduled throughout the year, and director's attend the annual management conference.

1.2 Board composition

As at the date of this Statement there were six directors on our Board. Table 1 below sets out each director, the commencement of their tenure, and their status as an independent or non-independent director.

Table 1

Director	Tenure commencement	Independent / Non-independent
Dr Gary Weiss AM	24 February 2016	Independent, non-executive director and Chair
Mr Sean Bilton	11 July 2022	Non-independent, Chief Executive Officer and Managing Director
Ms Norah Barlow ONZM	17 November 2014	Independent, non-executive director
Mr Paul Foster	24 February 2016	Independent, non-executive director
Ms Helen Kurincic	01 July 2017	Independent, non-executive director
Ms Karen Penrose	17 October 2018	Independent, non-executive director
Professor Simon Willcock AM	01 September 2022	Independent, non-executive director

Directors' qualifications and experience are contained in the Directors' Report in our Annual Report, including details of their other listed entity directorships. This information can also be found on the Company's website.

1.3 Director independence

We recognise that independent directors have an important role in assuring shareholders that the Board is able to act in the best interests of the Company and independently of management. Because of this, the Board assesses all directors' independence annually. Estia Health's criteria for assessing director independence aligns with the guidance provided in the ASX Governance Principles.

Information about any such interests or relationships, including any related financial or other details, is assessed by the Board to determine whether the interest, position, or relationship could, or could reasonably be perceived to, materially interfere with the exercise of a director's unfettered and independent judgement. As part of this process, the Board considers each of the factors relevant to assessing the independence of a director set out in Box 2.3 of the ASX Governance Principles and other facts, information, and circumstances that the Board considers relevant. The Board considers the materiality of any given relationship on a case-by-case basis.

The Board also assesses the independence of new directors prior to their appointment.

The findings of the annual review of Director independence by the Nomination and Remuneration Committee are considered by the Board. As part of the review, Estia Health's criteria for assessing director independence are sent to each director requesting they confirm whether they have any interests, positions or relationships with the Company that could materially interfere with the Director's capacity to bring independent judgement on matters before the Board and act in the best interests of Estia Health.

As illustrated in Table 1, the following directors have been determined as being independent as at the date of this Statement – Dr Gary Weiss, Paul Foster, Norah Barlow, Helen Kurincic, Norah Barlow, Karen Penrose and Professor Simon Willcock. Our Board has made this assessment on the basis that none of these directors have been employed in an executive capacity by the Company within the last three years, has not had a material business relationship with the Company within the last three years, and is not a substantial holder of Estia Health shares.

Further rationale for the determination of these directors being independent is they conduct themselves at arm's length in their engagement with the Company and bring their considerable skillsets to bear on matters before the Board. The approach of these directors to matters of the board is always independent in both appearance and in fact.

Mr Sean Bilton, by virtue of his executive Chief Executive Officer/Managing Director (**CEO/MD**) position, is considered non-independent, based on the criteria in Principle 2 of the ASX Governance Principles.

Based on this assessment, our Board has a majority of independent directors.

1.4 Our Chair

As noted above, the directors have elected Dr Gary Weiss as Chair of the Board as an independent, non-executive director. His role is outlined in the Board Charter. The duties of the Chair and the CEO/MD are carried out by separate people.

1.5 Relationship between the Board and our CEO/MD

Our CEO/MD oversees the day-to-day management of the business and, with the support of senior management, reports to the Board on the exercise of his delegated authority. Our CEO/MD has been delegated the authority to manage the Company in accordance with the strategy, plans and policies approved by the Board. The delegations are reviewed by the Board from time to time.

Our Non-executive Directors have the opportunity to meet at each Board meeting without the CEO/MD or management present.

1.6 Nomination and appointment of Directors

When considering the appointment of directors to the Board, a formal process is undertaken to identify various candidates, with interviews held and appropriate background checks carried out. In addition, the Board considers and formally resolves to support the election or re-election of directors to shareholders at general meetings/annual general meeting.

Before director candidates are selected, the Board considers the current collective skills and competencies and will assess its needs at that time and in the future and develop selection criteria for the candidates. Candidates are required to disclose their other commitments and confirm that they are able to dedicate sufficient time to their duties. A shortlist of candidates is considered by the Board relative to its selection criteria.

We provide shareholders, in the relevant notice of meeting, with information in our possession relevant to assist them to make an informed decision on all directors standing for election or re-election. This information includes biographical details, covering relevant qualifications, experience, and skills directors bring to the Board, details of any other material directorships currently held by the candidate, the term of office currently served by the directors, a statement on the independence of the candidate and the reasons why, and a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

Directors are elected or re-elected in accordance with the Company Constitution, the *Corporations Act 2001* (Cth) (**Corporations Act**), and the ASX Listing Rules. At our 2022 Annual General Meeting, Dr Gary Weiss and Mr Paul Foster were re-elected by shareholders and Professor Simon Willcock was elected by shareholders.

1.7 Induction and ongoing development

A director induction program has been designed, and our directors are expected to participate in this induction and orientation program on appointment. In addition, industry updates are regularly provided to the Board to ensure they are informed about developments within the company and the industry in which it operates.

During the year, in addition to executive presentations, external advisers provide updates relevant to the Company, the ASX-listed environment and the sector in which we operate.

1.8 Knowledge, skills, and experience

The Board maintains a Board Skills Matrix that outlines the skills and experience considered by the Board to be important for its directors to collectively possess. These skills are set out in Table 2, with each considered a competency that the Board believes it requires to effectively discharge its duties.

The Board Skills Matrix and competency descriptions are reviewed annually to ensure the skills remain relevant to the Company. This review was carried out in 2023, with the determination that the skills and their descriptors remain relevant. This determination followed a number of changes made in the previous year.

The Board comprises highly experienced senior business leaders from a variety of professional backgrounds who each meet the fundamental requirements and, collectively, possess the necessary mix of skills, experience, tenure and diversity considered necessary to appropriately govern the Company.

From time to time there may be areas identified by the Board where additional knowledge would be beneficial, which it addresses by engaging external advisors and/or requesting more detailed reporting from management.

Diagram 2 illustrates the number of directors that have a level 3, 'high', or level 2, 'medium' competency, and experience in the described skill, where directors were asked to rate their competency level for each identified skill as follows:

High: Strong working knowledge or expertise and experience;
 Medium: Solid working knowledge and some experience; and
 Low: Limited knowledge and not an area of experience.

These numbers are extracted directly from the Board Skills Matrix.

In addition to the skills set out in Table 2, we consider that each director has the following attributes:

- honesty and integrity;
- the ability to think strategically;
- the time available to devote to Estia Health's business;
- a willingness to question and challenge; and
- a commitment to the highest standards of governance.

All directors are expected to use their range of relevant skills, knowledge and experience and to apply their judgement to all matters discussed at Board meetings.

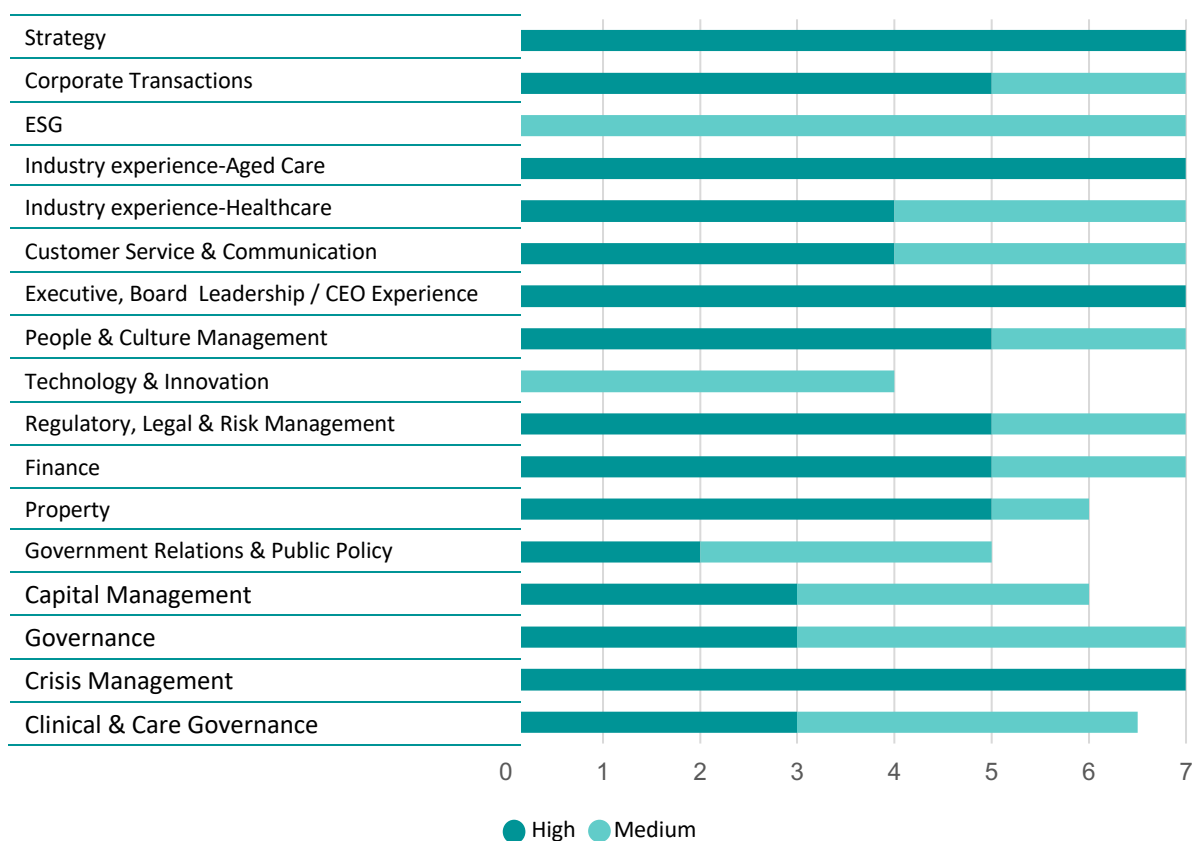
Table 2

Desired Skill	Description
Strategy	Experience in defining strategic objectives, assessing business plans and driving execution. Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.
Corporate Transactions	Experience in assessing and completing complex business transactions, including mergers, acquisitions, divestments, capital management, major projects and business integration
ESG	Expertise in the areas of environment, social and governance (ESG), and the ability to advise the Company of required policies, actions and disclosures on these matters.
Industry Experience - Aged Care	Experience and broad understanding of the aged care industry including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework.
Industry Experience - Healthcare	Experience and broad understanding of the healthcare industry including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework.

Desired Skill	Description
Customer Service and Communications	Experience in developing customer-focussed strategies in delivering best-practice resident outcomes and providing places of care that attract residents and their families to choose Estia Health homes.
Executive Team Leadership/CEO Experience/Board Leadership	Experience in CEO or other senior executive leadership roles. Experience in board or other committee leadership roles.
People and Culture Management	Board Committee or senior executive equivalent experience relating to people management and human resources, corporate culture and remuneration issues.
Technology and Innovation	Experience and expertise in the area of technology applied to consumer service companies, including governance of technology projects, digital tools in particular for marketing and communication, privacy and security, and keeping abreast of emerging technology relevant to the group
Regulatory, Legal and Risk Management	Experience in identification, monitoring and management of material financial and non-financial risks, including legal and regulatory compliance, resident and employee care and safety, oversight of compliance management frameworks, controls and systems, ability to identify and oversee mitigation strategies for emerging risk and compliance issues in the organisation. Knowledge of legal and regulatory requirements of the group.
Finance	Understanding the financial drivers of the business, experience in financial accounting and reporting, treasury, corporate finance and financial controls
Property - including acquisition, disposal, management & development	Expertise in analysis of development feasibility and assessment, strategies for optimising value and understanding and mitigating risk from development opportunities
Government Relations and Public Policy	Expertise in the critical analysis of government/public policy both in of terms of policy development, interest group input and lobbying, and legislation. Effective networks.
Capital Management	Expertise in considering and implementing efficient capital management, including alternative capital sources and distributions, yields and markets.
Governance	Knowledge and experience in best practice governance structures, policies and processes, including experience with other ASX-listed entities.
Crisis Management	Experience in crisis management and navigating responses to matters including to reputational, operational, people or technology risks arising by internal or external disruptions.
Clinical and Care Governance	Knowledge of clinical governance, including a broad understanding of systems, policies and frameworks to ensure safe and effective clinical and personal care. Includes sufficient knowledge to ask questions, evaluate management's responses and form an opinion on the quality and safety of care.

Diagram 2

Number of directors possessing relevant skill/experience to a level 3 and level 2, 'High' and 'Medium' rating respectively (total number of 7 directors)



100% of Directors have a high level of strategy experience
 100% of Directors have a high level of aged care industry experience
 100% of Directors have a high level of Executive, CEO and Board leadership experience
 100% of Directors have a high level of crisis management experience

The following charts depict Board tenure, independence and gender diversity as at the date of this Statement.

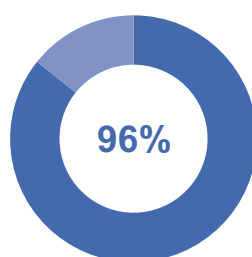
Director Tenure



Average tenure of Non-executive Directors is 5.8 years

- 0-1 year
- 1-3 years
- 3-5 years
- 5+ years

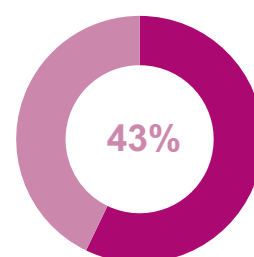
Director Independence



86% of Director's are independent

- Independent
- CEO

Board Diversity



43% of Director's are female

- Male
- Female

2 Operation of the Board

Relevant governance documents:

- **Audit Committee Charter**
- **Risk Management Committee Charter**
- **Nomination and Remuneration Committee Charter**
- **Property and Investment Committee Charter**

2.1 Board committees

Our Board has established the following standing committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees are reviewed on an annual basis:

- Audit Committee;
- Risk Management Committee;
- Nomination and Remuneration Committee; and
- Property and Investment Committee.

Each of these committees operates in accordance with specific charters approved by our Board, which sets out its composition, functions and responsibilities.

Details of the number of committee meetings held during the year and individual directors' attendance at these meetings can be found in the 2023 Directors' Report. Details of the qualifications and experience of committee members can also be found in the Directors' Report.

A description of the role of each committee and its composition is set out in the following table.

Table 3

Committee	Members	Composition	Role
Audit Committee	Ms Karen Penrose (Chair) Dr Gary Weiss AM Ms Helen Kurincic	<ul style="list-style-type: none"> - At least three members, all of whom must be non-executive directors and a majority of whom are independent directors. - The chair must be an independent non-executive director, who is not the chair of the Board. - Membership must be structured such that between them, the members have the accounting and financial expertise and a sufficient understanding of the industry and the circumstances in which the Company operates to be able to discharge the Committee's duties effectively. 	Our Audit Committee assists the Board in carrying out its oversight of the quality and integrity of the accounting, auditing and financial reporting of the Company. The Audit Committee also reviews the adequacy of Estia Health's internal control framework, monitors the effectiveness, objectivity and independence of the external auditor and reviews reports from the external auditor and internal audits.

Committee	Members	Composition	Role
Risk Management Committee	Ms Helen Kurincic (Chair) Ms Karen Penrose Mr Paul Foster Professor Simon Willcock AM	<ul style="list-style-type: none"> - At least three members, all of whom must be non-executive directors and a majority of whom are independent directors. - The chair must be an independent non-executive director, who is not the chair of the Board. 	Our Risk Management Committee assists the Board in overseeing the effectiveness of the Company's system of risk management, internal controls and general risk management, and the Company's systems for compliance with applicable legal and regulatory requirements, including in respect of clinical governance and resident safety. The committee is also responsible for making recommendations to the Board regarding risks the Company faces, action it should take, the adequacy of the Company's risk management framework, and disclosure on risks.
Nomination and Remuneration Committee	Mr Paul Foster (Chair) Ms Helen Kurincic Dr Gary Weiss AM	<ul style="list-style-type: none"> - At least three members, the majority of whom are independent directors. - The chair should be an independent director. - All members must be free from any interest, business or other relationship which, in the opinion of the Board, could, or could reasonably be perceived to, materially interfere with the exercise of his or her independent judgment as a member of the Committee. - All members are expected to possess adequate remuneration, regulatory and industry knowledge to carry out his or her responsibilities as a member of the Committee. 	<p>Our Nomination and Remuneration Committee assists and advises the Board on:</p> <ul style="list-style-type: none"> - Board and CEO and other senior executive succession planning; - Induction and continuing professional development programs for directors; - the development and implementation of a process for evaluating the performance of the Board, its committees and directors; - identifying nominees for directorships and other key executive appointments; - the appointment and re-election of directors; and - the composition and size of the Board to ensure it is conducive to making appropriate decisions with the benefit of a variety of perspectives and skills. <p>The committee also assists and advises the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior executives, and other persons whose activities, individually or collectively, affect the financial soundness of the Company. The Committee ensures that the structure of remuneration is aligned to the Company's purpose, values, risk appetite and strategic objectives.</p>
Property and Investment Committee	Ms Norah Barlow ONZM (Chair) Mr Paul Foster Dr Gary Weiss AM	<ul style="list-style-type: none"> - At least three members, all of whom must be non-executive directors and a majority of whom are independent directors. - The chair must be an independent non-executive director, who is not the chair of the Board. 	Our Property and Investment Committee assists the Board in overseeing the investment and acquisition activities of the Group, including the development, acquisition and disposal of real estate assets.

2.2 Remuneration of Directors and Senior Executives

Our remuneration framework is designed to ensure that the level and composition of remuneration is both competitive and reasonable. Our policies are designed to attract and retain talented and motivated employees as well as raising the level of performance of the Company.

Remuneration of Executives

Our remuneration framework is designed to attract, motivate and retain employees, including senior management, and ensure that the interests of the employees are aligned with those of the shareholders. In discharging its duties, the Nomination and Remuneration Committee reviews and makes recommendations to the Board on the remuneration of the CEO/MD, CFO, and other senior executives, including:

- short and long-term remuneration, including both fixed remuneration and performance-based remuneration;
- any termination payments; and
- appropriate grants of securities under the Long Term Incentive Plan.

In making its recommendations, the Nomination and Remuneration Committee ensures that:

- remuneration is set with reference to prevailing market rates for similar positions, adjusted to account for experience, productivity and ability;
- remuneration packages are designed to motivate senior management to pursue the long-term growth and success of the Company, and not reward conduct that is contrary to the Company's values or risk appetite; and
- a clear relationship exists between performance and remuneration.

Details of the nature and amount of remuneration for each Executive KMP and Estia Health's remuneration policies and practices are contained in the Remuneration Report in our Annual Report.

Remuneration of non-executive Directors

We distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives. Our non-executive Directors are remunerated by way of fees which are set with reference to the prevailing market rates. They do not participate in the schemes designed for the remuneration of executives, nor do they receive bonus payments, or any retirement benefits other than any required statutory superannuation.

To create alignment between non-executive directors and shareholders, non-executive directors are encouraged to hold Estia Health shares, and a policy has been adopted that places a minimum holding requirement of the equivalent of at least 50% of one years' pre-tax base annual Board fees at any time, within three years from the commencement of the policy (which was April 2019), or the directors' commencement date with the Company. All current directors comply with this policy. Each non-executive director's current Estia Health shareholding is set out in the Remuneration Report in the Annual Report.

Conversely, to preserve independence and impartiality, no element of non-executive director remuneration is 'at risk' (that is, it is not based on the performance of the group).

2.3 Performance evaluation

Our Board is committed to enhancing its effectiveness through performance management and review. Our annual Board review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and provide recommendations to enhance its effectiveness.

During the 2023 financial year, the Board undertook a confidential, structured evaluation to review the role, composition, behaviours and processes of the Board and its Committees. The review involved each Director providing feedback on a range of Board-related topics, covering the role of the Board, composition of the Board, meeting processes, Board papers and relationships and culture of the Board.

The results of that review were presented to the Board in May 2023 and highlighted a number of highly positive attributes about the Estia Health Board. The process also identified areas for increased focus and recommended improvements.

The evaluation for all executives is based on specific criteria, including the business performance of the Company, whether strategic objectives are being achieved, and the development of management and personnel.

The CEO/MD's performance is formally assessed on an annual basis by the Board. All Key Performance Indicators (**KPIs**) are considered by the Nomination and Remuneration Committee, which evaluates the CEO/MD's performance and makes a recommendation to the Board in relation to performance and remuneration.

An annual assessment of the performance of all other senior executives is undertaken by the Board on the basis of recommendations from the CEO/MD, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the CEO/MD, was undertaken in the reporting period in accordance with the process disclosed above.

Further information on directors' and executives' remuneration, including principles used to determine remuneration and KPIs, is set out in the Annual Report under the heading 'Remuneration Report'.

2.4 Independent advice

In order to facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense.

2.5 Agreements with directors and senior managers

Our non-executive directors are appointed pursuant to formal letters of appointment which, among other things, set out the key terms and conditions of the appointment, the Board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

All senior executives (defined as a member of the Executive Team), are currently direct reports to the CEO/MD. All senior executives have detailed service contracts in place, with performance criteria requirements for short term or long-term incentives outlined in incentive offer documents provided to them on an annual basis.

2.6 Company Secretary

The Board Charter expressly provides that the company secretary is directly accountable to the Board through the Chair on all matters to do with the proper function of the Board. All directors have access to the company secretary, who is appointed by, and accountable to, the Board on all governance matters.

2.7 Board meetings

Details of Board meetings held during the year and individual directors' attendance at these meetings can be found in the Directors' Report in the 2023 Annual Report.

3 Diversity, Equity, Inclusion and Belonging

Relevant governance document:

- **Diversity, Equity, Inclusion and Belonging Policy**

3.1 Diversity, equity, inclusion and belonging at Estia Health

We are committed to embracing diversity and fostering an inclusive and equitable working environment across the company and at all stages of the employment lifecycle.

We recognise the associated benefits of committing to diversity, equity and inclusion. These benefits include attraction and retention of talent, as well as continually improving employee motivation, health and engagement.

At Estia Health, our commitment to diversity is embedded in succession plans and appointment processes for the Board and Executive positions. The Nomination and Remuneration Committee reports to the Board regarding succession plans and appointment processes with the aim of achieving the Company's diversity objectives, in particular regarding the number of women in senior executive positions and on the Board.

A Diversity, Equity, Inclusion and Belonging Policy was revised and adopted by the Board in FY23, outlining the Group's commitment to providing an inclusive work environment in which everyone belongs. The policy is reviewed annually. The Company has a diverse workforce with the appropriate qualifications for roles within the current business.

Supportive and inclusive diversity-related workplace policies, programs and practices continue to be a focus within the business and are outlined in Table 4 (see below).

Table 4

Diversity Initiatives	Timeframe	Progress in FY23	Relevance for FY24
Gender pay equity	Ongoing	A structured compensation framework is in place, which strengthened the objectivity of job classifications, benchmarking and pay ranges. A job architecture was built in FY23 to provide further enhancements.	The framework continues to inform remuneration and performance review processes.
Gender targets	Ongoing	The Nomination and Remuneration Committee endorsed gender targets of 40:40:20 for Board, Executive and Senior Leader positions.	These targets continue to be monitored and form part of consideration for all senior appointments.

Diversity Initiatives	Timeframe	Progress in FY23	Relevance for FY24
Diversity, Equity, Inclusion and Belonging (DEIB) Road-map	Ongoing	A DEIB road-map was developed which includes key focus areas, deliverables and accountabilities. The first year of the road-map aims to improve organisational awareness and understanding our people at a deeper level to inform future priorities and activities.	The aim of the second year of the road-map is to evolve the response and further lift capability and create inclusive environments. Initiatives will target employee learning and development through formalised training programs.
Leadership development programs	Ongoing	Estia Health's Leadership programs continue to be important pillars of our succession planning to develop a pipeline of future leaders. Over 60 senior leaders participated in a leadership 360 degree feedback survey and action planning process.	The high-potential leadership development program for Care Directors and Residential Aged Care Managers continues with 100% of the 2023 program participants being female representatives. The leadership conference with 170+ leaders in attendance will be held in September 2023.

3.2 Estia Health's diversity profile, diversity initiatives, and measurable objectives

In FY23, the Board endorsed gender targets of 40:40:20 for Board, Executive and Senior Leader positions, building on targets set in previous years in relation to gender equity for these positions.

Consideration has recently been given to gender diversity targets in the leadership of our homes which more accurately reflects the gender distribution in the workforce. The Board has also recently endorsed moving to the following gender diversity targets for the Board, Executive Leadership team and Senior Leadership team for FY23:

Table 5

Cohort	Male % (minimum)	Female % (minimum)	Open %
Board*	40%	40%	20%
Executive*	40%	40%	20%
Senior Leadership Team	40%	40%	20%
Residential Aged Care (Home) Managers	10%	70%	20%
Care Directors	10%	70%	20%

* CEO/MD is included in the Board data above and not in the Executive data.

We define the Executive Leadership Team as those roles reporting to the CEO (except for the Sydney Office Manager), and we define the Senior Leadership Team as direct reports to members of the Executive Leadership Team at job grades 7 and 8.

In FY23, we have achieved these targets at the Board, and Executive team levels. Our results for senior leaders are just outside these targets, with females representing 62% of this cohort.

In FY23, we also achieved these targets in relation to our Residential Aged Care Managers and Care Directors. 81% of our Residential Aged Care Managers and 86% of our Care Directors are female.

We have reported against a set of standardised gender equality indicators provided by the Workplace Gender Equality Agency (WGEA). This report can be found on our website under the Investor / Corporate Governance section.

Table 6 illustrates the proportion of women and men at various levels throughout the Company as at 30 June 2023.

Table 6

Employee Category	Female	Male	Other	Total	% Female
Board (including MD/CEO)	3	4	-	7	43%
Executive (excluding MD/CEO)	4	3	-	7	57%
Senior Leadership Team	21	13	-	34	62%
Regional Managers	4	1	-	5	80%
Residential Aged Care (Home) Managers	61	14	-	75	81%
Care Directors	65	13	-	78	86%
All Employees (includes MD/CEO, excludes NEDs)	6,584	1,596	8	8,180	80%

Estia Health continues to remain committed to merit-based recruitment and fair remuneration practices, especially when it comes to addressing issues of gender pay parity within its workforce. In addition to various internal reviews, a Gender Pay Gap Report was prepared and assisted in the Remuneration review for all eligible employees.

Estia Health's gender pay gap in FY23 was 2.24%, for employees whose employment was not covered by an enterprise agreement. Across the entire workforce, the gender pay gap for total remuneration is 4.0%, an improvement from 4.6% in 2022. This compares favourably to the benchmark of 9.2% provided by the Workplace Gender Equality Agency (Oct 2022 data) for the Health Care and Social Assistance industry.

4 Risk Management and Assurance

Relevant governance document:

- **Audit Committee Charter**
 - **Risk Management Committee Charter**
 - **Environment Position Statement**
 - **Modern Slavery Policy**
-

4.1 Role of the Audit Committee

Our Audit Committee assists the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- (a) integrity of the Company's corporate reporting processes and financial statements, and the integrity and effectiveness of the internal control environment of the Group;
- (b) accounting and tax, and related policies;
- (c) the appointment, remuneration, independence and competence of the Company's external auditors and the internal auditors where that is a co-sourced or outsourced function;
- (d) the performance of the Company's internal and external audit functions and review of their audits;
- (e) related party transactions;
- (f) compliance with Fees and Payments Principles under the Aged Care Act; and
- (g) debt facilities.

The qualifications and experience of the members of the Audit Committee are outlined in the Directors' Report in the 2023 Annual Report.

Senior executives, senior members of Finance, internal audit and the external auditors attend meetings by invitation of the Audit Committee. Our committee holds regular meetings with the external auditor without management or executive directors present. Any director who is not a member of the Audit Committee may attend any meeting of the committee.

4.2 Role of the Risk Management Committee

Our Risk Management Committee assists the Board in overseeing the effectiveness of the Company's system of risk management and internal control framework, and the Company's systems for compliance with applicable legal and regulatory requirements, including in respect of clinical governance and resident safety. The committee is also responsible for making recommendations to the Board regarding risks the Company faces, action it should take, the adequacy of the Company's risk management framework, and disclosure on risk.

The qualifications and experience of the members of the Risk Management Committee are outlined in the Directors' Report in the 2023 Annual Report.

The Chief Quality and Risk Officer, Head of Risk and other senior executives attend meetings by invitation of the Risk Management Committee. Any director who is not a member of the Risk Management Committee may attend any meeting of the committee.

4.3 Role of the Property and Investment Committee

Given the significant size of Estia Health's property portfolio and the continued expansion of the business anticipated in the future, we have established a dedicated Property and Investment Committee to oversee this important part of the business.

The committee is responsible for reviewing and making recommendations to the Board in respect to:

- assisting the Board in overseeing the investment and acquisition activities of the Group, including the development, acquisition and disposal of real estate assets;
- reviewing and providing recommendations to the Board in respect of acquisitions (including merger and acquisition activity), divestments and development proposals;
- monitoring and reviewing the performance of acquired assets or investments against deliverables or objectives initially provided to the Board;
- ensuring that appropriate programs are in place for the maintenance and renewal of aged care facilities, including for the restoration, repair, replacement and/or modernisation of existing facilities;
- reviewing, monitoring and making recommendations to the Board regarding the consideration of environmental, social and governance (ESG) issues in support of sustainability efforts, including utilities usage, waste management, transportation planning and similar matters; and
- consider, monitor and make recommendations in relation to capital expenditure in excess of management's delegated authority.

The qualifications and experience of the members of the Property and Investment Committee are outlined in the Directors' Report contained in the Annual Report.

4.4 Risk Management Framework

Our Risk Management Committee reviews and assesses the Company's risk management framework annually. This process includes reviewing the implementation, management, and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols, and internal controls to ensure they continue to be sound and that the Company is operating in line with the current risk appetite set by the Board. An update of the risk management framework was carried out during the 2023 financial year.

Our Company has adopted an internal Risk Appetite Statement, which outlines the types and extents of risk that Estia Health is willing to accept in pursuit of its strategic objectives while adhering to the Company's values. The risk appetite is scheduled to be reviewed on an annual basis and is updated with the risk management framework.

4.5 External auditor

One of the functions of our Audit Committee is to review and monitor the performance and independence of the external auditor.

Our current auditor is Ernst Young (EY). Our current lead audit partner, Mr Paul Gower, was appointed as a result of auditor partner rotation from the commencement of FY19. Mr Gower will be rotated off the engagement after FY23, and Mr Brett Croft has been appointed as the lead audit partner.

EY has provided an independence declaration to the Board for the year ended 30 June 2023, and this declaration forms part of the 2023 Annual Report. Details of non-audit services provided by the external auditor over the reporting period are included in the Financial Statements.

Our external auditor is required to attend the annual general meeting and is available to answer questions from shareholders about the conduct of the audit and the preparation and content of the external auditor's report; accounting policies adopted by the Company in relation to the preparation of the financial statements; and independence of the auditor in relation to the conduct of the audit.

4.6 Internal audit

An Internal Audit work plan, prioritising activity on an enterprise-wide basis is developed by internal audit and approved by the Audit Committee on an annual basis. The plan is not restricted to financial matters.

The Audit Committee reviews the audit findings and outcomes which are presented by the Executive responsible for that area of operation. The Audit Committee is updated twice per year to ensure that matters that have broader financial implications have been appropriately considered. The Company's Executive Risk Committee provides regular operational oversight of the implementation of audit actions and outcomes with reporting to the Risk Management Committee.

4.7 Risks

The management of the Company and the execution of its growth strategies are subject to a number of risks, which could adversely affect the Company's future development.

These risks are monitored and managed by the Board, Risk Management Committee and management in accordance with the framework set out in the Risk Management Committee Charter. Key business risks, their impact and mitigants are outlined in the Directors' Report contained in the 2023 Annual Report.

In addition, the Company has established a Clinical Governance Committee, chaired by Professor Simon Willcock. The role of this committee is to provide oversight of clinical policy, procedure and care outcomes for residents in Estia Health homes. Monitoring of compliance to Aged Care Quality Standards is a key function with particular reference to Standard 8 Organisational Governance. This committee reports to the Risk Management Committee on a regular basis.

4.8 The Company's Response to COVID-19

The economic, health and social impacts of the COVID-19 pandemic were significant from the first half of FY21 and continue to be experienced across Australia, however with lower volumes and impacts with various mitigations in place including vaccination and anti-viral medication. Management continues to track and monitor COVID-19 exposures and or outbreaks when they occur and report this via management and the Risk Management Committee.

The Company continues to regularly review and revise its COVID-19 prevention and response plans, and its business continuity plans in response to guidelines issued by Government noting the specific challenges posed by COVID-19. Vaccination programs are a continued focus for our residents and employees. Infection Prevention and Control Leads are appointed in our homes and training continues for those nurses, including a Community of Practice for sharing best practice which is regularly convened.

The impact of COVID-19 and the associated risks to the Company are detailed in the Directors' Report contained in the 2023 Annual Report.

4.9 Regulatory environment

The residential aged care sector in which the Company operates is highly regulated within the provisions of the Aged Care Act and Aged Care Quality and Safety Commission Act.

The Commission approves providers and monitors the quality of care and services delivered. The Department of Health governs the fees and services which are delivered and funded. As such Government policy settings have a major impact on the financial performance of providers.

Further details on the regulatory environment within which Estia Health operates is detailed in the Directors' Report included in the 2023 Annual Report.

4.10 Integrity in Financial Reporting and Periodic Corporate Reports

We have a requirement that the CEO/MD and CFO provide written assurance to the Board, prior to the approval of the Company's financial statements for each financial period, that:

- in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of Estia Health's financial position and performance; and
- that this opinion has been formed on the basis of a sound system of risk management and internal control which operates effectively.

This written declaration was received by the Board prior to its approval of the full year and half year financial statements for the financial year ended 30 June 2023.

We have a process in place to verify the integrity of any other financial or non-financial corporate reports not reviewed by the external auditor. Any periodic corporate report (such as the annual Directors' Report or similar periodic reports prepared for the benefit of investors), receives the approval of the Board prior to release to the market. This approval is based on a review of all relevant information provided by management. The specific process for each periodic corporate report will vary depending on the particular release but generally involves management analysis, discussion and recommendation, backed up by supporting documentation.

5 Corporate Responsibility

Relevant governance documents:

- **Code of Conduct**
 - **Whistleblower Policy**
 - **Modern Slavery Statement**
 - **Privacy Policy**
 - **Sustainability Framework**
-

5.1 Our values

Our vision, purpose and family code provides our employees with a clear focus on the principles and behaviours through which we strive to deliver the highest quality care to our residents.

Our **vision**: *trusted aged care is accessible to all.*

This vision drives our purpose of *enriching and celebrating life together* through living our **family code** and *creating a family where everyone belongs*.

Our **family code** guides the everyday actions of our people through five principles:

Creating Happiness

We make magical moments happen, in small and special ways

Always Approachable

We make time to listen because we care

Taking Responsibility

We own our decisions and actions to improve ourselves and help others

Embracing Diversity

We acknowledge and respect individual uniqueness

Growing Together

We bring out the best in each other and are stronger together

Our **family code** is underpinned by the **values** of compassion, responsiveness, accountability, respect, and collaboration.

5.2 Code of Conduct

Our Code of Conduct (the **Code**) outlines the standard of behaviour expected of all people working at Estia Health, including the Board, employees, contractors, consultants and volunteers.

Our Code provides general guidance as to the standards of work performance, ethical standards and behaviour required in line with our principles and values.

The purpose of the Code is to set out the values, commitments, ethical standards and policies of the Company and outline the standards of conduct expected of our business and people, taking into account the Company's legal and other obligations to its stakeholders.

Any material breaches of the Code are reported through to the Board.

5.3 Whistleblower Policy

We have a Whistleblower Policy, the purpose of which is to allow people who are concerned about any improper conduct to feel comfortable reporting that conduct. It enables reporting of dishonest, fraudulent, illegal, or otherwise improper behaviour by employees, contractors, partners, former employees, and other relevant stakeholders.

We have established a Say Something hotline, an avenue for Estia Health employees and other eligible persons to raise concerns of suspected misconduct. This is an independent service run by Deloitte.

The policy provides information on how disclosure can be made and ensures anonymity and confidentiality is maintained.

The Audit Committee, through the Chair of the Audit Committee, is made aware of any material incidents reported under the Whistleblower Policy.

5.4 Anti-bribery and corruption

We are committed to directors, officers, employees, and agents conducting themselves according to the highest standards of ethical conduct, including a zero tolerance for bribery and corruption.

We have a Code of Conduct which contains a section on our strict policy of complying and upholding all laws against bribery and related conduct. Estia Health has a strict policy of not offering secret commissions or bribes to further our business interests, and not accepting any money, opportunity or other benefit which could be interpreted as an inducement, secret commission or bribe.

We have a related Gifts, Entertainment and Hospitality Policy.

Any material breach of any provisions of the Code, including that of anti-bribery and corruption, are reported through to the Board.

5.5 Modern Slavery Statement

In line with the Australian Modern Slavery Act (2018), we established a Modern Slavery Working Group which reports to the Sustainability Committee and ultimately the Board Risk Management Committee. The Board approved the publication of our third Modern Slavery Statement in December 2022. This statement reflects our commitment to preventing acts of modern slavery and human trafficking from occurring within our business and supply chain and imposing the same high standards on our suppliers, contractors, and other business partners.

The Modern Slavery Statement assists Estia Health to work with certain suppliers to identify and assess possible modern slavery risks in our procurement practices and draws from our social risk assessment. Suppliers are screened as part of a due diligence process to assess exposure to modern slavery in their supply chain and how they manage the risk.

The Working Group also oversees the implementation of a three year Modern Slavery roadmap for taking positive action for preventing, mitigating, and detecting modern slavery. The Roadmap outlines

actions across governance, risk management and due diligence, training and education, supplier engagement, partnerships, evaluation, remediation and reporting.

5.6 Environment, Social and Governance (ESG)

Sustainable and responsible business practices are important in creating value for our employees, residents, suppliers, shareholders, and the broader community. We listen to feedback from our stakeholders on what is most important to them and focus on what is most material for our business and where we can make a meaningful difference. We provide updates on our commitments, activities and progress in our Annual Report.

In FY20 the Board endorsed the publication of Estia Health's first Sustainability Strategy which forms a roadmap for addressing strategic ESG related risks and opportunities over the period FY20 - 24. Progress on some initiatives was delayed during FY21 and was ongoing in FY22 due to the impact of the COVID-19 pandemic, resulting in restricted access to homes and communities.

Table 7

Phase/Task	Progress to Date
1. Develop a roadmap of ESG related initiatives to address key identified material issues Published Sustainability Strategy including framework and targets Design and implement initiatives approved by the ESG committee with continued measurement and monitoring of progress.	Completed FY20 Ongoing
2. Key ESG risk mitigations in FY20-24 Sustainability Strategy Supply chain Development of first Modern Slavery Statement with: <ul style="list-style-type: none"> • identification of high-risk supplier categories and suppliers surveyed • Roadmap of initiatives developed • Submission of second Modern Slavery Statement in compliance with Modern Slavery Act 2018 • Development of Sustainable procurement policy Reducing emissions Reducing Scope 1 and 2 operational carbon emissions through: <ul style="list-style-type: none"> • Sourcing energy from renewable sources through investigation of initiatives beyond solar initiatives already in place Waste reduction <ul style="list-style-type: none"> • Waste reduction programs that divert of up to 30% of waste from landfill Climate change Understanding the vulnerability of our portfolio to the impacts of climate change and implemented risk mitigation strategies where required. <ul style="list-style-type: none"> • Climate exposure assessment of portfolio • Climate vulnerability assessment of portfolio • Development of mitigating actions to address climate resilience of portfolio • Disclosure of climate change risk and opportunity in line with TCFD recommendations Diversity and inclusion <ul style="list-style-type: none"> • All leaders in business to attend 'unconscious bias' training Wellbeing <ul style="list-style-type: none"> • Development and launch of EstiaWell focused on physical, mental and social wellbeing needs of employees Training and development <ul style="list-style-type: none"> • Launch of EstiaAcademy and implementation of programs to support education of workforce and develop career pathways to all employees 	Completed FY20 Completed FY21 Completed FY21 Completed FY23 Initial initiatives completed FY19-22 Ongoing continuous improvement In progress FY21-23 Completed FY20 Completed FY21 Ongoing FY22-23 Completed FY22 Completed FY21 Completed FY21

Phase/Task	Progress to Date
Signed on to ACWIC Voluntary Code of Conduct <ul style="list-style-type: none"> Development and publication of our FY22 roadmap to meeting each principle in the Code 	ACWIC ceased operation on 3 August 2023
Social impact <ul style="list-style-type: none"> Development and publication of a Social Impact Framework for achieving a positive social impact in the communities in which we operate. 	Not yet developed FY23
3. Engagement and reporting <p>Maintain Estia Health as an active member of various ESG/CSR related working groups to ensure we are at the forefront of ESG related trends and topics.</p> <p>Define the most appropriate format or internationally recognised reporting protocol which is most suitable to report on against ESG related issues.</p> <p>Further refine data capture systems to streamline future reporting of key environmental, social and community related metrics.</p>	<p>FY20 Estia Health became a member of the Ethics Alliance</p> <p>To be defined in FY24 to comply with mandatory climate-related financial disclosures</p> <p>In progress FY22-23</p>

5.7 Economic, Environmental and Social Sustainability Risks (specifically in relation to Recommendation 7.4)

In the course of Estia Health's business operation, the Company is exposed to a variety of risks that are inherent in the sector. As noted above in section 5.6, in FY20 the Board endorsed the publication of Estia Health's first Sustainability Strategy which forms a roadmap for addressing strategic ESG related risks over the period FY20 -24.

Further information on our key business/industry risks and key financial risks, including economic, environment and social sustainability risks, the Company's management of these risks, and TCFD disclosures, are provided within the Sustainability section in our Annual Report.

5.8 Cybersecurity

Our Information Security management program entails people, processes, and technology. We have established dedicated information security roles in the business, and our cyber security program is aligned with The National Institute of Standards and Technology (NIST) Cyber Security Framework with 5 functional components – Identify, Protect, Detect, Respond & Recover.

With new potential Cyber threats continuing to emerge, and Cyber-attacks across all industries becoming more frequent, we are continuously working on improvements to our security profile and processes based on emerging risks and best practices.

6 Engaging with our Shareholders and Investors

Relevant governance documents:

- **Disclosure and Communication Policy**
-

6.1 Communications and external disclosure

We have adopted a Disclosure and Communication Policy, the objectives of which are to:

- ensure that the Company is able to meet its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act; and
- establish internal procedures so that all Group Personnel understand their obligations to ensure:
 - confidential information is protected; and
 - disclosure of price sensitive information to the Disclosure Officer.

The purpose of this policy is to:

- a. ensure that the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act;
- b. confirm officers and employees are aware of the Company's continuous disclosure obligations; and
- c. establish procedures for:
 - the collection of all potentially price-sensitive information;
 - assessing if information must be disclosed to ASX under the ASX Listing Rules or the Corporations Act;
 - releasing to ASX information determined to be price-sensitive information and to require disclosure;
 - dealing with market rumours and speculation;
 - communicating with analysts and investors;
 - establish authorised Company spokespersons; and
 - responding to any queries from ASX (particularly queries under Listing Rule 3.1B).

The overarching principle of this policy is governed by Listing Rule 3.1, which requires the Company to immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of Estia Health's quoted securities, provided that the information does not fall within the exception to disclosure under the Listing Rules. The Policy provides for the exceptions to Listing Rule 3.1 as outlined in Listing Rule 3.1A.

6.2 Shareholder communications

We are committed to maintaining direct, open, and timely and effective two-way communications with all shareholders. Our policy is that shareholders are informed of all material developments that impact the Company.

We communicate with shareholders via the following means:

- release of half-year and full-year financial statements;
- release of ASX Announcements relating to important strategic and financial initiatives;
- publication of an Annual Report;
- the Annual General Meeting;
- live audiocasts of results briefings and Annual General Meetings; and

- provision of information and resources through the online Investor Centre at www.estiahealth.com.au/investor-centre

We also invite shareholders to communicate directly with us and provide contact information and a dedicated email address on our Investor Centre. All shareholders have the option to receive communications from, and send communications to, the Company and our Share Registry electronically.

To also facilitate communication, we have established a Disclosure and Communication Policy. The aim of this policy is to promote and maintain the confidence of the Company's shareholders through ongoing timely, balanced and effective communication.

Presentations to analysts or investors are only made using materials which have been previously released to the ASX.

6.3 General Meetings

We encourage shareholders to participate in general meetings and we aim to choose a date, time and venue convenient to shareholders.

Our annual general meeting is typically held in November each year.

Notices of meeting are accompanied by explanatory notes on the items of business and together they seek to clearly explain the nature of the business of the meeting.

If shareholders are unable to attend a general meeting, they are encouraged to vote on the proposed resolutions by appointing a proxy. The proxy form included with a notice of meeting explains how to appoint a proxy. Online proxy and direct voting is also available to shareholders.

Unless specifically stated in a notice of meeting, all shareholders are eligible to vote on all resolutions. Estia Health's practice is that voting on each proposed resolution is conducted by poll.

Transcripts of the chair's address, CEO's address and any investor presentation are released to the ASX prior to the commencement of the annual general meeting, and the outcome of voting on resolutions at the meeting is released to the market after the conclusion of the meeting. Both documents are also be posted on the Company website.

All shareholders have the option to receive communications electronically from and send communications to the Company's registry service provider, Link Market Services.

6.4 Investor engagement program

We have a dedicated Investor Relations function and an investor engagement program for engaging with shareholders and the broader investment community.

Key activities in our investor engagement program include:

- the Annual General Meeting
- the release of our Annual Report
- regular releases of financial information, including half-year and full-year financial results, and trading updates as required
- An open briefing to investors analysts and the public at the time of the half year and full year financial results by the CEO and CFO

- media, analyst and major investor meetings with Estia Health's CEO and CFO following the release of key financial information
- the provision of investor-related resources on our website at www.estiahealth.com.au/investor-centre including information on the operations of the group, the Board, management, corporate governance charters and policies, ASX announcements, the share price, dividend distribution, and material ESG matters
- Engagement with groups of investors at open forums and investment community briefings
- responding to shareholder queries
- engaging with the Australian Shareholders' Association, retail stockbrokers, and proxy advisor organisations

6.5 ASX Releases to the Board

In accordance with the announcement sign-off protocol outlined in our Disclosure and Communication Policy, all announcements to the market in relation to financial disclosure or of a general corporate nature require full Board approval, unless authority has been expressly delegated to a sub-committee of the board for that specific purpose.

Further, we have a process of ensuring that all material ASX announcements are promptly distributed to directors upon their release to the market. This process is mandated in the Continuous Disclosure Policy.

7 Securities

Relevant governance document:

- **Trading Policy**
 - **Minimum Shareholding Policy**
-

7.1 Trading Policy

We have adopted a Trading Policy that is intended to explain the types of conduct in relation to dealing in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects our directors, officers, employees and management against the misuse of unpublished information that could materially affect the value of securities.

The Trading Policy sets out restrictions that apply to dealing with securities and defines “prohibited periods”, during which Designated Persons, are unable to deal in Estia Health securities.

In all instances, buying or selling of shares is not permitted at any time by any person who possesses price-sensitive information.

Our Trading Policy provides that Designated Persons must not enter into any transaction that operates to limit the economic risk associated with holding securities in the Company. In addition, Designated Persons are prohibited from engaging in short-term dealing of Estia Health shares, where ‘short-term’ is considered 12 months.

7.2 Minimum shareholding policy

By promoting director and employee ownership of Estia Health shares, the Board hopes to encourage directors and employees to become long-term holders of Estia Health shares, aligning their interest with those of Estia Health’s.

As noted earlier in this Statement, Estia Health has adopted a Minimum Shareholding Policy, which places a minimum holding requirement on non-executive directors of the equivalent of 50% of one year’s pre-tax director fees within three years. At the date of this Statement, all non-executive directors comply with this policy.

The Minimum Shareholding Policy also applies to senior executives who are required to accumulate, and thereafter maintain a minimum holding in Estia Health shares equivalent to at least 50% of one year’s prevailing total fixed remuneration within three years. All senior executives are either already compliant with the policy or are working towards accumulating the required minimum shareholding within the time period permitted under the policy.

This Corporate Governance Statement was approved by a resolution of the Board on 22 August 2023.

Our Corporate Governance Statement and Key to Disclosures (Appendix 4G) have been lodged with the ASX and are available at <https://investors.estiahealth.com.au/investor-centre/?page=corporate-governance>