



Notice of Annual Meeting of Shareholders 2022



Notice of Annual Meeting of Shareholders

23 March 2022

Dear Shareholder

Due to the ongoing COVID-19 situation, Summerset has decided to take the prudent step to hold its Annual Meeting of Shareholders online only. This decision has been driven by the COVID-19 settings and the possibility that gatherings of over 100 people may not be permitted at the time of the meeting.

We invite you to join us for the virtual Annual Meeting of Shareholders of Summerset Group Holdings Limited ("Summerset"), to be held online at www.virtualmeeting.co.nz/sum22. You will still be able to vote and ask questions at the virtual meeting.

Where: www.virtualmeeting.co.nz/sum22

When: Wednesday, 27 April 2022 at 1.00pm (New Zealand time)

Summerset CEO, Scott Scoullar, and I will talk about Summerset's performance during the 2021 financial year and our plans for 2022. Questions from shareholders attending the virtual meeting will be invited.

If you cannot attend, I encourage you to complete and lodge the proxy form in accordance with the instructions on the back of that form so that it reaches Link Market Services by 1.00pm (New Zealand time) on Monday 25 April 2022.

Items of Business:

- A. Chair's address
- B. Chief Executive Officer's address
- C. Update from Committee Chairs
- D. Ordinary resolutions
- E. General business and shareholder discussion

Resolutions:

To consider and, if thought fit, to pass the following ordinary resolutions:

1. That the Board is authorised to fix the auditors' remuneration.
2. Having retired, that Anne Urlwin be re-elected as a Director of Summerset.
3. Having retired, that Gráinne Troute be re-elected as a Director of Summerset.
4. Having been appointed during the year by the Board and holding office only until the Annual Meeting, that Mark Verbiest be re-elected as a Director of Summerset.
5. Having been appointed during the year by the Board and holding office only until the Annual Meeting, that Stephen Bull be re-elected as a Director of Summerset.
6. That the maximum aggregate amount of remuneration payable by Summerset to Directors (in their capacity as Directors) be increased by \$64,450 per annum (plus GST, if any), from \$840,000 per annum to \$904,450 (plus GST, if any).

Further information relating to these resolutions is set out in the Explanatory Notes accompanying this Notice of Meeting. Please read and consider the resolutions together with the Explanatory Notes.

I look forward to seeing you at the Annual Meeting and thank you for your ongoing support.

By order of the Board.



Mark Verbiest

Chair

23 March 2022

Explanatory Notes

Ordinary Resolution 1: Auditors' Remuneration

Pursuant to the Companies Act 1993, Ernst & Young are automatically reappointed at the Annual Meeting as auditors of Summerset. The proposed resolution is to authorise the Directors to fix the remuneration of the auditors, Ernst & Young.

Ordinary Resolutions 2 to 5: Re-election of Directors

Pursuant to NZX Listing Rule 2.71:

- a Director must not hold office (without re-election) past the third Annual Meeting following the Director's appointment or 3 years, whichever is longer; and
- a Director appointed by the Board must not hold office (without re-election) past the next Annual Meeting following the Director's appointment.

Anne Urlwin and Gráinne Troute retire in accordance with NZX Listing Rule 2.71 and offer themselves for re-election. Mark Verbiest and Stephen Bull, having been appointed during the year by the Board, also retire in accordance with NZX Listing Rule 2.71 and offer themselves for re-election.

The Board has determined that each of Anne, Gráinne, Mark and Stephen qualify as Independent Directors and unanimously support their re-election or election respectively.



Anne Urlwin BCom, FCA, CFinstD, MAICD, ACIS, FNZIM

Non-executive Director

Independent

Term of Office: Appointed Director on 1 March 2014, re-appointed 29 April 2016 and 30 April 2019

Board Committees: Audit Committee, People and Culture Committee, Clinical Governance Committee and Development and Construction Committee (Chair)

Anne is the Chair of Summerset's Development and Construction Committee. She is a professional director with experience in a diverse range of sectors including construction, property development, health, infrastructure, telecommunications, regulation and financial services.

She is a director of Precinct Properties New Zealand, Ventia Group Services and Vector.

Her other directorships include City Rail Link and Queenstown Airport Corporation.

Anne is a former director of Tilt Renewables, Southern Response Earthquake Services and Chorus, and a former Chair of national commercial construction group Naylor Love Enterprises and of the New Zealand Blood Service. Anne also recently retired from the board of Cigna Life Insurance NZ.

Anne is a Chartered Accountant with experience in senior finance management roles in addition to her governance roles.

Anne has been a director of Summerset since 2014.



Gráinne Troute *GradDipBusStuds, CMIInstD*

Non-executive Director
Independent

Term of Office: Appointed Director on 1 September 2016, re-appointed 27 April 2017 and 30 April 2019

Board Committees: Audit Committee, Clinical Governance Committee, and People and Culture Committee (Chair)

Gráinne is Chair of Summerset's People and Culture Committee. She is a Chartered Member of the Institute of Directors and is also Chair of Tourism Industry Aotearoa and a director of Tourism Holdings and Investore Property.

Gráinne is a professional director with many years' experience in senior executive roles. She was General Manager, Corporate Services at SKYCITY Entertainment Group and Managing Director of McDonald's Restaurants (NZ). She also held senior management roles with Coopers and Lybrand (now PwC) and HR Consultancy Right Management.

Gráinne has vast expertise in operating customer-focused businesses in highly competitive sectors. She has also spent many years as a trustee and Chair in the not-for-profit sector, including having been the Chair of Ronald McDonald House Charities New Zealand for five years.

Gráinne has been a director of Summerset since 2016.



Mark Verbiest *LLB, CFinstD*

Non-executive Director
Independent

Term of Office: Appointed Director on 1 July 2021

Board Committees: Audit Committee and Development and Construction Committee

Mark is the Chair of the Board. He is a lawyer by training, having spent many years in private practice as partner of a large national law firm. He subsequently joined the senior executive team at Telecom New Zealand as Group General Counsel, also having executive responsibility for other corporate groups and two business units.

Mark is currently the Chair of listed companies Meridian Energy and Freightways, as well as a director of ANZ Bank. It should be noted Mark retires as Chair of Freightways on 31 March 2022.

He has previously been Chair of Spark, Transpower NZ, and Willis Bond Capital, and a director of a number of other companies and entities, including the inaugural board of the Financial Markets Authority and the advisory board to the Treasury.

Mark has been Chair of Summerset since July 2021.



Stephen Bull *BCom, BPsych (Hons), MAICD*

Non-executive Director
Independent

Term of Office: Appointed Director on 1 March 2022

Board Committees: Development and Construction Committee

Stephen has over 25 years experience in real estate, community creation and finance roles. He has held Executive roles at Westfield, AMP and Stockland.

Stephen finished executive work in 2018 and for the last five years of his executive career was a Group Executive at Stockland and CEO of their retirement village business. Prior to his real estate career in Australia, Stephen spent several years working in investment banking in London.

Stephen holds a Bachelor of Commerce and a Bachelor of Psychology (Hons) and is a member of Chartered Accountants (Australia and New Zealand). In addition he is a Member of the Australian Institute of Company Directors (MAICD).

He is currently a non executive director of Bridge Housing and sits on the investment committees for the MaxCap Industrial Opportunities Fund and the Wingate Direct Property business. He is also a member of the advisory board for the Moits Group in Australia.

Ordinary Resolutions 6: Increase in the Fee Pool of Directors' Fees

The Board recommends to shareholders that the maximum annual Directors' remuneration payable to all Directors of Summerset taken together ("fee pool") be increased from the current level of \$840,000 to \$904,450 (plus GST, if any). This reflects a total increase of \$64,450 to the current approved fee pool plus any GST payable on the fee pool (an increase of 7.67%).

In 2021, annualised standard Directors' fees were \$768,000 (plus GST). The current standard Directors' fees per annum are as follows (plus GST):

• Chair	\$180,000
• Non-executive Director	\$90,000
• Chair of Audit Committee	\$18,000
• Chair of Clinical Governance Committee	\$15,000
• Chair of People & Culture Committee	\$7,500
• Chair of Development & Construction Committee.	\$7,500

Other than the fees payable to the Chair of each Committee, no other fees are payable to Directors for membership of a standard Committee.

The standard Directors' fees were last increased in May 2019.

In making this recommendation, the Board has considered a report prepared by PwC for the People and Culture Committee. The purpose of this report was to benchmark the fees paid to Summerset's Directors against a peer group of NZX-listed companies selected on the basis of comparable market capitalisation. In accordance with the commentary to Recommendation 5.2 of the NZX Corporate Governance Code, a summary of PwC's report is attached and is also available on Summerset's investor website at www.summerset.co.nz/directorsfeesummary.

The proposed standard Directors' fees per annum effective from 1 May 2022 are as follows:

• Chair	\$181,200
• Non-executive Director	\$97,500
• Chair of Audit Committee	\$20,000
• Chair of Clinical Governance Committee	\$15,000
• Chair of People & Culture Committee	\$15,000
• Chair of Development & Construction Committee	\$15,000

It is also intended that for directors resident in Australia (currently Marie Bismark and Stephen Bull), their remuneration will be paid in Australian dollars. This will be the appropriate equivalent dollar amount as is paid to New Zealand directors. This reflects differences in taxation and currency and is regarded as appropriate given Summerset's investments in Australia.

In addition to providing for the proposed increases, the proposed change to the fee pool, if approved, will provide \$50,000¹ of headroom in order to also allow for the Board to approve payments to Directors for assuming additional responsibilities above and beyond the normal duties of either the Board or any standard Committee. These payments will only be approved in the event of commitments such as significant strategic work or projects.

Additional Director(s) may be appointed during 2022 to facilitate Board succession planning. Pursuant to NZX Listing Rule 2.11.3, in the event that Summerset increases the total number of Directors, the Board may increase the total remuneration payable to Directors by such amount as is necessary to enable Summerset to pay the additional Director or Directors' remuneration not exceeding the average amount payable to each of the other non-Executive Directors (other than the Chairperson).

Summerset will disregard any votes on Ordinary Resolution 6 by:

1. any Director of Summerset; and
2. any Associated Person of any Director of Summerset,

except where any such vote is cast by the Director or one of his or her associates as proxy for a person who is entitled to vote and the Director or that associate votes in accordance with express instructions to vote for or against a particular resolution on the proxy form.

¹ The amount of headroom may vary depending on the foreign exchange rate applicable to the directors' fees paid in Australian dollars to the Australian Directors.

IMPORTANT INFORMATION

Attendance

Shareholders will only be able to attend the Annual Meeting virtually via an online platform provided by our share registrar, Link Market Services at www.virtualmeeting.co.nz/sum22. Shareholders attending and participating in the Annual Meeting virtually via the online platform will be able to vote and ask questions during the Annual Meeting. More information regarding virtual attendance at the Annual Meeting (including how to vote and ask questions virtually during the Meeting) is available in the Virtual Annual Meeting Online Portal Guide available at <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>

Proxies

Any shareholder who is entitled to attend and vote at the Annual Meeting may appoint a proxy, who need not be a shareholder, to attend and vote instead of him or her by completing and returning the enclosed proxy form. If you appoint a proxy you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as he/she sees fit. If you wish to give your proxy discretion then you must mark the appropriate boxes on the form to grant your proxy that discretion. If you do not tick any box for a particular resolution, then your instruction will be to abstain.

Shareholders can elect to vote their proxies on-line by visiting vote.linkmarketservices.com/SUM or by scanning the QR code on the Proxy Form with your smartphone.

NZX Register holders:

You will need to enter your CSN/Holder Number and Authorisation Code (FIN) to securely complete your proxy appointment.

ASX Register holders:

You will need to enter your Holder Number and postcode to securely complete your proxy appointment.

If you wish to mail the proxy form then please send it to our share registry, Link Market Services Limited, using the freepost envelope included with the form. Alternatively you can scan and email the completed proxy form to meetings@linkmarketservices.com (please put the words Summerset Proxy Form in the subject line for easy identification).

The completed proxy form must be received by the share registry no later than 1.00pm (New Zealand time) on Monday 25 April 2022. Any proxy form received after that time will not be valid for the scheduled meeting.

Ordinary Resolution

An ordinary resolution is one passed by a simple majority of votes from shareholders entitled to vote and voting on the resolution.

Voting

Voting entitlements for the Annual Meeting will be determined as at 5.00pm (New Zealand time) on Monday 25 April 2022. Registered shareholders at that time will be the only persons entitled to vote at the Annual Meeting and only the shares registered in those shareholders' names at that time may be voted at the Annual Meeting.

The Chair will require voting at the Annual Meeting to be conducted by poll, as required by the NZX Listing Rules.

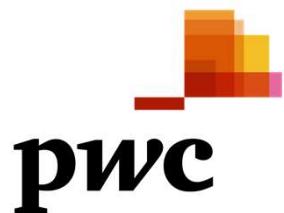
More information

If you have any questions, or for more information, please contact Summerset's Company Secretary, Robyn Heyman, on (04) 894 7320.

Summerset Group Holdings Ltd

Non-executive directors' fees benchmarking
Summary report

8 March 2022





Remuneration Service provider Independence declaration

PwC's Reward Services team was engaged by Summerset Group Holdings Limited's (Summerset) Board of Directors (the Board) to provide independent remuneration benchmarking services in relation to Summerset's Directors' fees (the Services).

As lead engagement Partner for the provision of the Services to the Board, I declare that no influence has been brought to bear upon me or, to the best of my knowledge and belief, any member of the PwC Reward Services team, by any Board member, employee or executive of Summerset or any other party regarding the Services or outcomes of the Services.

Dated: 8 March 2022

A handwritten signature in black ink, appearing to read 'Chris Place', with a stylized flourish at the end.

Chris Place

Partner
PricewaterhouseCoopers

Summary

The table below summarises market remuneration data for directors' fees from a comparator group of 14 NZX-listed companies agreed with the Summerset Board for the purposes of this exercise. The basis for the comparator group composition was comparable market capitalisation, within a range of 50% to 200% of Summerset's market capitalisation, together with inclusion of relevant industry comparators. Median market capitalisation across the sample in December 2021 when the analysis was undertaken was \$2.76 billion, compared to Summerset's market capitalisation of \$2.9 billion, and the sample is evenly weighted between larger and smaller companies than Summerset by market capitalisation (seven larger and seven smaller). Details of the comparator group are provided in Appendix 1.

The table below summarises the market median position for specified Board roles and aggregate fees and compares Summerset's current directors' fees against the market median of the comparator group. Data is current to the date of this report and has been sourced from publicly available information, including annual reports and NZX disclosures. Where the Board chooses to position its fees against this market data will depend on the Board's view of the overall relevance of the comparator group and specifically Summerset's perceived relative complexity of operations, scale, ranking (by scale) and risk profile as compared with those of the comparator companies.

Position	Sample size	Market median	Summerset policy fee	Comparison to the market median
Board Chair ¹	14	181,200	180,000	99%
NED ²	14	97,500	90,000	92%
Chair of Audit committee ³	13	20,000	18,000	90%
Chair of Audit committee – aggregated fee ⁴	13	115,000	108,000	94%
Chair of People & Culture committee ⁵	12	15,000	7,500	50%
Chair of People & Culture committee – aggregated fee ⁶	12	112,000	97,500	87%
Chair of Clinical Governance committee ⁷	7	15,000	15,000	100%
Chair of Clinical Governance committee – aggregated ⁸	7	110,000	105,000	95%
Chair of Development & Construction committee ⁹	7	15,000	7,500	50%
Chair of Dvpt. & Construction committee - aggregated ¹⁰	7	110,000	97,500	87%
Total approved pool fee ¹¹	11	857,100	840,000	98%
Actual fees paid ¹²	14	762,700	760,692	100%

NB: Member of Committee fees are not listed, as Summerset does not currently pay these. Sixty-nine percent (69%) of the comparator group companies paid committee member fees to their members of Audit and members of People & Culture committees. (Seven companies paid member fees for industry specific committee types 'Other' Committee).

Notes:

- Analysis of all 14 companies in the sample. The majority of Chair roles receive no committee fees, with the base fee recompensing all Board contribution/roles held. One company in the sample paid committee fees on top of base Chair fees, these are captured in the market fee analysis for this position.
- Analysis of base NED fees for all 14 companies in the comparator group.
- Analysis of each of the 13 companies' committee fee portion only.
- Analysis of the aggregated fee for Chair of Audit Committee i.e. NED + Chair of committee fee
- Analysis of each of the 12 companies that had this role/paid additional remuneration to this role. Some companies combined this committee portfolio e.g. *People & Remuneration Committee, Remuneration & Nomination Committee* etc.
- Analysis of the aggregated fee for Chair of People & Culture Committee i.e. NED + Chair of committee fee.
- Due to the industry specific nature of these committee types, they do not feature as commonly as standing Board sub-committees across the comparator group. On that basis, data for the Summerset *Clinical Governance* and *Development and Construction* Committees has been compared to a market median fee aggregate for Chairs of 'Other' Committees.
- Analysis of the aggregated fee for Chair of 'Other' Committee i.e. NED + Chair of committee fee.
- Analysis of Chair of 'Other' Committee fee.
- Analysis of the aggregated fee for Chair of 'Other' i.e. NED + Chair of committee fee, compared to the Summerset Development & Construction Chair.
- Analysis of each of the 11 companies where a pool fee is set/disclosed.
- Analysis for the 14 companies which disclosed actual fees paid. NB this is the only data where temporary reductions to fees due to impacts resulting from COVID-19 may feature in our analysis. Policy fees (on which the majority of the analysis is based), do not reflect/capture these temporary discounts.

Appendix 1 – Comparator Group

Organisation name	Market Capitalisation (\$ millions)	Annual revenue (\$ millions)	Total assets (\$ millions)
Ryman Healthcare	6,093	456	9,172
Fletcher Building	5,418	8,120	8,010
Port of Tauranga	4,667	338	2,081
Vector	4,000	1,279	6,520
Goodman Property	3,486	182	3,832
Genesis Energy	3,130	3,221	5,242
Chorus	3,048	947	5,860
Precinct	2,473	200	3,456
Trustpower	2,325	953	2,342
Freightways	2,103	801	1,044
Kiwi Property	1,821	234	3,366
Arvida	1,383	175	2,182
Argosy Property	1,242	131	2,157
Oceania Healthcare	953	213	1,884
Summerset	2,901	172	3,893
Median of comparator group	2,761	397	3,411

Source: Market capitalisation, annual revenue and total assets data sourced from CAPIQ in December 2021 (when the peer comparator group was agreed with the Summerset Board).