

Policy under review

RYMAN HEALTHCARE LIMITED REMUNERATION POLICY

I. Overview and philosophy:

Our remuneration philosophy promotes the company's shared performance culture with the aim of achieving sustained growth within the business both in terms of corporate size and the quality of service provision for the residents who live in our villages. The philosophy also emphasises the fundamental value of all our employees and their role in attaining sustained growth through fair and balanced remuneration practice.

Key principles that shape our policy are:

- The critical success factor for the company is its ability to attract, retain and motivate the talent required to achieve the operational and strategic objectives. Both short-term and long-term incentives are used to this end.
- Delivery specific short-term incentives are viewed as drivers of performance. Accordingly, a significant portion of the senior management team reward is determined by the achievement of realistic targets and their individual contribution to the growth and development of the company.
- When warranted by exceptional circumstances or achievements, special bonus payments may be considered as additional rewards.
- Long-term incentives align the objectives of management, staff, and shareholders for a sustained period.
- The periodic review of comparative market-based remuneration against similar peer group positions to ensure the attraction and retention of executive talent.
- Acknowledgement of the sector that the business operates in, and in association with this the need for remuneration to be transparent and easy to understand.

2. Governance

Board responsibility:

The Board carries ultimate responsibility for remuneration policy.

The governance, remuneration and nomination committee operates in accordance with the Board approved mandate.

The Board may, when required, refer matters for shareholder approval such as with any share based incentive scheme and non-executive Board remuneration.

The Board has absolute discretion to override short term and long-term incentive scheme payments or seek refund if an individual has been found to breach the code of conduct.

Governance, remuneration and nomination committee:

This is a standing committee of the Board of Directors and operates under the terms of reference agreed by the Board and reviewed on an annual basis.

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External advisors:

The committee utilises the service of independent advisers on an ad hoc basis. The committee, in conjunction with the Board of Directors, will choose the advisor.

3. Non-executive director remuneration

Non-executive director remuneration is reviewed biennially by the remuneration committee having regard to all relevant factors including market surveys for Australian and New Zealand publicly listed companies. Any proposed changes are recommended to the Board and are subject to shareholder approval.

4. Short term incentive plan

This is designed to motivate and incentivise senior staff in the delivery of performance over a one-year operating cycle.

The levels and appropriateness of these incentives and weightings are reviewed annually by the remuneration committee. The annual bonus is paid in cash following completion of the audited annual accounts for the previous financial year.

Performance over the financial year is measured against “stretch” performance targets.

5. Long-term incentive plan

This is designed to encourage Ryman Leaders to build a long-term investment stake in the company, and to align interests with shareholders.

This consists of interest free loans for the purchase of shares “on market” which vest three years later. The terms of the Ryman Healthcare Limited Employee Share Scheme outlines the coverage of beneficiaries of the share purchase scheme and the rules that govern the long-term incentive scheme.

The dividends payable during the three years are applied against the original loan.

On request from the board of directors the committee will advise on any additional schemes.

OWNERSHIP AND REVIEW

Approver:	Ryman Healthcare Board
Reviewer:	Remuneration and Nominations Committee
Ownership:	Group Shared Services Manager
Review:	Annual or as necessary