

REMUNERATION POLICY

1. PURPOSE

The purpose of Oceania Healthcare Limited's ("**Oceania's**") Remuneration Policy is to outline the remuneration principles that apply to all directors and senior managers of Oceania to ensure that remuneration practices are fair and appropriate for the organisation, and there is a clear link between remuneration and performance.

2. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Board has agreed that, with effect from 1 March 2017, the following fixed annual fees will apply to all non-executive Directors of Oceania:

Base Director's Fee	\$90,000 per annum
Chair's Fee	\$180,000 per annum (being a multiplier of two times the base fee)
Chair of Audit Committee (additional fee)	\$20,000 per annum
Chair of Clinical and Health & Safety Committee (additional fee)	\$15,000 per annum
Chair of Remuneration Committee (additional fee)	\$7,500 per annum

No additional fees will apply for Directors as members of Board Committees.

No equity based remuneration will be paid to Directors, nor will the Directors receive any performance based remuneration.

An annual expense allowance of \$2,000 will also be provided to Directors to cover communication and other personal administration costs incurred in the course of acting as a Director of Oceania.

An additional allowance may be paid to Directors for any takeover or merger activity to remunerate the Directors for additional work required in relation to such activities.

The remuneration of non-executive Directors will be reviewed no earlier than the company's Annual Meeting in 2019 and then bi-annually thereafter, and will reflect benchmarking data from similar listed operators.

3. REMUNERATION OF SENIOR MANAGERS

Oceania is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the commercial environment, the ability to achieve Oceania's business objectives and the creation of shareholder value.

Under Oceania's remuneration framework, individual performance and market relativity are key considerations in all remuneration-based decisions, balanced by the



organisational context. Remuneration includes a mix of fixed and variable components. A summary of the current provisions is set out below:

- **Fixed remuneration** includes base salary and employer KiwiSaver contributions, and relates to the base requirements of the role.
- A discretionary **Short Term Incentive (“STI”) Scheme** may be offered to business managers, at the discretion of the Chief Executive Officer. The structure of such incentives is approved by the Board. Details of any STI scheme may vary from year to year in accordance with separately documented STI scheme guidelines, and by approval of the Board.
- An Executive **Long Term Incentive (“LTI”) Scheme** may be offered to certain senior executives, as approved by the Board.

Fixed Remuneration

Fixed remuneration includes base salary and employer KiwiSaver contributions.

Base salary is determined by the scale and complexity of the role. Oceania undertakes an annual remuneration review as at 1 July in each year, informed by an assessment of relative external market data and organisational context. Individual remuneration will be adjusted dependent upon performance and external market relativity. Any increase to a senior manager’s base salary will be at Oceania’s sole discretion.

Senior managers who contribute to a KiwiSaver scheme will receive matched Employer contributions of the minimum employer contribution prevailing at the time, paid to their KiwiSaver account in accordance with applicable legislation.

STI Scheme

Certain business and clinical managers operating Oceania facilities, their up-line managers and other support staff are entitled to an annual STI payment within their employment agreements. The annual payment is expressed as a percentage of base salary and the level of this percentage is generally determined by reference to the seniority of the role within Oceania.

A manager’s actual entitlement in any one year is assessed by the achievement of Key Performance Indicators that are set at the beginning of each financial year (usually in June), and are categorised as financial targets (performance against budget), Health & Safety goals (performance against targets and objectives), personal goals (specific tasks, goals or targets that the individual is capable of achieving) and a discretionary element. The Board approves the percentage allocations to each of these categories in each financial year and may change the categories at its discretion.

The goals and targets set in each category should be specific, objective and measurable, such that there is an accurate judgment each year as to whether the goal has been achieved or not.

The Chief Executive Officer approves the annual STI payments for all entitled staff other than the Executive Team. The Board approves the annual STI payments for the Executive Team and targets for the year ahead.



LTI Scheme

Certain Oceania senior executives were invited to participate in a LTI scheme which was established concurrent with the IPO. The purpose of the LTI scheme is to align the interests of senior executives with the interests of shareholders and provide a continuing incentive to senior executives over the longer term.

The senior executives were each provided with an interest-free loan by Oceania which was applied to acquiring the shares. The amount of the loan for each senior executive was determined at the Board's discretion. The shares are held by OCA Employees Trustee Limited on behalf of the participants.

Generally, the shares under the LTI scheme will be eligible to vest if, at the vesting date (which is the business day after release of the financial statements for the year ended 31 May 2020), the participant remains employed by Oceania and the performance hurdles are achieved (the performance hurdles require Oceania's performance to meet, or exceed, a minimum underlying EPS CAGR per annum, over the vesting period).

4. PUBLICATION

This Remuneration Policy is available on Oceania's website, www.oceaniahealthcare.co.nz.

5. REVIEW

This Policy was reviewed by the Board in March 2020 and will be reviewed every 12 months.

