

JAPARA

HEALTHCARE

ACN 168 631 052

**NOTICE OF ANNUAL GENERAL MEETING
2017**

to be held on

Friday 27 October 2017
at 2.00pm

The Langham, Melbourne
(Alto Room)
One Southgate Avenue
Southbank
Victoria, Australia

JAPARA HEALTHCARE LIMITED

ACN 168 631 052

Dear Shareholder

On behalf of the Board I am pleased to invite you to attend the 2017 Annual General Meeting (**AGM**) of Japara Healthcare Limited. The following information is enclosed:

- Notice of Annual General Meeting;
- Explanatory Memorandum;
- Proxy form;
- Shareholder Question form; and
- Reply paid envelope for lodging your proxy form and/or sending any written questions to the Share Registry before the AGM.

AGM

The AGM will be held on Friday 27 October 2017 at 2.00pm Australian Eastern Daylight Time (**AEDT**) at The Langham, Melbourne (Alto Room), One Southgate Avenue, Southbank, Victoria, Australia. You are invited to join the Board and senior management for refreshments after the AGM.

Business of the AGM

The business of the AGM is set out in the Notice of Annual General Meeting. The Explanatory Memorandum sets out important information relating to the matters to be considered by Shareholders at the Meeting and I encourage you to read those materials carefully.

Attendance

If you are attending the AGM, please bring your personalised proxy form to assist the Share Registry to register your attendance at the Meeting. The registration desk will be open from 1.30pm.

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the Meeting in your place. Please refer to the Notice of Annual General Meeting and proxy form regarding the appointment of a proxy.

A live audio webcast of the AGM will be available to shareholders who are unable to attend, the details of which will be released to the ASX ahead of the meeting. An archive of the webcast will also be available on the Company's website on the following day.

Shareholder questions

Shareholders may direct questions about the operations and management of Japara Healthcare, to the Chairman or if in relation to the content or the conduct of the audit report, to Japara Healthcare's auditor (KPMG). Please submit your written questions using the accompanying Shareholder Question form to the Share Registry prior to 5.00pm AEDT on 20 October 2017. Alternatively you may complete the Shareholder Question form online before 5.00pm AEDT on 20 October 2017 by logging on to your holding at www.linkmarketservices.com.au and selecting "Voting".

We will respond to as many of the more frequently asked questions as possible at the Meeting.

I look forward to seeing you at the AGM if you are able to attend.

Yours sincerely



Linda Bardo Nicholls AO
Chairman, Japara Healthcare Limited

NOTICE OF ANNUAL GENERAL MEETING 2017

Notice is hereby given that the 2017 Annual General Meeting (**AGM** or **Meeting**) of members of Japara Healthcare Limited (**Japara Healthcare** or the **Company**) will be held:

Date: 27 October 2017

Time: 2.00pm AEDT

Venue: The Langham, Melbourne (Alto Room), One Southgate Avenue, Southbank, Victoria, Australia

The Explanatory Memorandum accompanying this Notice of Annual General Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum and proxy form are part of this Notice of Annual General Meeting.

BUSINESS

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the period ended 30 June 2017.

Unless specifically requested, Shareholders have not been sent a hard copy of the Annual Report. Shareholders can view the Annual Report, which contains each of the above reports, on Japara Healthcare's website at japarahealthcare.com.au under the Investor section.

B. QUESTIONS & COMMENTS

Following consideration of the reports referred to above, Shareholders will have an opportunity to ask questions or comment about the management of the Company. The Chairman will also provide Shareholders with an opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also provide the Auditor an opportunity to answer any written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of any written questions submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the Meeting will be made available as soon as practicable thereafter.

RESOLUTION 1: REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an advisory resolution of the Company:

That the Company's Remuneration Report for the period ended 30 June 2017 (as set out in the Directors' Report) be adopted.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – JOANNE STEPHENSON

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

That JoAnne Stephenson, a Non Executive Director of the Company, who retires in accordance with rule 8.1 of the Company's Constitution, offers herself for re-election and being eligible, is re-elected as a Director of the Company.

By Order of the Board

A handwritten signature in black ink, appearing to read 'B Paterson', with a long horizontal stroke extending to the right.

**Bruce Paterson
Company Secretary**

24 August 2017

ENTITLEMENT TO VOTE

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of Shares as at 7.00pm AEDT on 25 October 2017 will be entitled to attend and vote at the AGM as a Shareholder.

If more than one joint holder of Shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a Shareholder entitled to attend and vote at the AGM, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a Shareholder of the Company.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's Share Registry and return them both together.

To be effective, the proxy must be received at the Share Registry of the Company no later than 2.00pm AEDT on 25 October 2017, being 48 hours before the AGM. Proxies must be received by one of the following methods:

By Post: Japara Healthcare Limited
c/- Link Market Services Limited, Locked Bag A14
Sydney South NSW 1235 Australia

Online: www.linkmarketservices.com.au

By Facsimile: +61 2 9287 0309

By Hand: Link Market Services Limited
(within business hours) Level 12, 680 George Street
Sydney NSW 2000

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

If the proxy's appointment specifies the way to vote on a resolution, the proxy must vote on the resolution in the way specified (subject to the other provisions of this notice, including the voting restrictions noted below).

Proxy Voting by Chairman

The Chairman of the Meeting will vote undirected proxies in favour of all items. The voting exclusions on Key Management Personnel (**KMP**) in Resolution 1 do not apply to the Chairman of the Meeting acting as proxy, if the appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a KMP of Japara Healthcare.

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 2.00pm AEDT on 25 October 2017, being 48 hours before the AGM.

Corporate Representatives

A body corporate who is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming their authority to act as the company's representative.

Voting at the Meeting

In accordance with the Company's constitution, voting on each of the proposed resolutions at the Meeting will be conducted by a show of hands unless a poll is demanded in accordance with the Corporations Act.

Voting exclusion statements

Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- a. a member of the KMP whose remuneration is included in the 2017 Remuneration Report; and
- b. a closely related party (such as close family members and any controlled companies) of such a KMP.

However, the Company will not disregard a vote cast on Resolution 1 as a proxy for a person who is entitled to vote and:

- a. the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- b. the vote is cast by the Chairman of the Meeting and:
 - i. the appointment does not specify how the proxy is to vote; and
 - ii. the appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If you appoint the Chairman of the Meeting as your proxy and you do not direct your proxy how to vote on Resolution 1 on the proxy form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the Meeting.

For the purposes of this voting exclusion, 'KMP' are the directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Remuneration Report for the year ended 30 June 2017. Their 'closely related parties' are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

Explanatory Memorandum

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in Japara Healthcare in relation to the business to be conducted at the Company's AGM to be held on 27 October 2017.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Resolution 1 is an advisory resolution.

Resolution 2 is an ordinary resolution requiring a simple majority of votes cast in favour by Shareholders entitled to vote on the resolution.

ITEMS A & B: FINANCIAL STATEMENTS AND REPORTS – QUESTIONS & COMMENTS

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Independent Auditor's Report of Japara Healthcare for the period ended 30 June 2017 will be presented for consideration by Shareholders.

The 2017 Annual Report (which contains each of the above reports) is available on the Company's website at japarahealthcare.com.au under the Investor section.

Shareholders will be provided with the opportunity to ask questions about or make comments on the reports, Japara Healthcare's management or about Japara Healthcare generally, but there will be no formal resolution put to the Meeting. KPMG, the Company's Auditor, will attend the AGM and Shareholders will be given the opportunity to ask questions relating to the audit.

RESOLUTION 1: ADOPTION OF THE REMUNERATION REPORT

Section 250R of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and other Key Management Personnel (**Remuneration Report**) be put to Shareholders for adoption by way of a non-binding vote.

The Remuneration Report sets out the remuneration arrangements of the Company for Directors and other Key Management Personnel of Japara Healthcare.

The Remuneration Report is set out in the Company's 2017 Annual Report, available on the Company's website japarahealthcare.com.au under the Investor section.

The Chairman of the Meeting will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

Recommendation: The Directors recommend that you vote in favour of this advisory resolution.

RESOLUTION 2: RE-ELECTION OF JOANNE STEPHENSON

In accordance with rule 8.1 of the Constitution, Ms JoAnne Stephenson retires, and being eligible, offers herself for re-election as a Director of Japara Healthcare.

JoAnne Stephenson was appointed as a Non Executive Director of Japara Healthcare on 1 September 2015. She is Chairman of the Zero Harm Committee and a member of the Audit, Risk and Compliance Committee and the Remuneration and Nomination Committee.

JoAnne holds a Bachelor of Commerce and Bachelor of Laws (Honours) from the University of Queensland and is a member of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

She has over 25 years of extensive experience in financial services having been a partner with KPMG and has key strengths in finance, accounting, risk management and governance.

JoAnne is currently a Non-Executive Director of Challenger Limited, Asaleo Care Limited and Myer Holdings Limited.

She is also Chair of the Audit and Risk Committee of the Department of Health and Human Services (Victoria), Chair of the Victorian Major Transport Infrastructure Board and Chairman of the Melbourne Chamber Orchestra.

JoAnne was previously a Non-Executive Director of the Peter MacCallum Cancer Institute and the Independent Chair of two Latitude Insurance entities in Australia.

The Board considers JoAnne Stephenson to be independent.

Recommendation: The Directors (with JoAnne Stephenson abstaining) recommend that Shareholders vote in favour of Resolution 2.

DEFINITIONS

Terms used in the Notice of Annual General Meeting including the Explanatory Memorandum have the following meanings:

AEDT means Australian Eastern Daylight Time.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as the context required).

Board means the Board of Directors of the Company.

Company or **Japara Healthcare** means Japara Healthcare Limited ACN 168 631 052.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time.

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum.

Group mean the Company and its controlled entities.

Listing Rules means the listing rules of ASX as amended from time to time.

Key Management Personnel or **KMP** has the meaning given to that term in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Meeting (or **AGM**) means the Annual General Meeting of members of the Company to be held on 27 October 2017 at The Langham, Melbourne (Alto Room), One Southgate Avenue, Southbank, Victoria at 2.00pm AEDT.

Notice of Annual General Meeting means this notice of annual general meeting, including the Explanatory Memorandum and the proxy form.

Resolutions means the resolutions set out in the Notice of Annual General Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder (or **member**) means a registered member of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.