

RAMSAY HEALTH CARE LIMITED

ACN 001 288 768

TERMS OF DIVIDEND REINVESTMENT PLAN

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DIVIDEND REINVESTMENT PLAN TERMS

1. DEFINITIONS

“**ASX**” means Australian Stock Exchange Limited.

“**BSP**” means the Bonus Share Plan of the Company as amended from time to time.

“**Company**” means Ramsay Health Care Limited.

“**Directors**” means the directors of the Company acting as a board or any duly appointed committee of the board.

“**Discount**” means the discount, if any, expressed as a percentage, to the Market Price, determined by the Directors to be applied in calculation of the Issue Price.

“**Issue Price**” means, in respect of the Plan for a particular dividend, the Market Price less any applicable Discount, rounded up or down to the nearest cent.

“**Listing Rules**” means the listing rules of ASX.

“**Market Price**” means the volume weighted average market price per Share of all Shares traded on ASX during the Price Determination Period (excluding Shares which are sold otherwise than in the ordinary course of business on ASX, any trade defined in the ASX Market Rules as "special", crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase, any overseas trades or trades pursuant to the exercise of options over Shares, any overnight crossings and any other transactions which the Directors consider may not be fairly reflective of genuine supply or demand) rounded up or down to the nearest cent or if no Shares are traded during the Price Determination Period, the last sale price recorded on ASX prior to commencement of the Price Determination Period rounded up or down to the nearest cent.

“**Memorandum**” means the Memorandum of Association of the Company as amended from time to time.

“**Participant**” means a Shareholder whose application to participate in the Plan has been accepted by the Directors in accordance with clause 3.3.

“**Participating Shares**” means those Shares a member has elected to participate in the Plan or which are deemed to participate in the Plan pursuant to the Terms.

“**Plan**” means the Dividend Reinvestment Plan of the Company conducted on these Terms.

“**Price Determination Period**” means in relation to a dividend the period commencing on the trading day following the Record Date and ending five trading days after that Record Date or such other period determined by the Directors in their absolute discretion.

“**Record Date**” means the date the Register is closed for the purpose of determining entitlements to dividends.

“Register” means the register of members of the Company.

“RHC Share Registry” means the share registry identified on the Application and Variation Notice from time to time.

“Shares” means fully paid ordinary shares in the capital of the Company.

“Shareholder” means a registered holder of Shares.

“Terms” means these terms and conditions as amended from time to time.

2. **ELIGIBILITY**

- 2.1 Participation in the Plan is optional and not transferable. Subject to clause 2.2, any Shareholder is eligible to participate in the Plan in respect of Shares which are registered in his name in the Register on the Record Date upon the determination by the Directors that a final or interim dividend is payable.
- 2.2 Any Shareholder who has an address or place of residence on the Register in a country other than Australia and who would otherwise be eligible to participate in the Plan may not do so if the Directors determine that the participation would be unlawful or, in their absolute discretion, that the Shareholder should be excluded from participation to avoid prospectus requirements of overseas law.
- 2.3 Participation in the Plan is subject to the Terms, all applicable laws, the Listing Rules and the Constitution of the Company.

3. **APPLICATION TO PARTICIPATE**

- 3.1 Any Shareholder who is eligible to participate in the Plan may make an application to the Company in accordance with these Terms to become a Participant by completing and signing the form prescribed for applications from time to time by the Directors (“Application and Variation Notice”) and sending the application to the RHC Share Registry. An Application and Variation Notice must be lodged for each separate shareholding account and in the case of jointly held shareholdings, must be signed by each of the joint holders.
- 3.2 The Directors may, in their absolute discretion, correct any error in, or omission from, an Application and Variation Notice.
- 3.3 The Directors will determine the result of all applications for participation in the Plan and may, in their absolute discretion, accept or reject an application or discontinue any Shareholder's participation in the Plan. If the Directors reject an application for participation, or discontinue a Shareholder's participation, they will inform the relevant Shareholder of their determination within a reasonable time of receipt of the application.
- 3.4 All accepted applications to participate in the Plan will be effective as to dividends paid or payable in relation to the first Record Date after their receipt.
- 3.5 The Company will record for each shareholding of a Participant:
 - (a) the Participant's name and address; and

(b) the number of Participating Shares in respect of that shareholding, and the Company's records will be conclusive evidence of the matters so recorded.

4. LEVEL OF PARTICIPATION

4.1 Participation in the Plans may be full or partial. Accordingly, a Shareholder may specify in the Application and Variation Notice the number of Shares he wishes to participate in the Plan.

4.2 Shares which participate in the BSP may not participate in the Plan.

4.3 Where a Shareholder elects to or is deemed to have all his Shares participate in the Plan, subject to clause 5.6 the Terms will apply to the dividends paid or payable in respect of all Shares registered in his name from time to time on the Register.

4.4 Where a Shareholder elects to have some of his Shares participate in the Plan, the Shareholder may elect that the Terms apply to the dividends paid or payable:

(a) on the Shares registered in his name on the Register which he nominated in the relevant Application and Variation Notice; or

(b) on the Shares registered in his name on the Register which he nominated in the relevant Application and Variation Notice together with any Shares allotted to him under the Plan.

4.5 If a Participant's Application and Variation Notice nominates a number of Shares for participation in the Plan that is greater than the number of Shares registered in his name, the Terms will apply to the dividends paid or payable on the lesser number of those Shares.

4.6 If a Participant's Application and Variation Notice does not nominate the number of Shares he wishes to participate in the Plan, the Participant's application will be deemed by the Directors to have been made for full participation in the Plan and will be accepted on that basis.

5. OPERATION OF PLAN

5.1 Once an application for participation in the Plan is accepted by the Directors, subject to clauses 5.2 and 5.6 all cash dividends that are paid or payable to the Participant (if any) in respect of his Participating Shares will be applied by the Company on the Participant's behalf to subscribe for Shares.

5.2 The Directors must establish and maintain a Plan account for each separately registered shareholding of a Participant. At the time of each dividend payment, the Directors will:

(a) determine the dividend payable in respect of Participating Shares;

(b) determine (where applicable) the Australian withholding tax deductible by the Company in respect of the dividend, and any other amount the Company is entitled to retain in respect of the Participating Shares;

- (c) credit the amount in clause 5.2(a) and debit the amount in clause 5.2(b) to the Participant's Plan account;
- (d) determine the maximum whole number of Shares which can be allocated under these Terms by using the amount in the Participant's Plan account and issue or acquire on market such number of Shares;
- (e) apply for that number of Shares in the Participant's name and debit the Issue Price for each such Share against the amount available in the Participant's Plan account; and
- (f) add the number of Shares applied for to the total number of Shares in the Participant's relevant shareholding.

5.3 Each Participant will be deemed to have applied the entire relevant dividend declared on his Participating Shares in applying for Shares under clause 5.2(e) and shall not be entitled to fractional entitlements to Shares nor to receive payment of any residual cash balance in the Participant's Plan account.

5.4 Any residual balance in a Participant's Plan account following the application of clause 5.2 will remain in the Participant's Plan account until:

- (a) unless paragraph (b) or (c) apply, the next dividend payment date, when it will be aggregated with any further amounts credited to the Plan account in respect of the next dividend;
- (b) unless paragraph (c) applies, the next dividend payment date, when it will be paid to the Participant along with the Participant's dividend, if the Plan has been terminated by the Directors under these Terms; or
- (c) if the Participant has ceased to participate in the Plan after the last dividend to be paid in respect of that financial year, at which time the Participant will be taken to have directed the Company to donate the amount on behalf of the Participant to one or more registered charities, as nominated by the Company from time to time. Participants will not be issued a receipt in connection with such a donation.

5.5 All Shares issued or transferred to a Participant under the Plan will rank equally with all existing ordinary shares in the Company and will be recorded on the Register in the Participant's name and in the same shareholding account as that which is nominated on the relevant Application and Variation Notice. Shares to be allocated under the Plan will be allocated within the time limit set by the Listing Rules.

5.6 The Plan will not operate if the allotment of Shares under the Plan will breach any applicable law, the Listing Rules or the Constitution of the Company.

6. CALCULATION OF ALLOTMENT

6.1 The number of shares that may be acquired by a Participant in respect of any dividend paid or payable will be calculated as follows:

$$N = \frac{D - T}{P}$$

Where:

N is the number of shares which may be acquired by a Participant;

D is the amount of the dividend in cents paid or payable to a Participant in respect of all his Participating Shares (if any) at the Record Date, plus any residual amount in the Participant's Plan account at the Record Date;

T is the total amount of withholding tax together with any other amount the Company is required or is entitled to withhold or retain (including without limitation those moneys that the Company is entitled to retain pursuant to the Constitution of the Company or is required to withhold due to the non-quotations of a tax file number by the Participant);

P is the Issue Price.

- 6.2 If the number of shares calculated pursuant to clause 6.1 includes a fraction, the number of shares allotted will be rounded down to the nearest whole number.

7. **STATEMENTS**

The Company will send each Participant a statement after the allotment of any shares pursuant to the Plan. So far as it is relevant to the Participant, the statement will specify:

- (a) the total number of Shares Registered in the Participant's name at the Record Date;
- (b) the amount of dividend paid or payable in respect of ordinary shares in the Company which did not participate in the Plan;
- (c) the amount of withholding tax retained by the Company (if any) where the Participant is a non-resident or the Company is required or entitled to retain any other amount;
- (d) the total amount of Shares which the Participant has nominated to participate in the Plan;
- (e) the total amount of dividend payable to the Participant in respect of the Participating Shares at the Record Date;
- (f) the extent to which the relevant dividend is franked;
- (g) the number of ordinary shares in the Company issued or transferred to the Participant in respect of that Record Date; and
- (h) the date on which the issue or transfer of those shares was made.

8. **VARIATION TO LEVEL OF PARTICIPATION**

- 8.1 At any time a Participant may apply to the Directors to increase or decrease the number of Shares participating in the Plan by completing, signing and sending an Application and Variation Notice to the Company's Share Register.

- 8.2 The Directors will determine the result of all applications for variation of participation in the Plan and may, in their absolute discretion, accept or reject any such application. If the Directors reject an application for variation of participation they will inform the relevant Shareholder of the rejection within a reasonable time of receipt of the application.
- 8.3 All accepted applications to vary the level of participation in the Plan will be effective as to dividends paid or payable in relation to the first Record Date after their receipt.

9. **TERMINATION OF PARTICIPATION**

- 9.1 At any time a Participant may give notice terminating his participation in the Plan by completing, signing and sending an Application and Variation Notice to the Share Registrar.
- 9.2 Subject to this clause, all Application and Variation Notices giving notice of termination will be effective as to dividends paid or payable in relation to the first Record Date after its receipt. The Company will give a notice to any such Participant confirming the termination within a reasonable time of receipt of the relevant Application and Variation Notice.
- 9.3 If a Participant dies, becomes bankrupt or (in the case of a body corporate) is placed in liquidation or provisional liquidation, participation will terminate when:
- (a) in the case of death, the Company receives written notice of the Participant's death;
 - (b) in the case of bankruptcy, the Company receives written notice of the Participant's bankruptcy from the Participant or his trustee in bankruptcy; and
 - (c) in the case of liquidation or provisional liquidation, the Company receives written notification of that fact.
- 9.4 If a joint Participant dies, becomes bankrupt or (in the case of a body corporate) is placed in liquidation or provisional liquidation, the participation of the other joint Participant(s) in the Plan in respect of the Shares subject to the joint participation will terminate at the time of termination of the first-mentioned joint Participant's participation.

10. **ADDITIONAL ACQUISITIONS**

- 10.1 If a Participant acquires additional Shares after lodging an Application and Variation Notice for full participation of his existing Shares in the Plan and the newly acquired Shares as at the time of registering the transfer are to be held in the same shareholder's account, the newly acquired Shares will be deemed to participate in the Plan together with the existing Shares unless an Application and Variation Notice is received by the Company to the contrary.
- 10.2 If a Participant acquires additional Shares after lodging an Application and Variation Notice for partial participation of his existing Shares in the Plan and the newly acquired Shares as at the time of registering the transfer are to be held in the same shareholder's account, the newly acquired Shares will not participate in the Plan unless an Application and Variation Notice is received by the Company to the contrary.

11. **DISPOSAL**

- 11.1 If a Participant disposes of all of his Shares without giving the Company notice of termination of his participation in the Plans and the Participant is not registered as the holder of any Shares at the next following Record Date, the Participant will be deemed to have terminated his participation in the Plans on the date on which the Company registered the transfer or instrument of disposal of the Shares.
- 11.2 If a Participant who has elected to partially participate in the Plan disposes of a number of Shares that is less than the number of his Shares that do not participate in the Plan, the disposed Shares will be, to the extent possible, deemed first, to be the Shares not participating in the Plan, and secondly, Participating Shares, unless an Application and Variation Notice to the contrary is completed, signed and sent to the Share Register prior to the next following Record Date.

12. **STOCK EXCHANGE LISTING**

The Company will apply to ASX for official quotation of all shares allotted pursuant to the Plan within the time limit set by the Listing Rules.

13. **PARTICIPANT'S COSTS**

No brokerage, commission or other transaction costs (including stamp duty) will be payable by a Participant in respect of any shares issued or transferred under the Plan.

14. **DIRECTOR'S POWERS**

The Plan will be administered by the Directors and any determination made by the Directors in connection with the Plan or the Terms will be final and binding. The Directors will have the power to:

- (a) resolve conclusively any disputes or disagreements relating to the Plan, the Terms or their interpretation in any way they think appropriate;
 - (b) determine appropriate procedures for the administration of the Plan consistent with the Terms;
 - (c) waive strict compliance with any of the Terms;
 - (d) amend or add to the Terms by giving written notice to the Shareholders prior to a Record Date;
 - (e) suspend or terminate the Plan at any time by giving such notice (if any) to the Shareholders as the Directors determine is appropriate; and
 - (f) delegate any of the Director's powers or discretions arising under the Plan to one or more persons for such period and on such conditions as they may determine.
- 14.2 The notice referred to in clauses 14.1 (d) and (e) may be provided in any manner as the Directors determine is appropriate (including, without limitation, by public announcement, advertisements in any newspapers circulating generally in Australia, notice on the Company's website, announcement to ASX or mailed written notices). The accidental omission to give such notice will not invalidate the modification, suspension or termination of the Plan.

15. **GOVERNING LAW**

These Terms shall be governed by the laws of New South Wales.

16. **INTERPRETATION**

In these Terms, unless the context otherwise requires:

- (a) words importing:
 - (i) the singular include the plural and vice versa; and
 - (ii) any gender includes the other genders; and
- (b) if a word or phrase is defined cognate words and phrases have corresponding definitions.