

Japara Healthcare Limited (ACN 168 631 052)

Dividend Reinvestment Plan – Information for Shareholders

Japara Healthcare Limited's Dividend Reinvestment Plan (**DRP**) gives you the opportunity of reinvesting your dividends in additional Japara Healthcare Limited (**Japara**) shares, without the cost of brokerage or other entry costs. The 'Frequently Asked Questions' below summarise the operation of the **DRP**. Your participation in the **DRP** will be governed by the terms of the **DRP** Rules, which you should also read and consider before electing to participate in the **DRP**.

Frequently Asked Questions

1 Where can I get a copy of the **DRP** Rules?

A copy of the **DRP** Rules is available on Japara's investor centre website: <https://investor.japara.com.au/Investor-Centre/?page=DRP>

2 How do I participate?

Complete a **DRP** Application Form and return to Japara's Share Registry at:

Link Market Services Limited
Locked Bag A14
Sydney South
NSW 1235 Australia

A **DRP** Application Form can be downloaded from Japara's investor centre website: <https://investor.japara.com.au/Investor-Centre/?page=DRP>

Alternatively, you can request a **DRP** Application Form by contacting Japara's Share Registry on 1300 554 474 or email registrar@linkmarketservices.com.au.

3 When will my **DRP** participation begin?

Your **DRP** participation will commence in respect of the first participating dividend to be paid by Japara after receipt of your correctly completed and executed **DRP** Application Form. Your participation will remain current whilst the **DRP** remains in effect, unless you take steps to withdraw or vary your participation.

Your **DRP** Application Form must be received by 5:00pm Melbourne time (or such other time determined by the directors of Japara and notified through the ASX) on the business day after the relevant dividend record date, and your participation will begin on that particular dividend record date.

4 Who is eligible to participate in the **DRP**?

All Japara shareholders who are Australian and New Zealand residents are eligible to participate in the **DRP** in respect of any shares they hold on the relevant dividend record date. To be considered a resident, you must have an address in Australia or New Zealand registered on Japara's Share Registry as at the relevant dividend record date.

5 Is participation in the **DRP** optional?

Yes, your participation in the **DRP** is optional and completely voluntary. You also have the option of electing to participate only partially in the **DRP**, as outlined in more detail in the **DRP** Rules.

6 Can I partially participate in the DRP?

Yes, you can choose to partially participate in the DRP. This can be arranged by electing, on the DRP Application Form, the number of shares that you wish to participate in the DRP. Your dividend entitlement on any shares that are not participating in the DRP will be paid in cash.

7 Can I withdraw or vary my participation in the DRP at any time?

Yes, you can cancel or vary your participation if you complete and return a DRP Variation Form prior to 5.00pm Melbourne time (or such other time determined by the directors of Japara and notified through the ASX) on the business day after the relevant dividend record date for a dividend.

Any variations received after this time will be effective from the next dividend record date for the determination of entitlements. Please contact Japara's Share Registry to arrange for a DRP Variation Form to be sent to you. Alternatively, you can download the DRP Variation Form from Japara's investor centre website:

<https://investor.japara.com.au/Investor-Centre/?page=DRP>

8 Is there a minimum or maximum participation limit?

Currently, there is no set maximum or minimum DRP participation limit.

9 At what price will additional shares be issued under the DRP?

All DRP participants will be issued shares at the same price under the DRP. This price will be determined according to a process set out in the DRP Rules.

The DRP share offer price for each dividend is calculated using a formula to determine the 'market price' of shares in Japara.

The formula uses the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Japara shares sold through normal trades on the ASX during a period of not more than 10 trading days (as determined by the directors), commencing two trading days after the relevant dividend record date (or any other date determined by the directors) in respect of the relevant dividend.

In finalising the offer price, the directors may also determine to apply a discount to the price determined under the above formula.

10 Will there be a discount offered on the price of shares issued under the DRP?

As noted above in question 9, the DRP Rules allow the directors, in their discretion, to offer DRP participants a discount in respect of the offer price calculated under the DRP Rules in respect of any dividend. Any discount determined by the directors will be announced to the ASX and on Japara's investor centre website.

11 How many shares will I receive in an allocation under the DRP?

The number of shares that you will receive will be determined by subtracting any withholding tax, and then dividing this amount by the offer price, rounded down to the nearest whole share.

This is outlined in the formula below:

$$\frac{D-W}{O}$$

where:

D is the dividend payable on the shares you have elected to participate in the DRP which is to be reinvested under the DRP;

W is any withholding tax or other sum Japara is entitled or required to withhold or deduct or retain in relation to the dividend or the shares under the DRP; and

O is the offer price determined in accordance with the DRP Rules.

12 What happens to fractional entitlements?

Fractional entitlements may arise when rounding down to determine the number of DRP Shares to be allocated to you. Such entitlements will not be carried forward or paid out to you.

13 When will the DRP shares be allocated?

Shares will be allocated to you within the time required by Japara's constitution, the ASX, the Listing Rules and Japara's Share Registry.

A holding statement will be issued to you as soon as practicable after each allocation of shares under the DRP.

14 How much does it cost to participate in the DRP?

You will not be charged brokerage or transaction fees for participation in the DRP.

15 What happens if I have more than one shareholding?

You will need to lodge a separate DRP Application Form for each shareholding registered under different names and for each shareholding bearing a different security holder reference number (SRN) or holder identification number (HIN).

16 What is the taxation treatment of shares received under the DRP?

The Australian Taxation Office currently treats dividends reinvested under DRPs in the same way as cash dividends. The Australian Taxation Office also currently regards the amount of the dividend reinvested as forming part of the cost base of the shares received.

However, Japara takes no responsibility for any taxation liabilities of shareholders who participate in the DRP. We recommend you obtain independent, professional taxation advice in relation to the tax consequences of participating in the DRP.

17 Can I sell my shares that I receive under the DRP whenever I choose?

You can sell any or all of your shares at any time.

If you are a partial participant in the DRP and you subsequently acquire additional Japara shares, these additional shares will only participate in the DRP to the extent that you alter your participation level by completing a DRP Variation Form in the manner described in question 7 above.

18 Can the DRP be varied, suspended or terminated?

The Board of Japara may vary, suspend, recommence or terminate the DRP from time to time.

An announcement will be made to the ASX (and also posted on Japara's investor centre website) in relation to each such decision by the Board.
