



Shareholder Value Continues 5 Year Decline

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| Company/ASX Code | G8 Education Ltd |
| AGM date | Wednesday 27 April 2022 |
| Time and location | 11.00am Virtual Meeting and at L1 320 Adelaide St Brisbane |
| Registry | Link Market Services |
| Webcast | Yes |
| Poll or show of hands | Poll on all items |
| Monitor | Geoffrey ORROCK |
| Pre-AGM Meeting? | No |

The individual (or his associates) involved in the preparation of this voting intention has no shareholding in this company.

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| Item 1 | Consideration of accounts and reports |
| ASA Vote | No vote required |

Summary of ASA Position

Calendar Year 2021 was another year impacted by the COVID pandemic. In response the company continued its focus as it did last year in two areas:

- The safety and wellbeing of the team, and children and families who attend the centres; and
- Business continuity, particularly cash flow, liquidity and the balance sheet

Statutory NPAT for CY2021 was \$45.7M (CY2020 was \$(188.9)M, includes impairment expenses of \$275M). Operating cash generation for the year was \$84.3M. At the end of CY 2021, following repayment of borrowings of \$202M, the cash position was \$74.1M.

A dividend of 3 cps was paid in in respect of CY 2021. During the period the share price declined by 7 cps to \$1.11 resulting in a TSR of (3.6%).

In November 2021 Mr Mark Johnson, Chairman for the past 7 years, retired from the Board in accordance with G8 Education's Board Succession Plan. Ms Susan Forrester, a director for 10 years also retired from her position of NED.

Summary

| (As at CYE 31 Dec.) | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| NPAT (\$m) | 45.7 | (188.9) | 52.0 | 71.8 | 80.6 |
| UPAT (\$m) | 39.5 | 62.7 | 67.7 | 79.4 | 92.9 |
| Share price (\$) | 1.11 | 1.18 | 1.90 | 2.83 | 3.45 |
| Dividend (cents) | 3 | 0 | 12.75 | 14 | 18 |
| TSR (%) | (3.6) | (37.9) | (27.9) | (13.9) | (0.6) |
| EPS (cents) | 5.4 | 7.4 | 13.7 | 15.9 | 18.9 |
| CEO total remuneration, actual (\$m) | 1.329 | 0.736 | 0.878 | 0.905 | 0.793 |

For 2021, the CEO's total actual remuneration was 14 times the Australian Full time Adult Average Weekly Total Earnings of \$90,917 (based on November 2021 data from the Australian Bureau of Statistics).

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| Item 2 | Adoption of Remuneration Report |
| ASA Vote | Against |

Summary of ASA Position

The MD's actual FR was unchanged at \$840,346. The NPAT gateway (not specified) was achieved and STI was also paid to the MD, \$294K in cash and \$194K deferred equity, and other KMP also received amounts.

The performance condition associated with 2019 LTI performance rights requiring EPS growth of more than 10% over 3 years to 31 December 2021 was not achieved and accordingly the performance rights did not vest and no LTI was paid.

Board base fees included \$185K for the Chairman and \$140K for NED's. Committee Chairs receive an additional \$25K.

Overall, ASA feels that given the continuing decline over the last 5 years in UPAT, share price and EPS, and negative shareholder return, as tabled above, payment to KMP of STI was not warranted and consequently we will not support this resolution.

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| Item 3 | Re-election of Mr David Foster as a Director |
| ASA Vote | For |

Summary of ASA Position

Mr David Foster has had a successful career in financial services spanning over 25 years, with his last executive role being Chief Executive Officer of Suncorp Bank, Australia's 5th largest bank. Since leaving Suncorp, Mr Foster has further developed his career as an experienced Non-Executive Director with a portfolio of Board roles across a diverse range of industries including financial services, retailing, local government, education and professional services.

He currently serves as Chair of MotorCycle Holdings Limited, and as Director of Bendigo and Adelaide Bank Limited.

David Foster joined the Company's Board on 1 February 2016 and was appointed as Chair of the Board on 29 November 2021.

He currently holds 78,763 G8 Education shares.

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| Item 3 | Election of Ms Debra Singh as a Director |
| ASA Vote | For |

Summary of ASA Position

Ms Debra Singh has over 30 years of retail experience in C-suite roles across Business Transformation, General Management, Retail Operations, Change Management and Human Resources.

She was the first woman to run a trading division at Woolworths where she spent 11 years working across supermarkets, operations and consumer electronics. Over the past 8 years, Ms Singh was CEO of Fantastic Furniture and Group CEO Household Goods Greenlit Brands. She is also a Non-Executive Director on the Shaver Shop and The Kids Cancer Project boards.

Ms Singh joined the Company's Board on 29 November 2021 and is Chair of the Nomination Committee and a member of the People & Culture Committee.

She currently holds 50,000 G8 Education shares.

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| Item 3 | Election of Ms Antonia Thornton as a Director |
| ASA Vote | For |

Summary of ASA Position

Ms Antonia Thornton has worked in corporate finance agencies for more than 15 years. She brings a strategic commercial focus to the G8 Board, having previously held senior positions with JBWere, Goldman Sachs JBWere and NAB.

Current directorships include CS Energy (including Chair of the Finance Risk and Assurance Committee), Millovate Pty Ltd and Triathlon Queensland as well as being a founding director of the private childcare enterprise Habitat Early Learning. Ms Thornton has more than 10 years' experience in audit at Board level and during her time at Goldman Sachs JBWere, was a responsible executive with the ASX holding both derivative and RG146 accreditation.

She currently holds a Master of Law in Enterprise Governance through Bond University.

Ms Thornton joined the Company's Board on 29 November 2021 and is a member of the Audit & Risk Management Committee, Nomination Committee and Property Committee.

She currently holds 23,150 G8 Education shares.

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| Item 5 | Approval of LTI grant to CEO/Managing Director Gary Carroll |
| ASA Vote | For |

Summary of ASA Position

It is proposed to grant to Mr Carroll in 2022 an LTI grant of 490,886 performance rights, the notional value of this number of rights calculated as representing 75% of his FR or \$630,000 and which was calculated by dividing that amount by the volume weighted 5 day average market price of shares of \$1.28339 to 28 Feb 2022. The grant will issue at no cost to the MD.

Mr Carroll must satisfy the following vesting conditions in order for his Performance Rights to vest:

- continuous service with the Company up to 31 Dec 2024; and
- reported (audited) earnings per share (EPS) with a Cumulative EPS measure subject to adjustment for significant items as determined by the Board in its discretion.

If the Cumulative EPS condition is met over the 3 financial years to 31 December 2024 then the grant will vest as follows:

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|--------------------|--------------------|
| CAGR less than 10% | 0% |
| CAGR 10%-15% | 50%- 100% linearly |
| CAGR more than 15% | 100% |

The Board also seeks approval for Mr Carroll's unvested Performance Rights, in certain circumstances, to vest early in accordance with the terms of the GEIP that may apply from time to time, as approved by the Board.

The ASA believes this grant of Performance Rights is fair incentive and will support this resolution.

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| Item 6 | Approval of Amendments to the Constitution |
| ASA Vote | For |

Summary of ASA Position

The CHESS system, which is used by the ASX to record shareholdings, can currently recognise up to three individuals as joint holders of a share. Currently, Article 9(b) of the Company's Constitution states that the Company is not bound to register more than three persons as holders of shares.

The ASX is planning to replace its CHESS system in April 2023. The new CHESS replacement will allow for up to four joint holders of a share. As a result, the ASX recommends listed entities amend their constitutions to remove or amend restrictions on the number of joint holders of securities.

Accordingly, the Company proposes to amend its Constitution to allow that it can register up to four individuals as joint holders.

ASA will support this resolution.

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Appendix 1 Remuneration framework detail

| CEO rem. Framework for CY2021 | Target* \$m | % of Total | Max. Opportunity \$m | % of Total |
|-------------------------------|-------------|------------|----------------------|------------|
| Fixed Remuneration | 0.84 | 40% | NA | |
| STI - Cash | 0.315 | 15% | NA | |
| STI - Equity | 0.315 | 15% | NA | |
| LTI | 0.63 | 30% | NA | |
| Total | 2.10 | 100.0% | NA | |

Following shareholder approval G8 Education implemented a new Remuneration Plan (GEIP) in 2020.

A Table of 5 year Performance and Executive Remuneration Comparison is provided as is a Table of Actual Remuneration.

Fixed remuneration (FR) is pitched at a level between the median and the 65th percentile of the market. The MD's FR in 2021 was \$840,000, a relatively modest base and the same as in 2019.

Remuneration at risk is provided through both Short Term (STI) and Long Term (LTI) Incentive. For the MD the opportunity for both STI and LTI is 75% of FR each, giving a mix in the ratios 40:30:30. KMP have lower incentive values of 50:25:25.

Short Term Incentive is paid to incentivise achievement of targets in Team Turnover, Team Engagement, Quality Outcomes and Customer NPS. The required achievements and outcomes are detailed in the Annual Report. A gateway of 90% of Plan NPAT is applied, if not achieved no STI is paid.

STI is granted 50 % in cash and, at Board discretion, 50% in equity, for grants above \$100,000. The equity component is locked for 1 year depending only on service.

Long Term Incentive opportunity for the MD is 75% of FR. LTI is paid as Performance Rights (PR) which are issued at no cost. The number of PRs granted is calculated using a market value.

For the 2022 grant the vesting period is 3 years and there is a single vesting hurdle of Cumulative Annual Growth of reported EPS.

If the Cumulative EPS condition is met over the 3 financial years to 31 December 2024 then the grant will vest as follows:

| | |
|-----------------------|---------------------|
| CAG EPS less than 10% | 0% |
| CAG EPS 10%-15% | 50% - 100% linearly |
| CAG EPS more than 10% | 100% |

There is no dividend or voting rights attached to the Performance Rights

There are hedging and lending prohibitions and a clawback clause.

The MD currently holds 174,547 G8 Education shares.

Board NED base fees are \$140,000 and the Chairman's fee is \$285,000. Committee chairs receive \$25,000 but there is no additional fee for committee members.