

## INDEPENDENT DIRECTORS COMMITTEE – TERMS OF REFERENCE

### CONSTITUTION

The Independent Directors' Committee shall be a committee of the board established by the board.

### OBJECTIVES

The objective of the committee is to assist the board in addressing significant conflicts of interest and addressing any other matters referred to the committee by the board.

Specifically, an independent directors' committee shall be constituted in the event that a notice of takeover (in accordance with the Takeovers Code) is received by Ryman, or in the event that a scheme of arrangement is considered with a potential merger party.

These terms of reference should be read and applied in conjunction with Ryman's takeover response protocol in the event a takeover notice in relation to Ryman is received pursuant to the Takeovers Code.

### MEMBERSHIP

Members of the committee shall comprise those directors who are independent directors as determined in accordance with the NZX Listing Rules, with the exception that:

The test applied in relation to director independence for the purposes of the NZX Listing Rules will not apply in the event that the independent directors' committee is formed specifically in response to a notice of takeover made under the Takeovers Code, or if the company is considering entering into a scheme of arrangement or amalgamation. In these circumstances, independence of a director shall be determined with reference to whether any actual, or potential, conflicts of interest exist in connection with the proposed transaction and/or the parties involved. An example of a conflict would include entering

into, or the expectation of entering into, a lock-up agreement with a potential acquirer under the Takeovers Code or any party to a scheme of arrangement or any association, arrangement or understanding with the bidder or acquirer.

The board shall appoint a chairman from the independent members of the committee.

## SECRETARIAL AND MEETINGS

The secretary of the committee shall be appointed by the board. A quorum of members of the committee shall be three.

The committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the committee. Meetings shall be convened as required.

Minutes shall be kept.

## RESPONSIBILITIES

The responsibilities of the committee are to consider any other matters referred to it by the board.

In the event of a proposed takeover of Ryman, or the entering into of a scheme of arrangement, the independent directors' committee responsibilities would include (but not be limited to):

- to undertake all reasonable tactics and processes to protect and maximise shareholder value; and to ensure that shareholders are able to make a fully informed decision when voting on a proposed transaction
- to select a suitable independent adviser for the purposes of preparing an independent adviser's report
- to ensure that the independent adviser receives full and proper information
- to review any draft Independent adviser's report

- to prepare and review the target company statement (in connection with the Takeovers Code), including a recommendation with regard to voting on the offer for shareholders
- to ensure that sufficient legal, investment banking and other corporate finance advice is received by the board and the Independent Directors' Committee to aid in evaluation of an offer and response tactics
- to consider the solicitation of alternative bids and an appropriate process to make such enquiries of potential purchasers (if any)
- to review and prepare communications with shareholders during the offer period.

## AUTHORITY

The committee will make recommendations to the board on all matters requiring a decision. The committee does not have the power or authority to make a decision in the board's name or on its behalf, unless that power is specifically delegated by the board.

The committee is authorised by the board to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary. Such an action would usually take place following consultation with the board or the chair of the board.

In the event of a notice of takeover, certain members of the board may be deemed to have conflict of interest in connection with the transaction (as discussed above). The board will ensure that such conflicts of interest are kept separate from the work and responsibilities of the Independent Directors' Committee; further, any direction from the board to the Independent Directors' Committee will exclude the advice or recommendations of conflicted directors.

## USE OF COMPANY INFORMATION

For the purposes of section 145 of the Companies Act 1993, all information and deliberations by the directors and senior executives relating to a takeover, scheme of arrangement or amalgamation, shall not be disclosed to a third party, or used for any other purpose, unless the written consent of the chairman has first been obtained.

## REPORTING PROCEDURES

After each committee meeting the chairman shall report the committee's findings and recommendations to the board.

## REVIEW

On an annual basis, the committee shall carry out a review of its performance over the preceding 12 months.

The format of this review will be considered by the committee and recommended to the board for approval and the outcome of the review shall be reported to the board by the chairman.

## OWNERSHIP

Approver: Ryman Healthcare Board

Reviewer: Ryman Healthcare Board

Ownership: Ryman Healthcare Board

Review: Annual or as necessary