



Corporate Governance Statement

The Board of Radius Residential Care Limited (Radius Care, the Company) is committed to ensuring that the Company meets best practice governance principles and maintains the highest ethical standards by conducting our business safely and ethically and within the legal and regulatory framework. By doing this we can deliver the best outcomes for our residents, their families, shareholders, employees, customers and suppliers and the communities in which we operate.

This Corporate Governance Statement provides an overview of the Company's governance framework. It is structured to follow the version of the NZX Corporate Governance Code dated 17 June 2022 (NZX Code) and discloses the practices relating to the NZX Code's recommendations.

The Board regularly reviews the Company's corporate governance structures against the recommendations in the NZX Code and considers that during the year ended 31 March 2023 its practices and procedures met NZX Code recommendations. This statement is a snapshot view of the Company's practices, processes and policies measured against the principles of the NZX Code.

THE COMPANY'S SUITE OF GOVERNANCE POLICIES COMPRISES:

CONSTITUTION

CHARTERS

Board Charter
Audit and Risk Committee Charter
Remuneration and People Committee Charter

POLICIES

External Auditor Independence Policy
Financial Product Trading Policy
Fraud Policy
Market Disclosure Policy
Whistleblower Policy
Code of Conduct
Diversity and Inclusion Policy
Privacy Policy
Remuneration Policy

 These documents are available at
www.radiuscare.co.nz/investor-centre

The Radius Care Board approved this Corporate Governance Statement on 28 June 2023 and it is current as at that date.



PRINCIPLE 1.**CODE OF ETHICAL BEHAVIOUR**

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Code of Conduct

Recommendation 1.1: The Board should document minimum standards of ethical behaviour to which the issuer's Directors and employees are expected to adhere (a code of ethics) and comply with the other requirements of Recommendation 1.1 of the NZX Code.

The Company's ethical standards are included in the Company's Code of Conduct, Employee Handbook and the Board Charter.

Radius Care commits to high ethical standards in all dealings undertaken by the group's Directors and employees. We are a New Zealand owned and operated company that is committed to providing quality rest home and private hospital care. Our business spans healthcare, cultural and regulatory boundaries and our Directors and management understand that high ethical standards deliver the best outcomes for our residents, their families, employees, shareholders, suppliers, customers and communities.

Our commitment to ethical dealings is captured by the Company's core brand attribute "Exceptional People, Exceptional Care" and in the Code of Conduct and Board Charter.

The Radius Care Code of Conduct and the Board Charter outline how Directors and employees are to consistently act with honesty and integrity.

Every new Director, employee and contractor is provided with a copy of the Code of Conduct and must confirm that they have read and understand the Code of Conduct.

The Code of Conduct will be reviewed by the Board every two years.

Whistleblower Policy

Any employee of Radius Care who who believes on reasonable grounds that there is, or has been, serious wrongdoing within the organisation is encouraged to report it. The procedure for advising the Company of a suspected breach is set out in the policy.

The policy is reviewed every two years. It was last reviewed in December 2022.

Trading in Financial Products

Recommendation 1.2: An issuer should have a financial product dealing policy which applies to employees and Directors.

Radius Care has a Financial Product Trading Policy, prohibiting the direct or indirect dealing of the Company's financial products when holding inside information. All Directors, senior managers and employees of Radius Care and its subsidiaries must follow this policy where they intend to trade in Radius Care's quoted financial products.

A duty of confidentiality is owed by these parties to protect the dissemination and use of confidential Company information.

The Financial Product Trading Policy also defines black-out periods during which certain restricted persons are prohibited in trading in Radius Care shares unless provided by a specific exemption by the Radius Care Chair or Chief Executive (CEO). Those periods are from Radius Care's half-year or year-end balance date, until the first trading day after the results for the period are released to NZX. In addition, Radius Care's CEO may notify Restricted Persons of additional "Black-Out" periods from time to time as directed by the Board.

The policy is reviewed every two years. It was last reviewed in November 2022.

PRINCIPLE 2.

BOARD COMPOSITION AND PERFORMANCE

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Role and Responsibilities of the Board

Recommendation 2.1: The Board of an issuer should operate under a written charter which sets out the roles and responsibilities of the Board. The Board Charter should clearly distinguish and disclose the respective roles and responsibilities of the Board and management.

The Board has overall responsibility for all decision making within Radius Care. Day-to-day management of the Company, including being the Company's principal representative, is delegated to the CEO. The Board's functions are set out in the Board Charter and include:

- Ensuring that Radius Care's goals are clearly established and strategies are in place for achieving them.
- Establishing policies for strengthening the performance of Radius Care, including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products, new services and the development of its business capital.
- Monitoring the performance of management.
- Appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with Radius Care.
- Deciding on whatever steps are necessary to protect Radius Care's financial position and the ability to meet its debts and other obligations when they fall due and ensuring that such steps are taken.
- Ensuring Radius Care's financial statements are a fair representation of the financial position of Radius Care and otherwise conform with the law.
- Ensuring Radius Care has appropriate risk management/regulatory compliance policies in place.

The Board has a statutory obligation to reserve responsibility for certain matters.

The Board monitors these matters by receiving reports and plans from management, maintaining an active programme of facility visits and through its annual work programme.

The Board uses committees to address certain issues that require detailed consideration by members of the Board who

have specialist knowledge and experience. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

Details of the Radius Care Board's role, composition, responsibilities, operation, policies and committees are provided in the Board Charter.

Director Nomination, Appointment and Reappointment

Recommendations 2.2 and 2.3: Every issuer should have a procedure for the nomination and appointment of Directors to the Board. An issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment.

The Board is responsible for the process of appointment and reappointment of Directors, who are elected by shareholders. The Board identifies candidates to be nominated or re-elected as a Director through a procedure outlined in the Board Charter.

The Board is comprised of Directors who have a mix of skills, knowledge, experience and diversity to adequately discharge its responsibilities and add value to Radius Care. The Board considers diversity can be demonstrated by, amongst other things, gender, ethnicity, thought, experiential and social diversity.

Using a Board skills matrix, the Board has determined that to operate effectively and to meet its responsibilities it requires competencies in disciplines including executive leadership and strategy, governance, aged care, marketing, compensation, health and safety, finance and capital markets, risk and compliance, legal and regulatory and people. A Board skills matrix has been included at page 7.

The current mix of skills and experience is considered appropriate for the responsibilities and requirements of governing Radius Care.

The Board looks to strengthen its oversight of issues in all disciplines, as required, via expert advice. During the year expert advice was sought in many of the above disciplines.

Letter of appointment

All Directors have entered into a written agreement with Radius Care setting out the terms of their appointment.

Director Disclosures

Recommendation 2.4: Every issuer should disclose information about each Director in its Annual Report or on its website, including a profile of experience, length of service, independence and ownership interests and Director attendance at Board meetings.

A profile of each Director is available in the Annual Report and is also provided on the Radius Care website www.radiuscare.co.nz. The profiles include information on the skills, experience and background of each Director. Details of Director attendance at Board meetings is included in the Annual Report.

Ownership of Radius Care shares by Directors is encouraged rather than being a requirement. Directors' ownership interests are disclosed in the Annual Report and disclosed as required to NZX.

At this stage the Board does not have a tenure policy however it is committed to a regular refreshment programme to introduce new perspectives, skills, attributes and experience. The aims of the process are to:

- Identify future Board requirements, in terms of skills, Director numbers and diversity;
- Conduct a broad search for candidates that match the determined requirements; and
- To ensure a smooth transition of new Directors.

The period of appointment of current Directors is as follows:

	0-3 Years	3-9 Years	9+ Years
Number of Directors	2	1	2

Interests Register

The Board maintains an Interests Register. Any Director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest. A Director who is interested in a transaction may attend and participate at a Board meeting at which the transaction is discussed but may not be counted in the quorum for that meeting or vote in respect of the transaction, unless it is one in respect of which Directors are expressly required by the Companies Act 1993 to sign a certificate. Particulars of entries made in the Interests Register for the year ended 31 March 2023 are included in the Director Disclosures section in the Annual Report.

Diversity

Recommendation 2.5: An issuer should have a written Diversity Policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.

The Board seeks diversity in the skills, attributes, perspectives and experience of its members across a broad range of criteria so as to represent the diversity of shareholders, business types and regions in which it operates. Diversity, at Board level, among the management team and throughout the Company, is actively considered and reviewed by the Board.

Radius Care recruits, promotes and compensates on the basis of merit, regardless of gender, ethnicity,

religion, age, nationality, sexual orientation, union membership or political opinion. A fundamental tenet of the Company's values is Exceptional People, Exceptional Care together with: Commitment: Leaders in care; Courage: Do the right thing; Compassion: Act with empathy.

Responsibility for workplace diversity and the setting of measurable objectives is held by the Remuneration and People Committee.

The following table reports gender composition of the Board and management team as at 31 March 2023.

	31 March 2023			31 March 2022		
	Male	Female	Gender Diverse	Male	Female	Gender Diverse
Directors	4	1	—	4	1	—
Management	4	2	—	4	4	—

A formal Diversity and Inclusion Policy was adopted by the Board in July 2022 and is reviewed annually. Radius Care is monitoring and working on matters covered by its Diversity and Inclusion Policy. The Board is comfortable with the metrics and culture referred to in the policy and this is an area of continual improvement and focus.

Director Training

Recommendation 2.6: Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer.

The Board encourages Directors to undertake appropriate training to enable them to remain current on how best to discharge their responsibilities and keep up to date on changes and trends in areas relevant to their work. Directors are provided with industry information and receive copies of appropriate Company documents to enable them to perform their role. In addition, visits to Radius Care's facilities, briefing from senior management and key advisors to Radius Care are arranged for Directors. If Directors undertake training at the Company's expense, they are expected to give the Board an update.

The Board also ensures that new Directors are appropriately introduced to management, the care homes, the retirement villages and the online shop.

Board Performance Evaluation

Recommendation 2.7: The Board should have a procedure to regularly assess Director, Board and committee performance.

The Board undertakes a regular assessment of Board, Director and committee performance. The Board will consider seeking assistance from external advisors as required. Through this regular assessment, the Board, committees and Directors have been found to have fulfilled all their duties and responsibilities for sound corporate governance as specified by the Board Charter.

Director independence

Recommendations 2.8: A majority of the Board should be Independent Directors.

As at 31 March 2023, the Board comprised five Directors. The Board has considered which of the Directors are Independent Directors for the purposes of the NZX Listing Rules (the Rules). Three of the five Directors of Radius Care are Independent Directors. The factors relevant to determining whether a Director is an Independent Director are the criteria in the Rules for Director independence, having regard to the factors described in the NZX Code that may impact Director independence.

The Company's Constitution specifies that the Board shall have a minimum of three Directors; at least two Directors shall be ordinarily resident in New Zealand; and while the Company is listed, it shall have not less than the minimum number of Independent Directors prescribed by the Rules.

Brien Cree and Duncan Cook are non-independent Directors. Mary Gardiner, Bret

Jackson and Hamish Stevens are Independent Directors. Brien Cree is also the Executive Chair and as a founding shareholder of Radius Care he plays a unique role on the Board. As Executive Chair, Brien is focused on the formulation and execution of Radius Care's strategic growth objectives. Duncan Cook has oversight of legal services provided to Radius Care and negotiates major contracts for the Company. Duncan has been a Director of Radius Care since 2010 before Radius Care was listed on the NZX. He is therefore regarded as an Executive Director.

Board Positions

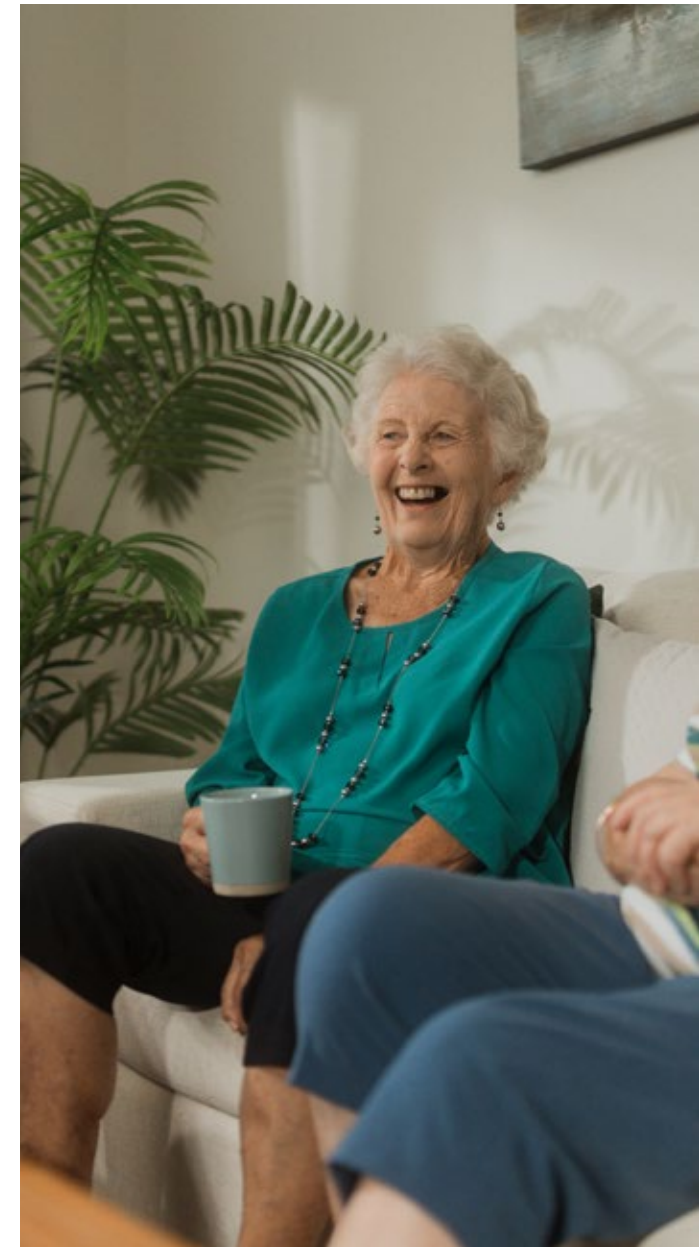
Recommendation 2.9: An issuer should have an Independent Chair of the Board. If the Chair is not Independent, the Chair and the CEO should be different people.

At Radius Care the roles of Chair of the Board and CEO are separated to ensure that a conflict of interest does not arise.


The Chair of the Board is an executive Director and not independent. The Chair is responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and management.

The Chair is also responsible for setting the agenda for meetings of the Board and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

The roles of Board Chair, Audit and Risk Committee Chair and CEO are not held by the same person. Hamish Stevens is the Chair of the Audit and Risk Committee. Duncan Cook is the Chair of the Remuneration and People Committee.



Board Skills Matrix

Sector Knowledge	Well represented in care sector knowledge including representation on Aged Care Association Board.	
Executive Leadership / Strategic Thinking	Former MD brings extensive leadership experience and strategic thinking.	
Growth Implementation	Extensive experience in industry consolidation M&A activity.	
Developments	Experience in retirement village development and construction management.	
Health, Clinical and Aged Care	Deep understanding of the critical elements and economic imperatives of the care business.	
Technology and IT	Experience in transforming processes in relation to technology and digital platforms.	
Marketing	Brand well established by founder, experience in data driven marketing, digital sales and enhanced customer experience.	
Compensation / HR	Leadership in exceptional people, exceptional care. Significant experience in culture and reward in large organisations.	
Environmental and Sustainability	Evolving sustainability strategies, experience in solar energy sources.	
Expertise	Experience in best practice and corporate governance.	
Health and Safety	Experience in workplace health and safety including knowledge of legal obligations and regulations.	
Risk Management	Expertise in legal, regulatory, risk and compliance. Designated focus on cyber security.	
Finance, Accounting and Capital Markets	Former CFO representation on audit committee, and extensive knowledge of use of and return on capital.	

PRINCIPLE 3.

BOARD COMMITTEES

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

Board Committees

Recommendation 3.1: *An issuer's Audit Committee should operate under a written charter. Membership on the Audit Committee should be majority Independent and comprise solely of non-executive Directors of the issuer. The chair of the Audit Committee should be an Independent Director and not the Chair of the Board.*

Recommendation 3.2: *Employees should only attend Audit Committee meetings at the invitation of the Audit Committee.*

Recommendation 3.3: *An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole Board). At least a majority of the remuneration committee should be Independent Directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.*

Recommendation 3.4: *An issuer should establish a nomination committee to recommend Director appointments to the Board (unless this is carried out by the whole Board), which should operate under a written charter. At least a majority of the nomination committee should be Independent Directors.*

Recommendation 3.5: *All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.*

Recommendation 3.6: *The Board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer and comply with the other requirements of Recommendation 3.6 of the NZX Code.*

The Board has established two committees to assist in the execution of the Board's responsibilities. The current committees of the Board are the Audit and Risk Committee and the Remuneration and People Committee.

The Board may set up ad-hoc committees when required to efficiently and effectively carry out key governance functions, while retaining ultimate responsibility for all decisions and actions. Each committee focuses on specific areas of governance and together they strengthen the Board's oversight of the Company. Committee membership is reviewed annually. Each committee has a written charter that sets out its mandate and is approved by the Board.

The charters are reviewed at least every two years with any proposed changes recommended to the Board for approval.

Each committee has an annual work programme of matters to be addressed over the following 12-month period. Included in the work programme is an annual review of performance against the committee charter and objectives for the year. The committee's review findings are reported to the Board.

Standing Committees of the Board

Audit and Risk Committee

Composition	<ul style="list-style-type: none"> At least three members of the Board; a majority of members must be independent. At least one member who has an accounting or financial background. Committee Chair appointed by the Board; must be an Independent Director; not the Chair of the Board.
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Roles	Responsibility for: <ul style="list-style-type: none"> External financial reporting; Internal control environment; Business Assurance / Internal Audit and external audit functions; Risk management.
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Members	Hamish Stevens (Chair) Mary Gardiner Bret Jackson
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The role of the Audit and Risk Committee is to assist the Board to fulfill its responsibilities in relation to external financial reporting, internal controls, business assurance, internal and external audit functions and risk management.

All members of the committee are Independent non-executive Directors. The committee's Chair, Hamish Stevens, is a qualified accountant and an Independent Director.

The agenda items for each meeting generally relate to financial governance, external financial reporting, external audit, internal audit, risk management, compliance and insurance.

Remuneration and People Committee

Composition	<ul style="list-style-type: none"> At least three members of the Board. Committee Chair appointed by the Board; being not the Chair of the Board.
Roles	<p>Responsibility for:</p> <ul style="list-style-type: none"> Establishment of remuneration policies and practices for the CEO, key management and Directors; Oversee remuneration-setting and review; and Oversee the management of human resources activities.
Members	<p>Duncan Cook (Chair) Mary Gardiner Bret Jackson</p>

The Remuneration and People Committee assists the Board with the establishment of remuneration policies and practices for the CEO, key management and Directors, as well as discharging the Board's responsibilities relative to remuneration-setting and review; and assisting the Board in overseeing the management of the Company's people.

Duncan Cook is the Chair of the Remuneration and People Committee and also an executive Director of the Company. In his role as Chair, he does not have input into his remuneration from Radius Care for his work as an executive Director and reporting lines are structured so that they do not pose any practical issues.



Management Attendance at Committee Meetings

The management team and other employees attend committee meetings only at the invitation of the relevant committee.

The CEO and CFO are regularly invited to attend Audit and Risk Committee meetings. The CEO and GM, People are regularly invited to attend the Remuneration and People Committee.

Other Committees

The Board has determined that at this point a separate Nomination Committee is not required. Director appointments are considered by the Board as a whole.

Management Committees

Board representatives also attend meetings of the Clinical Governance Committee and the Sustainability Committee.

Takeover Offer Protocols

A Takeover Preparedness Manual has been prepared for the Company by external advisers and has been accepted by the Board. This manual sets out formal takeover offer protocols which help ensure the Company manages any takeover approach in accordance with the New Zealand Takeovers Code. In the event of a takeover approach a sub-committee of the Board would be formed, and a working group, legal advisers and other key advisers would be appointed.

PRINCIPLE 4.

REPORTING AND DISCLOSURE

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Shareholder Communications and Market Disclosure

Recommendation 4.1: An issuer's Board should have a written Continuous Disclosure Policy.

The Board is committed to providing timely, orderly, consistent, accurate and credible information in accordance with legal and regulatory requirements to enable orderly behaviour in the market. The Board believes objective disclosure is fundamental to building shareholder value and earning the confidence of the investment community.

The Company has in place a Market Disclosure Policy designed to ensure this occurs. The policy includes procedures intended to ensure that disclosure is made in a timely and balanced manner and in compliance with the Rules. This will assist the Board to fulfil its obligation to keep investors and the market informed through a timely, clear and balanced approach that communicates all information which may have a material effect on the price of Radius Care shares, whether it is positive or negative, in accordance with the Rules.

Procedures are set out in the Policy to guide Directors, the management team and employees on the appropriate steps to take if they become aware of any information that may be material that is not generally available to the market.

All NZX and media releases are subject to an agreed sign off procedure which requires approval from the Chair of the Board or CEO. Significant market announcements, including the preliminary announcement of the half-year and full-year results, the consolidated financial statements for those periods and any advice of a change in earnings forecast are approved by the Board.

Directors consider at the end of each Board meeting whether there is any material information that should be disclosed to the market.

Governance Policy Suite

Recommendation 4.2: An issuer should make its code of ethics, Board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Key governance documents are available to investors and stakeholders on the Radius Care website at www.radiuscare.co.nz/investor-centre.

Financial and Non-Financial Reporting

Recommendation 4.3: An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.

The Board is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders. A programme of clear, meaningful, timely and effective communications with shareholders is centred around a comprehensive set of information regarding the Company's operations and results being available primarily in its six-monthly and full-year reports, in ad hoc releases lodged with NZX and also on its website.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness, balance and timeliness of financial statements. It reviews interim and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with financial reporting standards, stock exchange and legal requirements and the results of the external audit.

All interim and full-year consolidated financial statements are prepared in accordance with relevant financial standards.

Both financial and non-financial disclosures are made at least annually. Radius Care's Board has initiated a project to ensure an enhanced focus on sustainability within the Company. Information on the early initiatives in this area are provided in the Annual Report.

PRINCIPLE 5. REMUNERATION

The remuneration of Directors and executives should be transparent, fair and reasonable.

Remuneration Overview

Radius Care aims to reward employees with a level of remuneration commensurate with their position and responsibilities, and to ensure total compensation is competitive by market standards. This overview provides details of Radius Care's approach to remuneration including incentive plans for executives that were in place or will be in place after the year ended 31 March 2023. Details of remuneration received by the CEO and the Directors for the year ended 31 March 2023 is set out in the Annual Report for 2023. The Radius Care Remuneration Policy is available on the Company website.

Director Remuneration

Recommendation 5.1: An issuer should recommend Director remuneration to shareholders for approval in a transparent manner. Actual Director remuneration should be clearly disclosed in the issuer's Annual Report.

In accordance with best practice corporate governance, the structure of Director remuneration is separate and distinct from the remuneration of the CEO and other officers and is reviewed on an annual basis.

The Board reviews Director remuneration annually to ensure that the Company's Directors are fairly remunerated for their services and that the level of skill and experience required to fulfil the role is recognised. They have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes.

Each Director receives a base fee for services as a Director of the Company and an additional fee is paid for being a member of the Board committees. The payment of an additional fee recognises the additional time commitment and specific skills required by each Director who serves on those committees. All Directors are also entitled to be reimbursed for costs associated with carrying out their duties. Directors do not qualify for the payment of any retirement benefits.

Actual Director remuneration is disclosed in the Annual Report.

Remuneration Principles

Recommendation 5.2: An issuer should have a remuneration policy for remuneration of Directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.

Radius Care is committed to equitable remuneration and reward practices and recognises that in order to support the business and its strategy, the Company must attract and retain people of a high calibre. Accordingly, the Board will set remuneration with regard to this and other business objectives.

Specifically, in relation to management, it is the policy of the Company to align executive remuneration with the performance of the Company and that executive remuneration should be comprised of both fixed and 'at risk' (or performance-based) elements. The purpose of this is to ensure that the interests of the management are aligned with the interests of the Company and its shareholders. A copy of the Remuneration Policy is available on the Radius Care website.

Executive Remuneration Framework

The Radius Care remuneration structure for the senior executive team, including the CEO, comprises three elements:

- Total fixed remuneration ("TFR");
- Short term incentive ("STI"); and
- Long term incentive ("LTI").

The following summarises each component of executive remuneration:

a. Total Fixed Remuneration

TFR is based on the scale and complexity of the role, market relativities, qualifications and experience. Other benefits, including KiwiSaver and a car park, are additional to the fixed salary. TFR is reviewed annually.

b. Short Term Incentive

The STI is currently a cash payment which is dependent on the achievement of a combination of an underlying EBITDA target for the financial year and individual performance measures and is capped at a maximum achievement of 100% of the STI. The performance measures are set by reference to the senior manager's responsibility and particular projects relevant to that senior manager and the business or function for which they are responsible. The purpose of the STI is to align individual performance with Radius Care's objectives and reward executives for meeting measurable objectives linked to a financial year. Those considered for participation in the STI programme must be able to impact the performance of their work area or function and also contribute to Radius Care's overall performance.

c. Long Term Incentive

Radius Care has a LTI performance share rights plan. The value and targets for the LTI plan are determined by the Remuneration Committee and are designed to provide an incentive to senior managers, retain key talent within the senior management team and align the interests of the senior management team and shareholders. The performance conditions are generally related to the performance of Radius Care over a 'performance period' (usually three years).

Remuneration Governance

Radius Care has a Remuneration and People Committee to assist the Board in the conduct of the Board's responsibility with regard to people and culture, including remuneration.

The Remuneration and People Committee Charter can be found at www.radiuscare.co.nz/investors-centre/governance.

The Remuneration and People Committee is responsible for:	The Board is responsible for:
<ul style="list-style-type: none"> Reviewing and recommending changes to Radius Care's remuneration structure, people policies, procedures and practices, objectives and performance; Reviewing and recommending changes to the remuneration of the CEO and management, having regard to Radius Care's strategy, vision, values, business objectives and performance, the responsibilities and performance of executives and the general external market; and Reviewing and recommending changes to Directors' fees, taking into account the external market, work load, succession planning and the need to offer competitive fees to attract and retain non-executive Directors of a high calibre. 	<ul style="list-style-type: none"> Approving changes to Radius Care's remuneration structure, people policies, procedures and practices, objectives and performance; Approving changes to the remuneration of the CEO and executives; and Recommending changes to non-executive Directors' remuneration, for approval by shareholders.

CEO Remuneration

Recommendation 5.3: An issuer should disclose the remuneration arrangements in place for the CEO in its Annual Report. This should include disclosure of the base salary, short term incentives and long term incentives and the performance criteria used to determine performance based payments.

CEO Remuneration Summary

CEO remuneration for FY22 and FY23 is as follows:

		Fixed Remuneration ¹	Benefits ²	Sub total	Variable Remuneration - STIP	Total Remuneration
FY22	Stuart Bilbrough ³	\$311,389	\$13,049	\$324,437	\$30,000	\$354,437
	Andrew Peskett ⁴	\$60,000	\$2,511	\$62,511	—	\$62,511
FY23	Andrew Peskett	\$400,000	\$17,000	\$417,000	— ⁵	\$417,000

1. Actual salary paid includes holiday pay paid as per NZ legislation and a car allowance where applicable.

2. Benefits include KiwiSaver and car park.

3. Stuart Bilbrough resigned from the position of CEO effective 19 November 2021. He received a cash bonus of \$30,000 as a result of the EBITDA that was achieved for the FY21 year. Salary shown is for the period 1 April 2021 - 19 November 2021.

4. Andrew Peskett was appointed CEO on 1 February 2022. Salary shown is for the period 1 February 2022 - 31 March 2022.

5. The Short Term Incentive Plan (STIP) was introduced in FY23 and incentive payments have not yet been finalised.

CEO Short Term Incentive Plan (STIP) Payment

For the FY23 financial year, the CEO may receive an STIP payment of up to 20% of his base salary (in FY23 the payment may be up to \$80,000). This will be dependent on achieving certain targets as follows:

1. 50% is to be due on the Company achieving or exceeding its budgeted pre IFRS 16 EBITDA target for FY23, with scaling to be applied at the discretion of the Board if the result comes within the range of 95% to 100% of the target; and
2. 50% is to be allocated and scaled entirely at the discretion of the Board. Considerations are to be given to a range of factors including but not limited to:
 - Staff engagement and retention;
 - Stakeholder engagement;
 - Board engagement and reporting; and
 - Health and Safety.

Executive STIP Plan

For the FY23 financial year, each member of the Senior Leadership Team (SLT) may also receive an STIP payment of up to 20% of their annual base salary. This will be dependent on achieving certain targets as follows:

- 30% (50% for the CFO) is to be due on the Company achieving or exceeding its budgeted pre IFRS 16 EBITDA target for FY23, with scaling to be applied at the discretion of the Board if the result comes within the range of 95% to 100% of the target; and
- 70% (50% for the CFO) is to be allocated and scaled entirely at the discretion of the Board. Considerations are to be given to a range of factors relevant to each executive's key performance indicators.

The STIP was introduced during the 2023 financial year and no incentive payments have been made yet for FY23.

Long Term Incentive Plan (LTIP) Payment

The Board has approved a long term incentive plan for the SLT (including the CEO) which aims to provide genuine incentive to achieve the Company's strategy and increase shareholder value.

The CEO and each member of the SLT has been allocated share rights to take up ordinary shares in Radius Care as set out in the table below. The share rights vest if the Radius Care share price is equal to \$1.081 before 18 July 2025. The number of share rights is calculated by dividing the Issue Amount by the weighted average price of Shares on the NZX Main Board over the 10 NZX trading days ("10 day VWAP") before 18 July 2022 being \$0.36. The expiry date will be 18 July 2025 and the qualifying period will be the period from the issue date to the expiry date.

Name	Issue Amount	Number of Share Rights
Andrew Peskett	\$1,000,000	2,774,563
Wendy Jenkins	\$500,000	1,387,281
Richard Callander	\$100,000	277,456
Sam Carey	\$100,000	277,456
Trish Evers	\$100,000	277,456
Gared Thomas	\$100,000	277,456

PRINCIPLE 6.**RISK MANAGEMENT**

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Recommendation 6.1: An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

The Board is responsible for ensuring that key business risks are identified and that appropriate controls and responses are in place to effectively manage those risks. The Board considers risk management an important governance function to protect stakeholders and optimise shareholder value.

The Board includes Directors with long-term experience in the care sector and with listed company governance experience. The Board's complementary skill set and understanding of the core business have allowed it to implement strategies to mitigate risk such as those associated with the COVID-19 pandemic.

The Board retains ultimate oversight of risk management, with the Audit and Risk Committee delegated with responsibility for ensuring that the Company's risk management framework is appropriate and that it appropriately identifies, assesses, manages and monitors risks.

The Audit and Risk Committee's responsibilities in relation to risk include:

- Assessing the effectiveness of and monitoring compliance with, the risk management framework;
- Identifying areas for thorough review on significant risks for inclusion in the agenda of the responsible Board and/or Board committee meeting;
- Reporting to the Board on progress with risk management work; and
- Reviewing and recommending policies for Board approval.

Risk management is an integral part of Radius Care's business. Management has prepared a risk management framework incorporating a risk register. This approach is intended to embed a comprehensive, holistic, group-wide culture of risk awareness in senior management and in decision makers across the business, supported by a consistent method of identifying, assessing, controlling, monitoring and reporting Radius Care's existing and potential risks.

The framework is used to identify those situations and circumstances in which the Company may be materially at risk and for which risk mitigation activities are appropriate. The objectives of the framework are to:

- Provide a consistent and structured way to identify, assess and manage risk across the Company;
- Ensure the Company manages the risks it faces in achieving its objectives; and
- Ensure staff and management are aware of and meet their responsibilities to identify, evaluate and treat the risks that may prevent or restrict the Company from achieving its objectives.

Risk management is a standing item on the agenda for Audit and Risk Committee meetings, with detailed reports provided by management.

Health and Safety Risk Management

Recommendation 6.2: An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

Radius Care has a robust health and safety policy which requires all staff to be aware of safety in the workplace and to comply with all health and safety policies and procedures, bringing to the attention of their manager anything that poses a risk to any person. The Health and Safety plan is supported by policies and procedures for all levels of the organisation. Health and Safety is closely monitored through Radius Care's systems and followed up through regular reporting and monthly meetings held at facility, regional and national level to ensure that any identified risks are monitored and addressed in a timely manner. Ongoing resources and training are provided to enable a safe environment at Radius Care. The Operations team is responsible for leading and managing health and safety risks and reports on performance with the aim of continuous improvement.

Insurance

Radius Care has insurance policies in place covering most areas where risk to its assets and business can be insured at a reasonable cost.

PRINCIPLE 7.**AUDITORS**

The Board should ensure the quality and independence of the external audit process.

External Auditor

Recommendation 7.1 The Board should establish a framework for the issuer's relationship with its external auditor. This framework should include the procedures prescribed in Recommendation 7.1 of the NZX Code.

Radius Care's Audit and Risk Committee Charter outlines the Company's commitment to an independent audit process that provides shareholders and the market with objective, robust, clear and timely financial reporting. The Audit and Risk Committee's responsibilities are to:

- Monitor the independence and effectiveness of the external auditors;
- Make recommendations to the Board on the appointment and termination of the external auditors;
- Approve the external audit terms of engagement, audit partner rotation and audit fee;
- Review the annual audit plan of the external auditors;
- Review and approve non-audit services performed by the external auditor in accordance with the External Auditor Independence Policy;
- Review the External Auditor Independence Policy on a regular basis; and
- Ensure the Key Audit Partner is rotated at least every five years.

The Audit and Risk Committee in consultation with management and the external auditor reviews the efficiency and effectiveness of the external audit process and provides a formal channel of communication between the Board, management and the external auditor. The Company's compliance with the External Auditor Independence Policy ensures that audit independence is maintained, both in fact and appearance.

Sachin Patel of Baker Tilly Staples Rodway began acting as the external audit engagement partner in the financial year ended 31 March 2021. Baker Tilly Staples Rodway commenced its appointment from the financial year ended 31 March 2013 when the Company was privately owned. The Company listed on the NZX in December 2020, and Baker Tilly Staples Rodway have internal policies and procedures in

place to ensure key audit personnel are rotated with sufficient regularity to avoid any risk to their independence. It is a requirement that the engagement partner does not audit Radius Care for more than five years. Radius Care has not yet set a maximum term for the audit firm.

Baker Tilly Staples Rodway has confirmed independence to the Audit and Risk Committee and that its independence was not compromised during the reporting period.

All non-assurance services provided must have the prior approval of the Audit and Risk Committee.

Recommendation 7.2 The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

The external auditor is regularly invited to meet with the Audit and Risk Committee including without management present.

The external auditor has been invited to attend the Annual Shareholders' Meeting and will be available to answer questions about the audit process and the independence of the auditor.

Internal Audit

Recommendation 7.3: Internal audit functions should be disclosed.

The Company does not have an in-house internal audit function. The internal control framework that Radius Care uses to manage risk is described in further detail under Principle 6 above. There are a number of internal controls overseen by the Audit and Risk Committee to ensure the integrity of key financial and operational data. Directors also pay attention to matters raised by Baker Tilly Staples Rodway, the external auditor.

PRINCIPLE 8.

SHAREHOLDER RIGHTS AND RELATIONS

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Shareholder Relations

Recommendation 8.1: An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

The Board is committed to maintaining open and transparent communications with investors and other stakeholders. The Company's website is an important channel through which key investor information is available. The annual report, NZX releases, governance policies and charters, transcripts of results briefings and a variety of corporate information are posted to the website.

Investor Communications

Recommendation 8.2: An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.

The Board is committed to ensuring there is an active and high-quality investor relations programme in place. To achieve this Radius Care has engaged an external consultant to provide advice and support to the Board and management.

Shareholders have the option of receiving their communications electronically. Contact details for Radius Care's support office and its share registrar, Computershare, are available on the website.

Major Decisions

Recommendation 8.3: Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

The Market Disclosure Policy sets out Directors' commitment to timely and balanced disclosure and to advising shareholders on any major decisions. Where voting on a matter is required, the Board encourages investors to attend the meeting or to send in a proxy vote. Shareholders may raise matters for discussion at the Annual Shareholders' Meeting either in person or by emailing Radius Care with a question to be asked.

Radius Care will conduct voting at its shareholders' meetings by way of poll and on the basis of one share, one vote.

Additional Equity

Recommendation 8.4: If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

The Board acknowledges the principle that where additional equity is sought through capital raising the interests of all existing financial product holders should be considered.

Availability of Notices of Meeting

Recommendation 8.5: The Board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Radius Care encourages shareholder participation at its Annual Meeting and the Board is committed to ensuring that notices of meetings of shareholders are released to NZX and posted to Radius Care's website as soon as possible and at least 20 working days prior to the meeting.