

**Minutes of the Annual Meeting of Shareholders of Oceania Healthcare Limited
Held at Park Hyatt, Auckland and online on Friday 25 August 2023 at 2.00pm**

Present:	Elizabeth Coutts	Chair
	Alan Isaac	Independent Director
	Dame Kerry Prendergast	Independent Director
	Gregory Tomlinson	Independent Director
	Sally Evans	Independent Director
	Rob Hamilton	Independent Director
	Peter Dufaur	Independent Director
	Brent Pattison	Chief Executive Officer

Introduction

The Chair began by welcoming shareholders. The Chair noted that the Company's Constitution prescribes a quorum of shareholders. There being a quorum of shareholders present, the Chair declared the meeting open.

The Chair introduced the Directors and the Chief Executive Officer to shareholders.

The Chair also introduced the members of the Executive Team in attendance; Mrs Waugh (Chief Financial Officer), Mrs Thorburn (Group General Manager Corporate Services), Mr Buckingham (Group General Manager Property and Development) and Ms Hawthorne (Group General Manager Sales and Service).

The Chair also welcomed representatives of Chapman Tripp and PricewaterhouseCoopers.

The Chair explained the voting process for shareholders and/or proxy holders and the process for shareholders to ask questions. The Chair also noted that the results of the meeting will be published to the market later in the day.

The Chair advised that the Notice of Meeting contained the business to be dealt with during the meeting. She asked whether there were any apologies that anyone would like to have recorded and no apologies were received.

Proxies

The Chair advised that 460 shareholders holding 290,093,890 shares (equivalent to 40.06%) of the shares on issue were represented at the meeting by valid proxies. The Chair further noted that the Board was holding 274,854,389 of these proxy votes and that the number of proxies to be voted in favour would be advised after each resolution was put before the meeting.

Minutes of Previous Meeting

The Chair advised that the minutes of the previous Annual Meeting were reviewed at the first meeting of Directors of the Company following the Annual Meeting and were confirmed as a true and correct record of the meeting. The Chair further noted that the minutes are available for review on the Company's website and that the Group General Manager Corporate Services has copies available should any shareholder wish to review them at the conclusion of the meeting.

Annual Report and Financial Statements

The Chair advised that the Company's Annual Report for the year ended 31 March 2023 was available to all shareholders on the Company's website and was circulated either electronically



or by mail to all shareholders on the register at the time. She stated that the Annual Report would be taken as read and that before taking comments on it she would provide an overview of the year which would be followed by a presentation from the Chief Executive Officer, Brent Pattison.

Chair's Address

The Chair started by thanking the team for their work during the year and acknowledged that a great deal of hard work has gone into managing some extraordinary challenges during the year, including the Auckland flooding and Cyclone Gabrielle.

The Chair noted that although the acute phase of the pandemic may have passed, we remain in the midst of its financial repercussions, including the inflationary environment produced by quantitative easing. She explained that this was a factor in the Board's decision to adjust Oceania's dividend policy to a payout ratio of 30-50% of underlying NPAT. This adjustment enables a more prudent approach to debt management in an environment of higher interest rates and it also provides flexibility to retain capital to pursue growth opportunities through all phases of the property cycle.

The Chair noted that the Board was pleased to declare and pay a final dividend of 1.3 cents per share, which takes full year dividends (non-imputed) to 3.2 cents per share, representing 39% of Underlying Net Profit After Tax. This reflects a solid performance and continues to demonstrate Oceania's resilience. The Dividend Reinvestment Plan for New Zealand and Australian shareholders also applied to the dividend.

The Chair noted that the Board is well aware that Oceania ended the financial year with a market capitalisation below the carrying amount of Oceania's net assets and shareholder funds. She explained that more than 90% of total assets as at 31 March 2023 were property assets carried at fair value as assessed by both CBRE Limited and Colliers Limited respectively, as independent valuers. She noted that Oceania has demonstrated resilience by navigating a number of industry and market headwinds over recent years and the Board remains confident in the long term value of Oceania's portfolio.

The Chair also noted that strategic capital management remains a core focus for the Board and management team. Oceania has a proven record of cash generation from its existing site developments and remains focused on consistently achieving positive outcomes in recycling cash.

The Chair then spoke about the tailwinds for the sector beyond the current cycle, noting that the most significant of these is demographic change.

The Chair noted that Oceania is seeing an increase in working capital due to an increase in the average number of days to settle the sale of independent living units but there is a real and significant opportunity reflected in strong demand from the market for high quality and bespoke product. She added that Oceania is starting to see indications that the residential property market conditions and sentiment are improving, with some units settling within shorter timeframes than expected.

The Chair noted that Oceania has made progress with sustainability initiatives during the year, including the establishment of a Board Sustainability Committee which is responsible for assisting the Board in providing leadership and policy for sustainability initiatives, reviewing progress towards achieving sustainability targets and overseeing the implementation of Oceania's sustainability strategy. She also noted that Oceania released its new Sustainability Framework in May 2023 which sets goals through to 2030.

The Chair explained that another strategic focus for Oceania has continued to be supporting industry efforts to address Government underfunding of the aged care sector.

The Chair closed by thanking staff for their work during the year. The Chair then invited the CEO to address shareholders.



Chief Executive Officer's Address

Mr Pattison welcomed shareholders to the meeting. He started his address by noting that he is proud of the transformative work that Oceania as an organization has been undertaking to lead the sector towards change.

Mr Pattison provided an overview of the financial results for the year ended 31 March 2023. He explained that Oceania's Underlying EBITDA of \$80.0m for the year ended 31 March 2023 was 5% higher than last year, that villa and apartment DMF grew 18% to \$39.0m and that Oceania's focus on premium care is paying off, with premium care revenue rising to \$20.4m, an 8% increase on last year. He also noted that a total of 408 new sales and resales were achieved in the year ended 31 March 2023.

He then spoke about Oceania's strategy and portfolio transformation, with Oceania having more than doubled its total assets to \$2.54b since the IPO in 2017. This represents \$1.33 per share on a NTA basis.

He explained that Oceania has been building and repositioning its portfolio with highly effective capital management allocation, positioning the balance sheet with an attractive cost of debt, made up of two retail bond offers, hedging and an extension of its banking facilities.

Mr Pattison then used Meadowbank and The Sands as two examples of the transformation that has occurred in Oceania's portfolio since the IPO.

He noted that Oceania builds through market cycles and observed that the time from conception to move in can take as long as seven years. Despite the widely publicised softening housing market, Oceania has observed significant sales price accretion over this time. He then outlined Oceania's vision as it builds out its consented pipeline, which will see a change from the portfolio currently comprising approximately 40% retirement village units and 60% care, to 55% retirement village units and 45% care in the next couple of years. There will also be an increase in the proportion of premium retirement village units and care beds in the portfolio in the coming years.

Mr Pattison noted that an event to bless and cut the ribbon was held yesterday at The Helier, in Auckland. Oceania is seeing an excellent response to The Helier in the market, as well as very positive reviews and public recognition.

Mr Pattison then turned to sector reform and noted that he continues to provide a strong voice as a leading sector representative. He noted that Oceania has already taken steps in securing wage recognition for registered nurses, almost on parity with their peers in the hospital system. In terms of the retirement village sector, Mr Pattison noted that he is on the Board of the Retirement Villages Association. He outlined the regulatory reforms that are underway, including the Ministry of Housing and Urban Development's discussion paper and the Commerce Commission investigation into potential breaches of the Fair Trading Act relating to misleading advertising and unfair contract terms. He noted that Oceania has updated the terms of its Occupation Right Agreements to ensure they are written in plain English and include best practice terms. In his view, Oceania is well placed to respond to any legislative changes arising from these reviews.

Mr Pattison concluded his address by noting that Oceania will continue to prudently manage its balance sheet as it navigates short term uncertainty, volatility in the property market and potential disruption in the broader economy. Oceania continues to invest in its portfolio strategy and transition, knowing not only that this is delivering results for the business but that it is the key to future value. He also referred to compelling demographics and how Oceania's significant investment in repositioning its business puts Oceania in a strong position to capitalise on these trends.



Shareholder Questions

The Chair then asked if there were any questions arising from the Annual Report or the addresses.

Mr Bruce Parkes of the New Zealand Shareholders Association asked whether the training income received from the Wesley Institute of Nursing Education is ongoing and whether there is potential for growth in the future. Mr Pattison responded by saying that Oceania is delighted that the Wesley Institute of Nursing Education programme is growing in popularity as the preferred CAP programme for overseas trained nurses to study and qualify as registered nurses in New Zealand. As the largest CAP provider in New Zealand, Wesley Institute of Learning has been identified as an area for growth within the business and we are pleased to be welcoming over 200 students in our latest course.

Another shareholder noted that Oceania had exited two leasehold sites since 31 March 2023 and there are 10 sites recorded as held for sale in the financial statements for the year ended 31 March 2023. This is 25% of the total number of Oceania's sites. The shareholder asked whether these 10 sites that are held for sale are all standalone rest homes and whether this a strategic pivot for Oceania. Mr Pattison said that Oceania has over \$2.5 billion of assets and, of these, more than 90% of its total assets at 31 March 2023 were property assets carried at fair value as assessed by CBRE Limited and Colliers Limited. He explained that the ten sites that are held for sale have an aggregate value of approximately \$100m. These sites do not provide future development opportunities for Oceania and are not part of Oceania's overall strategy going forward, which is why they have been identified as being held for sale. The value of these sites is a small portion of the overall value of Oceania's portfolio (\$100m value of the \$2.5b portfolio).

The same shareholder then noted that the sites that have been identified as held for sale have been on the market for some time and there was a reference in the Annual Report to the settlement of the sale of two sites occurring in August 2023. The shareholder asked whether there has been any progress on the sale of these sites. Mr Pattison advised that Oceania has concluded its relationship with the landlord at both Everil Orr and Wesley and is in discussions with interested parties for the remaining eight sites. Oceania has found a ready market for many of these sites and will provide an update on the divestments in due course.

A shareholder asked whether Oceania will be publishing a copy of its submission in response to the Ministry of Housing and Urban Development's Discussion Paper on the Review of the Retirement Villages Act 2003 on its website. The Chair checked with the Group General Manager Corporate Services and confirmed that Oceania will be making a submission in November 2023 and that a copy of the submission will be published on its website.

A shareholder noted the article in the New Zealand Herald about the "bespoke" nature of The Helier and the quality of service offering for residents and asked about the upfront and ongoing cost for residents who are moving into apartments at The Helier. Mr Pattison advised that, as part of its development of bespoke retirement village units around New Zealand, Oceania provides a range of offerings at different price points to suit the needs of different residents. He said that Oceania is transparent about its costing and the team is happy to work with prospective residents to understand their needs. As part of this process, our team work through the likely costs for each of these services.

A shareholder noted that they had visited The Helier and advised that there is a fixed weekly fee of \$275/week and a compulsory services charge of \$200/week at The Helier. She noted that the compulsory services charge can be increased each year and asked whether residents can opt out of the service package. Mr Pattison confirmed that residents at The Helier cannot opt out of the service package.

A shareholder noted that Oceania has mentioned climate change in its Annual Report and in today's addresses but solar power is not mentioned. The shareholder then asked whether Oceania has solar power in its developments. Mr Pattison confirmed that Oceania is looking at a range of sustainability initiatives, including water usage, waste diversion and solar power options.



The same shareholder asked whether Oceania has a policy to promote New Zealand plants in the landscaping of its new retirement villages. Mr Pattison said that we work with landscapers to select the best plants for each particular site. For example, as part of the development at The Helier, we have maintained a number of significant native trees as part of the development.

A shareholder asked whether Oceania will have to increase its fees because New Zealanders are living for longer. Mr Pattison said that, although people are living for longer and are healthier for longer, we don't want our residents to worry about the cost associated with this. Although some of our operating costs are increasing, and we need to make a commercial return, Oceania provides certainty for its residents with its fixed weekly fees for independent living residents. Oceania's care suite product also provides financial certainty for residents who are assessed for rest home or hospital level care as the resident and their family know what the minimum refund will be after the resident leaves the care suite.

A shareholder asked whether it is difficult to recruit staff for sites outside of Auckland. Mr Pattison responded by saying that it is generally more difficult to recruit staff for our sites out of Auckland, largely because most people who come in from overseas arrive and settle in Auckland. Having said that, because Oceania is a nationwide provider, some of our staff are happy to move from a site in Auckland to a site out of Auckland.

A shareholder asked whether Oceania is considering a capital raise to improve its capital structure. Mr Pattison said that we recognise that balance sheet management is important. He explained that Oceania undertook a capital raise in 2021 to fund the acquisition of Waterford and Franklin and subsequent acquisitions have been funded by debt. He confirmed that Oceania has no immediate plans for a capital raise and has sufficient headroom in its banking facilities for growth.

A shareholder attending the meeting online noted that Oceania has a number of smaller, older villages in Christchurch, some of which need some renovation done to them. The shareholder then asked what is Oceania's plan for these sites. Mr Pattison advised that Oceania has a number of quality sites in Christchurch and we are looking to make ongoing investment in these sites as necessary.

Re-election of Director

The Chair moved to the re-election of Director and noted that under rule 2.7.1 of the NZX Listing Rules, a Director must not hold office (without being re-elected) past the third annual meeting following that Director's appointment or three years, whichever is longer. In this case, the Chair noted that she is offering herself for re-election. The Chair then handed over to Alan Isaac to chair this part of the meeting.

Mr Isaac noted that Elizabeth Coutts is offering herself for re-election as a Director of the Company. He explained that the Board has determined that, in its view, if re-elected, Elizabeth Coutts will continue to be an independent Director for the purposes of the NZX Listing Rules. Elizabeth Coutts stands for re-election with the unanimous support of the other Directors of the Company. Mr Isaac then invited Mrs Coutts to speak in support of her re-election.

Mrs Coutts noted that she last presented herself for re-election three years ago and that since then, the Board has been busy managing COVID and the flow on effects, as well as a challenging economic environment. She noted that, despite this, the sector outlook is positive and Oceania continues to make good progress with its development projects to support market growth. She referred to her substantial governance experience and proven track record and noted that she always has the best interest of the Company and shareholders at heart. She concluded by noting that she believes she will be able to make a valuable contribution to Oceania's success and, on that basis, asked for shareholder support and endorsement.

Mr Isaac put the motion "That Elizabeth Coutts be re-elected as a Director of the Company." A shareholder from the floor seconded the motion. Mr Isaac then invited shareholders to vote.



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Mr Isaac noted that the Board is hold a total of 273,847,650 directed and discretionary proxies which will be voted in favour of the resolution. He then handed back to Mrs Coutts to chair the remainder of the meeting.

Approval of Auditors' Remuneration

The Chair explained that Resolution Two relates to the remuneration of the auditor.

The Chair put the motion "That the Directors be authorised to fix the auditors remuneration for the ensuing year." She explained that, as set out in the Notice of Meeting, the current auditor of the Company, PricewaterhouseCoopers, will be automatically reappointed as the Company's auditor under section 207T of the Companies Act 1993. As a matter of good governance, a formal request for proposal process is currently underway for the provision of external audit services for the financial year ended 31 March 2024. She explained that if, following completion of the RFP process, the Board resolves to appoint a new external auditor, the Company will release a market announcement pursuant to NZX Listing Rule 3.20.1 and the appointment of the new auditor (if any) will be the subject of an ordinary resolution at the 2024 Annual Meeting.

The Chair noted that under section 207S of the Companies Act 1993, the auditor's fees and expenses must be fixed in the manner that is determined at the Annual Meeting. Shareholder approval is therefore sought for the directors to fix the auditor's remuneration for the following year.

A shareholder from the floor seconded the motion. There were no questions for the Board concerning the motion. The Chair then invited shareholders to vote.

The Chair noted that the Board is holding a total of 274,127,173 directed and discretionary proxies which will be voted in favour of the resolution.

General Business

The Chair called for shareholders to raise any other matters.

A shareholder noted that, in the Annual Report, Oceania disclosed that it diverted 880 tons of waste from landfill and asked how Oceania achieved this. Mr Pattison noted that Oceania's Head of Sustainability, Stephanie Spicer, was in the audience and would be pleased to discuss this with the shareholder after the conclusion of the meeting.

The Chair noted that there were some technical difficulties in receiving questions that had been asked online, but that these questions would all be reviewed by management and responses to each questions would be posted on Oceania's website in due course.

There being no further questions, the Chair thanked shareholders for their attendance and invited shareholders to join the Board and management for refreshments. The Chair then declared the meeting closed at 3.10pm.

Signed as a true and correct record



Elizabeth Coutts
Chair