

## TRANSCRIPTION

**Company:** G8 Education Limited - Annual General Meeting

**Date:** 7 May 2024

**Time:** 11:00 AEST

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### [START OF TRANSCRIPT]

Debra Singh: Good morning everyone and welcome to G8 Education's 2024 Annual General Meeting. My name is Debra Singh, and I'm the Chair of G8 Education Limited. A quorum is present and I declare the meeting open.

I would like to begin by acknowledging the Jagera people and the Turrbal people as the Traditional Custodians of Meanjin, Brisbane, the lands on which we are conducting our meeting today. We respect their spiritual relationship with their country and we pay respects to their Elders past and present. I extend that respect to any Aboriginal and Torres Strait Islander people joining us today.

The Company is delivering its 2024 Annual General Meeting as a hybrid meeting. The Company is pleased to provide shareholders with the opportunity to attend and participate in the meeting, either in person or through an online meeting platform, where shareholders will be able to watch, listen, ask questions, submit written questions and vote online. I thank you for those that are in attendance today.

Our shareholders are also able to dial in and ask questions over the phone lines. To utilise this teleconference facility, shareholders must use their unique pin provided to them by Link Market Services. If you don't have a phone pin and would like to ask a question via the phone lines, please contact Link on 1800-990-363 now, to get your pin. When you dial in by phone, you will be asked to mute your online sound and listen to the meeting by phone. Full details on this facility are outlined in the online meeting guide available online.

I would like now to introduce my fellow Directors who are here with me today in Brisbane, Toni Thornton, Margaret Zabel, Peter Trimble, Professor Julie Cogin, and our Managing Director and CEO, Pejman Okhovat. David Foster is an apology for the meeting today. I also welcome Kellie McKenzie, our auditor from Ernst & Young, who is available to take questions.

Today I'll be giving a Chair's address, followed by a presentation from our Managing Director and Chief Executive, Pejman. I will then move into the procedural matters of the meeting. I am now pleased to present my Chair's address.

To begin, I will provide you with an overview of the Group's 2023 performance from an operational and strategic perspective, and Pejman, our CEO, will provide an update on the market operating environment,

the progress in relation to execution of the Group's strategic focus, and the Group's trading performance for the year to date. Following Pejman's presentation, we will move to the formal items of business.

This is my first AGM as Chair. Firstly I want to thank and acknowledge the former Chair, David Foster, who will be retiring from the Board following today's meeting.

Let me express how delighted I am to be the new Chair of G8 Education. I've been on the Board as a Non-Executive Director since November 2021 and was appointed Chair in November last year. I'm extremely passionate about the sector and the advantages of providing early education to children, and the positive impacts this has on their start in life. It has been a privilege to be part of a team that is dedicated to making a positive impact by providing quality, early education and care to children and families attending our centres.

I'm also a Non-Executive Director on the Kids' Cancer Project Board, which has been a passion project of mine for more than eight years. Its purpose is to help more children survive cancer, through science and research. I also serve on the ASX listed Shaver Shop Group Board. I have over 40 years' experience in operations, human resources and change management, and I have extensive experience as a CEO and Group CEO.

As your new Chair, I am committed to ensuring G8 Education continues to help shape the lives and minds of thousands of children attending our services every day, while creating a fun and inspiring and safe place where all children thrive.

Reflecting on 2023, I can report it was a transformational year led by our new CEO, Pejman. Since taking on the role in January 2023, he has established a clear direction for the future of G8 Education, and is continuing to build on our strategic foundations. Whilst not from the sector, he has extensive experience that he has applied to transition with ease, and has formed an excellent Executive Team around him.

The Board has great confidence in his disciplined approach to executing the strategy and achieving positive outcomes that benefit all our stakeholders, which was clearly delivered in calendar year 2023, with solid earnings recovery underpinned by improved operational performance for the year.

Inflation, interest rates and cost of living pressures for families dominated national discussion, while workforce shortages continue to challenge our sector. It's been a year of intensified regulator focus for the early childhood education and care sector, which has brought with it both challenges and opportunities.

Early childhood education and care is central to the agenda at all levels of Government, including changes to the childcare subsidy that benefit families, with many receiving more subsidy, and others who were previously not eligible, becoming eligible. This is great news for the sector, making early childhood education more accessible for families. We will continue to work with Government to ensure we can provide the best care and the best start to life with the best resources, to the 45,000 children in our centres every week.

As a Group, we are focused on delivering on our purpose to create the foundations for learning for life, while improving our business capability to continuously find better ways to execute. During the year, we narrowed our focus on addressing the challenges in our sector, including our team retention, lower agency usage and reduced vacancies. While sector challenges around the availability of staff remain, as a business we are pleased to have continued to alleviate the impact within our network.

I'm pleased to report progress continues to be made towards improving the experience for G8 families. Our Always On customer voice surveys, implemented earlier in the year, continues to provide us with a regular, centre-specific feedback loop that our teams respond to, allowing improvements in our families experience. Additionally, the decision to shift the external call centre in-house has significantly improved our responsiveness to new family inquiries.

This has also been an important element to increasing frequency as they support our families to navigate the very complex CCS affordability improvements.

Importantly, we continue to recognise the sector benefits of collaboration. We are a member of the Early Learning and Care Council of Australia, and we took a front row seat at the 2023 Early Childhood Australia National Conference, as a Gold Sponsor of the event.

Our team can be proud to have delivered strong improvements across the G8 network in 2023, and they have done so with a firm focus on our purpose, creating the foundations for learning for life.

Amongst our highlights for 2023 was a solid improvement in quality, with 90% of services meeting or exceeding the National Quality Standards. This is up from 89% a year earlier, and whilst it appears marginal, this is the result of a continued focus on embedding and improving quality practices in our operations.

Our ESG commitment reflects our dedication to fostering positive change and contributing meaningfully to a sustainable and inclusive future.

One of our goals this year was the development of our inaugural Reconciliation Action Plan, which was endorsed and published by Reconciliation Australia, in December 2023. We are immensely proud of this achievement and eager to share and embed our reflective RAP with our wider community as we realise our vision for reconciliation, walking together, learning together, growing together.

Pleasingly, we have continued to strengthen our focus on our environmental sustainability with the launch of our solar power initiative and a nappy recycling program pilot. These initiatives highlight our commitment to taking proactive measures to reduce our environmental impact.

Throughout 2023, we reviewed and updated our disclosures related to climate risks and opportunities. We continued our task force on Climate-related Financial Disclosures pathway, in anticipation of mandatory

climate-related financial disclosures in Australia. Particularly having regard to the new climate disclosure standards issued by the International Sustainability Standards Board.

The Group's financial performance during 2023 reflects solid earnings growth compared to the prior year, driven by higher revenues and margins.

We continue to assess our capital expenditure throughout the year as we built better capability in delivering major capital works, resulting in lower than expected CapEx, assisting in continued positive cashflow and building a solid balance sheet.

From a statutory perspective, net profit after tax increased 53% to \$56.1 million, after including non-operating items, as detailed in the Annual Report.

Pleasingly, this disciplined approach resulted in both halves delivering growth year-on-year. The strength of our balance sheet is reflective of our operational discipline and focus, and will ensure our long-term sustainability and strength in our operations, which will benefit all of our stakeholders.

G8 Education has a renewed and clear strategic focus that is centred around developing a fit core, through our six focus areas of team, quality, education and inclusions, customer branding, operating model and financial stability.

While our strategy has been refreshed, our purpose of creating the foundations for learning for life remains the same, along with our vision, values and strong ESG commitment.

Under Pejman's leadership, we have seen early signs of our renewed strategy delivering successful results, with these being achieved in each of the six focus areas. The Board and I are focused on overseeing the delivery of a fit core for our business, as our operational execution and rigour in cost and capital control remain firmly in our sights.

I'd now like to provide a brief update on our employee wage remediation program. This is well progressed with over 95% of team members having been fully remediated, and an outreach and advertising process continuing to connect with the remaining former team members. We are continuing to engage with the Fair Work Ombudsman in connection with the matter.

The shareholder class action proceedings, which were filed against the Company in late 2020, have been settled, subject to court approval, with the decision to settle made by the Board in the best interests of our shareholders. There will be no P&L impact to the Group's expected 2024 financial results.

As Chair, I share that it's heartwarming to see the work that goes on each day, keeping children at the centre of all we do, and we sincerely thank all our team members for their passion and dedication to the families and children in our care.

I would also like to thank you, our shareholders, for your continued commitment and support of G8 Education.

I will now hand over to our Managing Director and Chief Executive Officer, Pejman Okhovat, to deliver his address. Thank you for attending today.

Pejman Okhovat: Thank you, Debra, and good morning everyone. I would also like to acknowledge the traditional custodians of the land we are on today, the Jagera people and the Turrbal people, as the traditional custodians of Meanjin.

Since joining G8 Education 15 months ago, I have had an enriching and positive experience as I've learned about the early childhood sector, and importantly, about G8 and our dedicated team, by visiting over a quarter of our network and seeing first-hand the amazing work our team do every day to support our families in our 430 centres across the country.

I have worked hard and at pace to understand, plan and implement a set of strategies and initiatives that will grow our organisation over multiple horizons. As Debra outlined, I'm going to provide you with an update on the operating environment, the progress in relation to execution of our Group's strategic focus areas, and Group's trading performance for the year to date.

Turning our attention to the current environment. The long-term outlook for the sector in our view remains positive, with continued bipartisan government support towards universal access to early childhood, economic benefits of increased female work participation and net growth in migration.

At the same time in 2023, the sector's operating environment remained dynamic, with heightened inflation impacting our economy and putting pressure on operating costs, cost of living and a tough labour market.

Group's activities saw G8 navigate this environment well, through focus on occupancy, cost management, improved retention of our team and delivery of high-quality programs, leading to improved results for our families, team and shareholders.

G8 Education, along with the sector, remains focused on engaging constructively with government and regulators, to ensure the right settings are in place for families and sector participants. Multiple inquiries and potential reforms, including multi-employer bargaining reforms, remain a focus this year and will require careful navigation.

The Group welcomes these changes and the growing recognition that investing in the sector is an investment in our future generation and our economy. The Group remains supportive of measures that improve accessibility, affordability and inclusion for all families.

We have invested significant time and resources in being a leading voice in our sector discussions, including the recent released findings from the ACCC Childcare Inquiry, the draft from the Productivity Commission's

ECEC Inquiry, New South Wales IPART ECEC Review, and reports on South Australian Royal Commission, ensuring we continue to advocate for better, for our centre team members as well as the children and our families in our care.

The findings and recommendations from these inquiries continue to be further developed, and we look forward to working alongside all the government and sector stakeholders for a better future.

Our strategic focus areas. At G8 Education, we are purpose-led, guided by our values, and proud to help shape the lives and mindset of thousands of children attending our services every day, while creating a fun and inspiring place where all children thrive. Aligned with this is our renewed strategy and path forward.

To deliver our strategy and achieve our strategic objectives, the Group has developed a phased approach, focused on creating a fit core over the near-term, before enhancing the core and then pursuing attractive growth opportunities. We have six focus areas of team, family experience, quality education, inclusion, operating model and financial stability, that will translate into consistent operational execution, improving efficiency of our processes and systems, management of costs and assets, and building capabilities for future.

I'm pleased to report we're already delivering results that will achieve a stable and capable team, delivering high-quality services every day, better educational programs for children, and improved experience for families and children in our care.

For example, we were able to increase our team's retention by 4% on the prior year to 74%, with teacher retention increasing 12%, and reducing our team vacancies by 25%. This was achieved by focusing on ongoing employee education and other workforce factors, including the health and wellbeing of our people.

As a result, there are no capped centres due to team shortages within the G8 network, and our uses of agency has significantly reduced. Occupancy continues to be supported by positive trends in increasing frequency, which measures the average number of days per child that a child attends a G8 centre.

Our first horizon, which is the focus for CY24, provides a near-term emphasis that is dedicated towards delivering improvements in family experience, team stability and engagement, operating model efficiency and optimisation of our centres, to deliver a fit core early learning and care business. This is underpinned by our purpose of creating the foundations for learning for life, while placing the child at the heart of everything we do.

These positive results have been achieved through targeted strategic initiatives, including a family experience program, targeted learning and development, and our people enhanced disciplines for our business as usual activities. Aligned with our values, we will continue to innovate and bring our passion for early education to our centres for our families and future generations.



Looking beyond CY24 out to CY26 and onwards, our focus will graduate to horizon 2, enhancing our core, and horizon 3 that will focus on growth.

Now a trading update. With respect to our year to date performance to April 2024, we have continued the solid start to the year. From a Group occupancy perspective, the occupancy improvements year-on-year has been maintained at April year to date occupancy of 1.1 points about PCP, and from a spot perspective, 1.3 points above the same week last year.

We continue to see a strong performance in cost management, particularly in wage rostering and uses of agency, with current usage levels well below prior year. These positive outcomes are driven by our strong performance in filling vacancies and improving team retention, which have continued through quarter 1.

Portfolio optimisation has progressed, albeit slower than initially expected, due to regulatory and landlord approvals. To date, 17 centres have been exited, reflecting a statutory EBIT After lease interest losses of \$1.1 million. The divestments have occurred on a commercial multiple of 1.5 times of the CY23 pre-AASB16 losses of \$3.7 million, for a cash outflow of circa \$5 million. There remains eight centres to be divested in the Genius deal, and a further six will be progressed outside of the Genius deal.

Looking ahead, the Group will continue to be purpose-led and pursue its strategic objectives by focusing initially on a fit core, where G8 demonstrates improved operational execution, including disciplined capital allocation framework, focus on optimisation of the existing network and cost disciplines, management principles. This will pave the way for our next strategic horizon where we aim to enhance and grow.

In closing, I would like to acknowledge and thank our G8 team for their dedication and compassion they provide to our children as they partner with the families to support children's early education and outcomes. It is a privilege to create the foundations for learning for life for the next generation of Australian children.

Finally, I would also like to thank our shareholders for your ongoing support and attending today.

I'd like to now pass to the Chair.

Debra Singh: Thank you, Pej. Before moving to the specific business of the meeting, I will summarise the shareholder question and voting procedures which apply to this meeting. As set out in the notice of meeting, there are five resolutions to be considered today. The resolutions have been outlined and explained in the explanatory statement that accompanied the notice of meeting. If there is no objection, I propose that the notice of meeting be taken as read. Thank you.

For each of the five resolutions, I will put each resolution to the meeting and ask for questions. In terms of shareholder questions, only shareholders or corporate representatives of shareholders, or those holding a valid proxy from a shareholder, are entitled to submit questions. I will ask for questions in the following order. Firstly, if you are in the room, you can ask questions by raising your yellow or blue attendance card, and a

microphone will be brought over to you. Secondly, if you are dialling in, I will ask you for questions via the phone. Thirdly, if you have joined us online, you can submit questions at any time. Your questions will read out by our Company Secretary and addressed at the relevant resolution.

Questions that are similar in nature or of a common theme may be summarised and aggregated together. For those of you who have joined us online, instructions for how to lodge a question online are set out in the presentation today. There is also an online guide available via a link at the bottom of your screen. If you have joined us online, I encourage you to submit your questions as soon as possible.

The procedure for voting will be as follows. The proxy votes are contained in our presentation today, which will be displayed on the screen at the appropriate time. All resolutions being put to the meeting today will be determined via a poll. All undirected proxies will be voted by myself in favour of the resolution to the extent I am permitted to do so. For those of you who are attending in person, I will ask all in attendance that have been issued with a yellow shareholder or proxyholder card, to complete the voting form on the reverse of the card.

At the completion of voting for the final resolution, you will be asked to place the voting cards in the boxes carried by Link Share Registry staff. For those of you who have joined us online, you may place your votes at any time using the voting card on your screen. For assistance with voting, there are instructions in our presentation today, there is also an online guide available via a link at the bottom for your screen. Again, that guide is also available on our corporate website under the 2024 AGM tab.

Each resolution set out in the notice of meeting is to be considered as an ordinary resolution, and as such must be approved by a simple majority of the votes cast by the shareholders entitled to vote, and voting on the resolution. Shareholders can submit their votes online until five minutes after the meeting closes. Once the voting is closed, our share registry provider, Link Market Services will tabulate the results, which will be released as soon as possible today on the Australian Securities Exchange. Those results will also be displayed on our corporate website once available.

Before proceeding to the first item of business, let me introduce our auditor for the 2023 financial statements, Ms Kellie McKenzie from Ernst & Young, who has joined us in person today and is available to take questions on the conduct of the audit and the preparation and content of the independent external auditor's report. All questions should be directed to myself as Chair of the meeting, and I will then invite any other Director or relevant person to respond as appropriate.

Item 1. Ladies and gentlemen I now turn to the financial statements for G8 Education Limited. You have received the annual financials report, Directors report and auditors report for the year ended 31 December 2023. I now invite discussion on the financial statement and annual report, including questions on the business or operations of G8 Education Limited, or on the management of the Company generally.



Questions that have been submitted regarding other items of business will be held until we come to that item. I would like to remind you that only shareholders or corporate representatives of shareholders, or those holding a valid proxy form from a shareholder, are entitled to speak. Could you please address all your questions through me as Chair. Are there any comments or questions for those in the room? No. Operator, do we have any questions on the phonenumber for this item or any other items of business?

Operator: Chair, there are no phone questions.

Debra Singh: Tracey, do we have any questions?

Tracey Wood: Yes, we've got four questions under general business, Chair. The first question is from [Boyd Martin]. The question is, reading between the lines, it sounds like landlords have refused to assign to Genius. How many of the 31 to be sold to Genius have been assigned to them? How much has been paid to Genius, and how many have refused to assign to Genius?

Debra Singh: I think I'll answer first and then Pejman, I'll throw to you having been doing all of that work. I think it's fair to say that we anticipated that we would be able to divest the centres a little quicker than we have. It's taken a little bit longer than anticipated, Pejman, I think it's fair to say. But in your address you talked about the progress that we're making, so over to you.

Pejman Okhovat: As per the announcement today, we originally had 31 centres as part of the deal with Genius, 17 have been transferred already and we've dealt with those. There are eight further centres remaining within the Genius team that we're working with landlords and Genius to see how we complete those over the next few months, again they're subject to all of those outcomes. There have only been six that we have removed from the deal with Genius.

There are several reasons why those six have been pulled out of the deal with Genius, and some are relating to the fact that some landlords did not want G8 to come off there as a guarantor of the deal, and we weren't prepared to stay as a guarantor, so there's an element of us not being prepared to do that. But all their relevant information and financial impact is as per what we've stated today.

Tracey Wood: Thank you, the next question is from Stephen Mayne. The Chair's succession announcement in September last year contemplated our former Chair, David Foster, staying on the Board until the end of today's AGM at the latest. Why have we stuck with the latest possible retirement date, given the revelations of the Bell Inquiry and Mr Foster's heavy commitment as Executive Chair of Star for a brief period earlier this year, and his current ongoing role as Acting CEO in the middle of a regulatory firestorm. Shouldn't he have retired earlier?

Debra Singh: Well I think we've been clear that David Foster has resigned and his resignation from the Board is effective after this meeting. It was appropriate at the time when I took over as Chair from David, in fact I

requested that he actually help me through that transition, which he did a really wonderful job of. I think to be completely respectful to David who'd been on the Board for eight years, did a wonderful job as Chair and a wonderful job as a Director, in fact I don't think we need to talk to Star at all today.

Tracey Wood: Thank you, the next question is from Stephen Mayne. Could Margaret please comment on whether the G8 Directors who are not currently serving on the Star Entertainment Board, have met yet to discuss whether the headline grabbing revelations coming out for the Bell Inquiry, are serious enough to potentially impact Board composition at the Company?

Debra Singh: Would you like to comment, Margaret?

Margaret Zabel: With the monitoring, we fully support the Directors that are on our Board and the work that they've been doing, and have had no reason to change that. So, we're completely supportive of all the Directors on our Board and their participation.

Debra Singh: I think it's also fair to say that Toni has been a Director on the Board for now over two years, Toni, two and a half years, brings incredible industry experience and has been an amazing Director over the last two and a half years. Through her speech this morning she also talked in detail about all the other areas of strength that she brings to the Board.

Tracey Wood: Thank you. The last general business question is also from Stephen Mayne. I'm a councillor at the City of Manningham in Melbourne's eastern suburbs, which owns 25 seasonal kinder sites that are leased on a peppercorn rent to not for profits or parent committees. Most of our buildings are more than 40 years old and subscale with just one room, meanwhile, large, private childcare competitors with kindergarten programs have been popping up all over Manningham.

How should council landlords work with private operators like G8, and across Australia are councils getting out of early learning infrastructure?

Debra Singh: Thank you for the question, I'll pass to Pej to comment on that.

Pejman Okhovat: Firstly, thank you for the question. We work with all council and state-based regulators, all our licences actually have to be approved by the Department of Education in each state. So, all the states and councils are fully aware how many providers they are actually providing licences to, to build, so they already know. I can't comment on what the councils and the local authorities should do with regards to any estate-based kindergarten programs and the reason why they're not investing in or they're not opening anymore, I just couldn't comment. I can only comment on the fact that we work very, very closely with every state department.

Tracey Wood: There are no further questions on general business.

Debra Singh: Thank you. As there are no further questions, we will now move onto the formal resolutions. As a reminder, if you are joining online, you can place your vote at any time using the virtual voting card. Resolution 1. The first resolution in the notice of meeting is a non-binding resolution to adopt the REM report. Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company. Voting exclusions apply to this resolution as set out in the notice of meeting.

The resolution is, that the REM report for the year ended 31 December 2023 be adopted. I now welcome questions with respect to the REM report, from those in the room. Are there any questions from those joining online?

Tracey Wood: No Chair, there's no questions on this item.

Debra Singh: Proxy votes have been received in respect of this resolution, the results of the proxy votes appear on the presentation. This resolution will be determined by a poll. Can I ask all in attendance that have been issued with a yellow shareholder or proxyholder card, to complete the voting form on the reverse of the card?

We will now move to resolution 2, the re-election of Ms Margaret Zabel. The Company seeks members' consideration, and if thought fit, to pass the following resolution as an ordinary resolution, that Ms Margaret Zabel, who having been elected on 19 May 2021 as a Director, in accordance with the Company's constitution, retires as a Director of the Company, and being eligible, offers herself for re-election as a Director of the Company, be elected as a Director of the Company.

As stated in the notice of meeting, Ms Margaret Zabel is seeking re-election as a Director of the Company. Miss Zabel has the full support of the Board for her re-election. I can confirm that the Board considers her to be an independent Non-Executive Director. Miss Zabel's background, qualifications and experience appear in the explanatory note to the notice of annual general meeting.

I now invite Miss Zabel to give comment in relation to her re-election. Margaret.

Margaret Zabel: Good morning fellow shareholders and guests. It is both an honour and a privilege to stand before you today as I seek re-election to the Board of G8 Education. Over the past six years I've had the distinct pleasure of serving alongside dedicated colleagues and passionate educators, and together we've made significant strides in advancing the purpose and vision of G8 Education.

As we reflect on our achievements, I'm proud to have played a role in guiding G8 Education through the periods of challenge, resilience, growth and transformation, from expanding our educational offers, embracing digital innovation, investing in the education and retention of our team, and optimising our property portfolio, we've remained committed to providing the highest quality early childhood education and care to families across Australia.

Looking ahead, I'm energised by the opportunities that lie before us, and also Pejman's leadership. As we navigate an ever-changing landscape, my focus remains steadfast on several key priorities. Firstly, commitment to excellence. G8 Education will continue to prioritise excellence in all aspects of our operations, from curriculum development to staff training, to parent engagement. By maintaining the highest standards, we ensure that every child entrusted to our care receives the best possible start in life.

Secondly, innovation and adaptability. In today's rapidly evolving world, innovation is essential for staying ahead of the curve. G8 Education will embrace technology, creativity and forward-thinking strategies, to remain agile and responsive to the needs of our families and communities.

Thirdly, collaboration and partnership. Collaboration is at the heart of our success. G8 Education will continue to forge strong partnerships with parents, educators, community organisations and government agencies, to create a supportive ecosystem that nurtures the holistic development of every child.

As I seek your support for re-election, I'm deeply grateful for the opportunity to continue serving G8 Education and its stakeholders. Thank you for your trust and confidence and sharing the vision for excellence in early childhood education and care.

Debra Singh: Thank you, Margaret. Are there any comments or questions from the room? Are there any comments or questions from those joining us online?

Tracey Wood: There are no questions on this item, Miss Chair.

Debra Singh: Proxy votes have been received in respect of this resolution, the results of the proxy votes appear on the presentation. Miss Zabel will not vote on this item, and the resolution will be determined by a poll. Can I ask all in attendance that have been issued with a yellow shareholder or proxyholder card, to complete the voting form on the reverse of the card.

We will now move to resolution 3, the re-election of Miss Toni Thornton. The Company seeks members' consideration, and if thought fit, to pass the following resolution as an ordinary resolution, that Miss Antonia Thornton, who having been re-elected on 27 April 2022, as a Director in accordance with the Company's constitution, retires as a Director of the Company, and being eligible, offers herself for re-election as a Director of the Company, be elected as a Director of the Company.

As stated in the notice of meeting, Miss Toni Thornton is seeking re-election as the Director of the Company. Miss Thornton has the full support of the Board for her re-election. I confirm that the Board considers her to be an independent Non-Executive Director. Miss Thornton's background qualifications and experience appear in the explanatory note to the notice of annual general meeting.

I now invite Miss Thornton to give comment in relation to her re-election.

Antonia Thornton: Good morning shareholders and guests. It is my privilege to nominate for election as an independent Non-Executive Director for another term. I have had the pleasure of being on the Board of G8 for just over two and a half years. You will have seen my CV on initial appointment, however I will start with a brief reminder about my background.

I have worked in the early education sector for 20 years as an owner of a sizeable private early education business, because I believe strongly in the importance of early education to deliver more positive evidence-based outcomes for children. Through this, I have gained significant experience in developing, financing, building, operating and growing a successful early education business with strong occupancy and a heavy focus on compliance.

As an experienced finance executive, I pair this knowledge of operational excellence with my many years of working in one of the world's leading investment banks. I have worked across diverse, heavily-regulated industry sectors, to help shape the priorities of G8 on behalf of you, the shareholders.

If I can turn now to my interest in the sector. Early education environments build purposeful little people who join the world of school with reading basics, fine and gross motor skills, the ability to use a classroom environment to develop their foundations, and the ability to learn, which are skills that they draw on throughout their lifetime. It equalises social injustices, where some children simply do not get the opportunities to experience the many activities of learning through play.

I have also seen first-hand the power of the early education environment and the hardworking and skilled educators who are often able to identify those children who might fall slightly outside the norm, creating opportunities to greatly enrich these children's lives through early intervention.

The final comments I would like to make are about what I bring to the Board and to you as investors. My industry experience, combined with corporate experience, enables me to think operationally with a scalable corporate mindset, which is critical in a business like G8. My exposure to many businesses, industry sectors and talented people over the years has taught me if you hire the right people and guide them well, the rest falls into place.

We have a formidable team in G8 to do this. They are the ones who turn up each day to the frontline of our business, and this is what I am most proud of in terms of our achievements to date. I would like to finish by formally thanking them and the Board for their continued dedication and hard work.

It is with this background and my steadfast commitment for supporting G8's future, that I nominate for re-election. Thank you.

Debra Singh: Thank you, Toni. Are there any comments or questions from the room? Are there any comments or questions from those joining us online?

Tracey Wood: There's one question relating to this item, Miss Chair. The question's from Stephen Mayne, and the question is, could Toni and the Chair please comment on what impact, if any, the current unfolding disaster at Star Entertainment, will have on this Board and its composition? What is the background on how G8 and Star ended up with two common directors in Toni, and David Foster? Did David recruit Toni to Star, having served with her here?

Debra Singh: I think I really answered that question previously. However, I will say that I don't think we should answer any questions in relation to Star, and I think I also mentioned earlier that Toni's been an incredible contributor on our Board, and I don't see that there would be any impact at all to G8 Education. I think we can see from proxy votes that our shareholders are fully supportive of Toni being re-elected to the Board.

Toni, I don't know if you would like to make a comment?

Antonia Thornton: Sure, thanks Debra. I won't make any comments regarding Star, but I certainly will cover off the comment regarding the recruitment process. It's important to note that David Foster went through the recruitment process for Star through the official recruitment process, and my process went through my experience and exposure to a number of high-quality audit groups who had put me forward as a Director. So, we were unknown to each other that we were being put forward to the same Board. So, happy to cover off any further.

Tracey Wood: Thank you, there's no further questions on this item.

Debra Singh: Proxy votes have been received in respect of this resolution. The results of the proxy votes appear on the presentation. Miss Thornton will not vote on this item, and the resolution will be determined by a poll. Can I ask all in attendance that have been issued with a yellow shareholder or proxyholder card, to complete the voting form on the reverse of the card.

We now move to resolution 4 regarding the approval of an increase in the Non-Executive Director fee cut. The Non-Executive Directors fee cap has not been increased since 2017. The Company seeks approval for an increase to the cap amount to provide flexibility to add skills to the Board composition that may be necessary to best manage the Company in the interests of all shareholders, and to ensure Non-Executive Directors are appropriately remunerated, taking into account industry benchmarking.

There will be no changes to Non-Executive Director fees in 2024. The Company seeks members' consideration, and if thought fit, to pass the following resolution as an ordinary resolution. That for the purpose of listing rule 10.17, article 50(a) of the Company's constitution, and for all other purposes, the maximum aggregate annual amount of Directors fees that may be paid by the Company to all of its Non-Executive Directors, be increased by \$250,000 from \$1.1 million to \$1.350 million.



Are there any comments or questions from the room? Are there any comments or questions for those joining us online?

Tracey Wood: There are no questions on this item of business.

Debra Singh: Proxy votes have been received in respect of this resolution, the result of the proxy votes appear on the presentation. A voting exclusion applies to this resolution as set out in the notice of meeting. Can I ask all in attendance that have been issued with a yellow shareholder or proxyholder card, to complete the voting form on the reverse of the card.

We will now move to resolution 5 regarding the issue of performance rights to the Managing Director and Chief Executive Officer. This resolution relates to the granting of performance rights pursuant to G8 Education's Executive Incentive Plan. G8 Education Limited seeks members' consideration, and if thought fit, to pass the following resolution as an ordinary resolution.

That approval be given for the purposes of listing rule 10.14 and for all other purposes to the grant of 775,347 performance rights to the Company's Managing Director and Chief Executive Officer, Mr Pejman Okhovat, and for the purpose of Section 200E of *The Corporations Act* to the giving of a benefit to the Company's Managing Director and Chief Executive Officer, Mr Pejman Okhovat, in connection with any vesting of those performance rights on the cessation of Mr Okhovat's employment with the Company or a related body corporate of the company in each case under the G8 Executive Incentive Plan, and on the basis described in Section 2.6 of the explanatory statement.

Are there any comments or questions from the room? Are there any comments or questions from those joining us online?

Tracey Wood: There are two questions on this item of business. The first question's from Stephen Mayne. The question is, could Pejman please comment on how his retail background is relevant to the childcare industry, and how this incentive package is different in structure from those he has had at other companies? How important is the care of children in this package as opposed to profit? Could the REM committee chair also comment?

Debra Singh: I don't think Pejman needs to comment on that. I think as Chair I'd be very happy to comment on - and I think I did through my opening address, in relation to what Pejman has already brought to the organisation, particularly around his very structured approach to delivering on the strategy, his very disciplined approach to executing across all facets of the business.

I don't want to go into the detail, but I'm actually from a retail background as well, and I think it really doesn't have anything to do with being a retailer or a non-retailer, it's actually what the executive can bring to the organisation. What we've seen, I think all the Board would agree, in the last year and almost a half, Pej, is

how he is actually helping to change the entire organisation in a very short period of time. We're very impressed with how he's delivering on the strategy. We're very impressed with the team that he's formed around him. I think that's probably all I'd like to say on the matter, and Pej, I don't think you need to defend your retail background. Any other comments from the Board? Julie?

Julie Cogin: Thanks very much, Debra. I'm Chair of the People and Culture and Remuneration Committee. While I don't think it's appropriate to comment on another company's remuneration structure, I think it's pretty clear and we've emphasised today that our remuneration structure is clustered around those six areas, about the focus on family, and that includes our children, our teams, quality, excellence in education as well as operational excellence and financial sustainability.

But the Board, and I'm speaking on behalf of the Board, is delighted with Pejman's appointment, and he brings a number of transferable skills from the retail sector to our sector, and specifically a steadfast focus on the customer and all of those moments that matter. There's the operational excellence that comes with running a lot of stores in retail, which is similar to centres, and importantly I don't want to forget Pejman's outstanding track record of building teams and leading teams.

I think that his acceleration and learning the early education sector has been really quite astounding, and there's a lot of scaffolding around him in terms of an Executive Team and the Board to help with that. He's now assumed a leadership role in ELACCA, which is the professional association of the early education sector. So, I think that probably answers the question.

Debra Singh: Thanks, Julie.

Tracey Wood: Thank you, the last question on this item is from Stephen Mayne. What impact does the recent class action settlement have on the CEO's LTI program, if any? Also, please clarify the total pre-tax cost to shareholders, the March 25 settlement announcement talked about a \$46.5 million settlement, the \$24.5 million after tax cash cost, and no impact on the 2024 net profit thanks to earlier provisions.

When do we raise provisions and for how much and precisely how much did insurance contribute to the settlement? How much did it cost federal tax payers as well courtesy of it being tax deductible?

Debra Singh: I'll start and Pej and I will share this. As everybody would know, the class action was a historical matter, a huge distraction to the business. I won't go into that detail, but the performance hurdles for LTI are set and the Board has discretion with respect to all incentive programs. We announced on the ASX, I don't think I need to go into any more detail than that. Pej, would you like to add anything else?

Pejman Okhovat: Just [on some of] the numbers that are reported there, that are [unclear] reported as a full year announcement, [unclear] are included in our annual reporting regarding that. The question that came through, you're actually correct, the \$46.5 million, it is a pre-tax amount that we've agreed to settle there the

historical class action. Again, absolutely correct, we do have like many other organisations we do provide or put aside provisions for different matters. I won't be disclosing or discussing the construct of that. Safe to say that we work very hard with the Board and assess any potential outcomes or risk and the probability of those, and then we provide for those. Those provisions are made throughout the year and can sometimes go between one year to the other.

Tracey Wood: There are no further questions on this item.

Debra Singh: Proxy votes have been received in respect of this resolution, the results of the proxy votes appear in the presentation. Voting exclusions apply as set out in the notice of meeting. The resolution will be determined by a poll. I now ask that all shareholders in attendance that have been issued with a yellow shareholder or proxyholder card, to complete the voting form on the reverse of the card and place it in the boxes carried by the registry staff.

That is the end of the business being put to the meeting today. Please ensure that you submit your votes online using the online voting card if you have not done so already. As mentioned earlier, shareholders can submit their votes online until five minutes after the meeting closes. The results of the five polls taken today will be announced to the market as soon as practicable after the meeting.

Thank you ladies and gentlemen, that brings us to the end of our meeting. Thank you for all your attendance at the meeting and your interest in the Company. We look forward to your ongoing support in the Company in the coming year. I now declare the meeting closed.

**[END OF TRANSCRIPT]**