

RAMSAY HEALTH CARE LIMITED
A.B.N 57 001 288 768

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members of Ramsay Health Care Limited (**Company**) will be held on Tuesday, 22 November 2005 at 10.30 a.m. at Shangri-La Hotel Sydney, Ballroom 1, 176 Cumberland Street, The Rocks, Sydney NSW 2000.

BUSINESS

1. Consideration of Reports

To receive and consider the financial report of the Company and its controlled entities and the reports of the Directors and Auditors for the financial year ended 30 June 2005.

2. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, the Remuneration Report, which forms part of the Directors' Report for the year ended 30 June 2005, be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Directors

3.1 Mr Roderick Hamilton McGeoch

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"**That**, Mr Roderick Hamilton McGeoch, a Non-Executive Director of the Company retiring in accordance with clause 44 of the Constitution, being eligible, offers himself for re-election as a Non-Executive Director of the Company."

Note: Information about Mr McGeoch appears in Item 3.1 of the Explanatory Notes to this Notice of Meeting.

3.2 Mr Kerry Chisholm Dart Roxburgh

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"**That**, Mr Kerry Chisholm Dart Roxburgh, a Non-Executive Director of the Company retiring in accordance with clause 44 of the Constitution, being eligible, offers himself for re-election as a Non-Executive Director of the Company."

Note: Information about Mr Roxburgh appears in Item 3.2 of the Explanatory Notes to this Notice of Meeting.

4. Non-Executive Directors' Fees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of clause 49.1 of the Constitution and Rule 10.17 of the Listing Rules of Australian Stock Exchange Limited, the maximum aggregate amount of the remuneration payable to Non-Executive Directors for their services as directors be increased by \$300,000 per annum, from \$600,000 to \$900,000 per annum."

Note: A voting exclusion statement applies to this resolution (see Item 4 of the Explanatory Notes).

5. Approval of Ramsay Executive Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, the Ramsay Executive Performance Rights Plan (Plan), the principal terms of which are set out in the Explanatory Notes to this Notice of Meeting, and that the grant of performance rights to acquire shares in the Company, and the issue or transfer of shares in the Company, under the Plan, is approved for all purposes including for the purposes of the Corporations Act 2001 and so as to qualify as an exception to Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited."

Note: A voting exclusion statement applies to this resolution (see Item 5 of the Explanatory Notes).

6. Grant of performance rights to executive officers

6.1 Mr Ian Patrick Grier

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval is given under Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited for the issue of 322,376 performance rights to the Managing Director, Mr Ian Patrick Grier, under the Ramsay Executive Performance Rights Plan on the terms and conditions described in the Explanatory Notes to this Notice of Meeting."

Note: A voting exclusion statement applies to this resolution (see Item 6.1 of the Explanatory Notes).

6.2 Mr Bruce Roger Soden

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval is given under Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited for the issue of up to 200,000 performance rights to the Finance Director, Mr Bruce Roger Soden, under the Ramsay Executive Performance Rights Plan on the terms and conditions described in the Explanatory Notes to this Notice of Meeting."

Note: A voting exclusion statement applies to this resolution (see Item 6.2 of the Explanatory Notes).

By Order of the Board



L R Ransley
Company Secretary

St Leonards, 22 October 2005

NOTES

1. Proxies

- a) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on the member's behalf. A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half the member's votes.
- b) A proxy need not be a member of the Company. A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Annual General Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.
- c) For an appointment of a proxy for the meeting to be effective:
- the proxy's appointment; and
 - the power of attorney (if any) under which it is signed or satisfactory proof of that power or a certified copy of it, must be received by the Company at the registered office or at the office of the Company's share registry, Computershare Investor Services Pty Limited, not less than 48 hours before the time for holding the meeting, that is, not later than 10.30am on Sunday 20 November 2005. As a practical matter, this means that the Company must receive all such proxy appointments by 5.00pm (Sydney time) on Friday 18 November 2005:
- | | | |
|-----------------|--------------------|--|
| - By hand: | Registered Office: | Level 9, 154 Pacific Highway St Leonards NSW 2065 |
| - | Share Registry: | Level 2, 60 Carrington Street Sydney NSW 2000 |
| - By mail: | Registered Office: | Level 9, 154 Pacific Highway St Leonards NSW 2065 |
| - | Share Registry: | Level 2, 60 Carrington Street Sydney NSW 2000
GPO Box 242 Melbourne Vic 8060 Australia. |
| - By facsimile: | (03) 9473 2118 | |

2. Corporate representatives

Corporate members must either:

- Appoint a proxy, as set out above;
- Appoint a representative; or
- Appoint an attorney.

The instrument of appointment of a representative or attorney must be produced at the meeting.

3. Entitlement to vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the board of directors of the Company has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are the registered holders at 10.30am (Sydney time) on Sunday, 20 November 2005. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

4. Questions and comments on management of the Company

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders - as a whole - to ask questions about or make comments on the management of the Company at the meeting.

5. Questions for the Auditor

Shareholders may submit written questions to the Company's Auditor, Ernst & Young, if the question is relevant to the content of Ernst & Young's audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2005.

Relevant written questions for the Auditor must be received by the Company by no later than Tuesday 15 November 2005. Please send any written questions:

- | | | |
|-----------------|--------------------|--|
| - By hand: | Registered Office: | Level 9, 154 Pacific Highway St Leonards NSW 2065 |
| - | Share Registry: | Level 2, 60 Carrington Street Sydney NSW 2000 |
| - By mail: | Registered Office: | Level 9, 154 Pacific Highway St Leonards NSW 2065 |
| - | Share Registry: | Level 2, 60 Carrington Street Sydney NSW 2000
GPO Box 242 Melbourne Vic 8060 Australia. |
| - By facsimile: | (03) 9473 2118 | |

A list of written questions will be made available to shareholders attending the meeting. If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting.

EXPLANATORY NOTES

These notes explain or otherwise relate to the resolutions set out in the Notice of Annual General Meeting and should be read in conjunction with the Notice. This information forms part of the Notice of Annual General Meeting.

ITEM 1 - CONSIDERATION OF REPORTS

The financial reports of the Company as at 30 June, 2005 and the reports of the Directors and Auditor for the same period will be presented for consideration.

Following consideration of those documents, the Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Company's Auditor, Ernst & Young, questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Auditor will be given a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the audit report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the meeting and any written answers tabled by the Auditor at the meeting will be made available as soon as practicable after the meeting.

ITEM 2 - ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report for the year ended 30 June 2005, commencing on page 24 of the 2005 Annual Report. Broadly, the report:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of employees and the Company's performance;
- sets out remuneration details for each director and for each member of the Company's specified executives; and
- makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.

Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on, the report. An advisory resolution that the Remuneration Report be adopted will then be put to the vote.

The Directors recommend that you vote in favour of this advisory resolution.

ITEM 3 - RE-ELECTION OF DIRECTORS

3.1 R H McGeoch AM LLB MAICD

Non-Executive Director Appointed 03/07/97

Mr Rod McGeoch has been a Non-Executive Director since July 1997 and is the Chairman of the Remuneration Committee. He is the immediate past Chairman of Corrs Chambers Westgarth, a leading Australian law firm and has been a solicitor for 34 years. He was Chief Executive of Sydney's successful bid for the 2000 Olympic Games and served on the Sydney Organising Committee for the Olympic Games until November 1998. Currently, Mr McGeoch is Chairman of Vantage Private Equity Growth Limited and a director of Frontiers Group (UK) Limited. He is Chairman of Saatchi & Saatchi's Trans Tasman Advisory Board and a Trustee of the Sydney Cricket and Sports Ground Trust. Mr McGeoch also holds a number of honorary positions and in 1990 was awarded membership of the Order of Australia for services to Law and the Community.

During the last three years Mr McGeoch has also served as a Director on the following listed Companies:

- Gullivers Travel Group Limited (Current)
- LIPA Pharmaceuticals Limited (Current)
- Sky City Entertainment Group Limited (Current Chairman)
- Telecom Corporation of New Zealand Limited (Current)
- Australian Growth Properties Limited (Resigned December 2003)

The Directors (with Mr McGeoch absent and not voting) recommend that you vote in favour of this resolution.

3.2 K C D Roxburgh B.Comm MBA SDIAM

Non-executive Appointed 03/07/97

Mr Kerry Roxburgh is a SDIA Practitioner Member - Stockbroking. In 2000 he completed a term as CEO of E*TRADE Australia Limited where he is currently Non-Executive Chairman. Prior to this appointment he was an Executive Director of Hongkong Bank Australia where for 10 years he held various positions including Head of Corporate Finance and Executive Chairman of the group's stockbroker, James Capel Australia. He is also Non-Executive Chairman of Asian Express Airlines Pty Limited and a non-executive director of PNG Sustainable Energy and The Medical Indemnity Protection Society, LawCover Insurance and Professional Insurance Australia. Until 1986 Mr Roxburgh was in practice for 20 years as a Chartered Accountant during which time he was Chairman of the Sydney practice of Mann Judd.

During the last three years Mr Roxburgh has also served as a director on the following listed Companies:

- E*TRADE Australia Limited (Current Chairman)
- Charter Hall Group (Current Chairman)
- Everest Babcock & Brown Group (Current)

The Directors (with Mr Roxburgh absent and not voting) recommend that you vote in favour of this resolution.

ITEM 4 - NON-EXECUTIVE DIRECTORS' FEES

Broadly, the Company's Constitution provides that Non-Executive Directors may be paid out of the funds of the Company such remuneration not exceeding the maximum aggregate amount that is from time to time approved by the Company by resolution passed in general meeting. In accordance with Listing Rule 10.17 and clause 49.1 of the Constitution of the Company, any proposed increase in the maximum aggregate amount of remuneration payable to the Non-Executive Directors of the Company must be approved by ordinary resolution of the Company in general meeting.

The purpose of the proposed \$300,000 increase from a maximum aggregate amount of \$600,000 to \$900,000 is to provide flexibility given the Company's significant expansion to increase director's remuneration in line with market conditions, in accordance with advice received from external consultants and to allow for the appointment of an additional director if the Board considers such an appointment to be desirable.

The current maximum aggregate amount of the remuneration payable to Non-Executive Directors (including superannuation guarantee contributions made by the Company in relation to the Non-Executive Directors) is \$600,000 per annum. Details of Non-Executive Director Remuneration for the year ended 30 June 2005 is disclosed in the Remuneration Report, which is contained in the Directors' Report commencing on page 24 of the 2005 Annual Report.

If resolution 4, is passed, it is proposed, in accordance with independent advice received from external consultants, that the Chairman's fees be increased by \$80,000, from \$120,000 to \$200,000 per annum (plus superannuation guarantee contributions), and that Non-Executive Directors' fees be increased by \$20,000, from \$60,000 to \$80,000 per annum (plus superannuation guarantee contributions) for the financial year ended 30 June 2006.

The Directors recommend that you vote in favour of this resolution.

Voting Exclusion Statement

The Company will disregard any votes cast on resolution 4 by all the Directors and their associates.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

ITEM 5 - APPROVAL OF RAMSAY EXECUTIVE PERFORMANCE RIGHTS PLAN

Plan Overview

The Company seeks shareholder approval for the Ramsay Executive Performance Rights Plan (**Plan**). Under the Plan, performance rights (**PRs**) may be awarded to eligible senior executives of the Company as determined by the Board from time to time. The vesting of those PRs will be subject to certain specified performance criteria. The performance criteria applicable to the proposed offers of PRs to Mr Grier and Mr Soden in 2005 is described in Item 6 below.

Although shareholder approval of the Plan is not strictly required, the Board is strongly committed to adopting standards of corporate governance which are consistent with best industry practice. It believes it is in the interests of shareholders to be informed of, and have the opportunity to vote on, the Company's long term incentive arrangements with its senior executives. The Board is also taking the opportunity to have any issues of shares on exercise of PRs approved so as to qualify as an exception to Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited, although as discussed below, it is the Board's current intention to acquire shares on market and not to issue them.

If shareholders approve resolution 5, any shares that the Board did in future decide to issue on exercise of PRs (rather than acquire on market) will be disregarded in calculating the Company's share issue capacity under the 15% limit contained in Listing Rule 7.1.

A summary of the key terms of the Plan is set out below.

A copy of the rules of the Plan is available for inspection at the Company's registered office during business hours, or may be obtained free of charge by contacting the Company Secretary on (02) 9433 3444. A copy of the Plan will also be tabled at the meeting and initialled by the Chairman for the purposes of identification.

Summary of terms of the Plan

1. Eligibility

Eligibility will be determined by the Board in its discretion, but will principally be targeted at attracting and retaining senior executives (including executive directors) and aligning their interests with those of shareholders.

2. Award of PRs

An offer of PRs, including the number of PRs to be offered, will be subject to terms and conditions as determined by the Board. Details of the PRs to be offered (subject to shareholders approving resolutions 6.1 and 6.2) to Mr Grier and Mr Soden as determined by the Board are described in Item 6 below.

PRs will be awarded under the Plan for no consideration. PRs will not attract dividends or voting rights at any time prior to exercise.

3. Vesting

Subject to certain performance hurdles being satisfied (as to which, see below), it is currently proposed that PRs will vest 3 years after the commencement of the applicable performance period.

In the normal course, the exact number of PRs that will vest will be determined by reference to whether the performance hurdles have been achieved.

PRs that remain unvested when the performance hurdles are first tested will be carried forward for re-testing on two more occasions at six monthly intervals. If the performance hurdles are satisfied after re-testing, PRs will vest immediately. PRs that remain unvested at the end of the re-testing period will lapse.

The Board has retained discretion to permit variations to the terms on which PRs are issued (including to permit early vesting of PRs) in some limited circumstances, namely where a "cessation event" or a "change of control" occurs.

"Cessation events" include (among other things) the death, resignation or redundancy of a participant. A "change of control" includes a change in the control of the composition of the Board or a change in the control of more than half the voting rights attaching to shares in the Company.

4. Performance Hurdles

Performance hurdles will be designed to align the performance of senior executives with the interests of shareholders. While performance hurdles will be determined by the Board in its discretion, the current intention is to use Total Shareholder Return (TSR) as a measure of performance. TSR will be determined on the basis of the total shareholder return (including dividends) during the relevant performance period. For the purpose of calculating the TSR, the share price to be used on the first and last day of a performance period will be the average of the daily closing price for the 60 trading days up to and including that day.

Details of the proposed performance hurdles that will apply in respect of the proposed offers of PRs to Mr Grier and Mr Soden are set out in Items 6.1 and 6.2 below.

5. Share Issue Cap

The aggregate number of shares subject to outstanding PRs (that is, rights that have not yet been exercised and that have not lapsed) that have been awarded under all of the Company's equity incentive plans will not exceed 5% of issued share capital.

6. Management of the Plan

The Plan will be administered by the Board or a committee to whom the Board has delegated the responsibility for administering the Plan. Shares acquired on behalf of participants on exercise of vested PRs will be held on their behalf by a trustee pending their withdrawal from the Plan. The Company has appointed CPU Share Plan Pty Limited to act as trustee of the Plan.

7. Previous grants

Details of PRs and shares acquired by participants on exercise of PRs under previous grants are contained in the Remuneration Report for the year ended 30 June 2005, commencing on page 24 of the 2005 Annual Report.

8. On-market purchase of shares

As explained above, it is the current intention of the Board that, upon the exercise of vested PRs, shares will be purchased on market using funds provided by the Company, and will not be issued by the Company.

Directors' recommendation

The Directors recommend that you vote in favour of this resolution.

Voting Exclusion Statement

The Company will disregard any votes cast on resolution 5 by the Directors (other than those that are ineligible to participate in any employee incentive scheme in relation to the Company) and their associates.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At present, all of the Non-Executive Directors are ineligible to participate in any employee incentive scheme in relation to the Company.

ITEM 6 - GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTORS

Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited requires shareholder approval before the following persons can acquire securities in an entity under an employee incentive plan:

- a director;
- an associate of the director; and
- a person whose relationship with the entity is, in the ASX's opinion such that approval should be obtained.

Shareholder approval is sought for the grant of PRs to the Managing Director, Mr Grier and the Finance Director, Mr Soden, in accordance with the Plan. Specific details of the proposed grant of PRs to Mr Grier and Mr Soden are set out below.

6.1 Proposed grant of PRs to Mr Grier

The Board has received independent advice from external consultants on the appropriate level of remuneration to be made available to Mr Grier. Based on this advice, the Board (with Mr Grier and Mr Soden absent and not voting) believes it is appropriate and has resolved that, subject to shareholder approval, the Managing Director, Patrick Grier, participates in the Plan as set out below.

Shareholders are requested to approve the award of 322,376 PRs to Mr Grier. If shareholders approve resolution 6.1, the Board will grant 322,376 PRs to Mr Grier in accordance with his three-year employment contract with the Company, which covers the 2006, 2007 and 2008 financial years. The performance hurdle set by the Board for the grant of PRs to Mr Grier is the TSR of the Company in comparison to the last 100 bodies corporate (excluding the Company) comprised in the S&P/ASX200 Index (**Comparator Group**). The TSR will be measured over a 3 year period commencing on 1 July 2005 (**Performance Period**). The TSR will be first tested as at 30 June 2008 and, if required, re-tested on 6 month intervals on 31 December 2008 and 30 June 2009. PRs that remain unvested at the end of the re-testing period automatically lapse. PRs must be exercised within five years of the grant date.

The performance hurdle will be considered satisfied in accordance with the following table:

Company TSR performance in comparison to Comparator Group	Number of PRs available to vest
0 to 49th percentile	Nil
50th percentile	50% of the PRs vest
51st to 74th percentile	50% of the PRs vest, plus a pro rated vesting of PRs between the 51st to 74th percentiles
75th to 100th percentile	100% of the PRs vest

To the extent the performance hurdle is met, PRs will be converted into shares in the Company which will be purchased on-market and registered in the name of the Plan trustee pending withdrawal of the shares by Mr Grier.

Listing Rule information

Rule 10.15A of the Listing Rules of Australian Stock Exchange Limited requires certain information to be given in a notice of meeting to approve the acquisition of securities under an employee incentive plan.

For the purposes of Rule 10.15A of the Listing Rules of Australian Stock Exchange Limited, the following information is provided for shareholders:

- a) Under the terms of the Plan, and subject to shareholders approving resolution 6.1, Mr Grier, Managing Director, will be awarded 322,376 PRs.
- b) Subject to the satisfaction of the applicable performance hurdles described below, each PR entitles the holder to acquire one fully paid ordinary share in the capital of the Company.
- c) The acquisition price for a PR is nil and no money is payable by the holder for a share on exercise of a PR. On exercise of the PRs, shares will be acquired on behalf of the holder at the prevailing market price on the Australian Stock Exchange. The closing price of the Company's shares on ASX on 14 October 2005 (being the date before this Notice of Meeting was despatched for printing) was \$9.15.
- d) No persons in respect of whom approval is required under Listing Rule 10.14 has acquired PRs or shares under the Plan previously.
- e) At present, Mr Grier and Mr Soden are the only people entitled to participate in the Plan that require shareholder approval under Listing Rule 10.14 for the right to acquire shares in the capital of the Company.
- f) No loans will be made in relation to the acquisition of PRs or shares under the Plan.
- g) Details of any rights to acquire a PR or a share under the Plan will be published in each annual report of the Company relating to the period in which they have been acquired along with a statement to the effect that approval for the acquisition of shares was obtained under Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited;
- h) Any additional person for whom shareholder approval is required under Listing Rule 10.14 who may become entitled to participate in the Plan, and who is not named in this notice of meeting, will not participate in the Plan unless approval is obtained in accordance with Listing Rule 10.14;
- i) No new shares will be issued under this approval. As noted above, shares acquired on exercise of PRs will be bought on market at the prevailing market price; and
- j) If shareholders approve resolution 6.1, the PRs will be granted to Mr Grier as soon practicable after the date of the meeting and in any event no more than 3 years after the date of the meeting.

Directors' recommendation

The Directors (with Mr Grier and Mr Soden absent and not voting) recommend that you vote in favour of resolution 6.1.

Voting Exclusion Statement

The Company will disregard any votes cast on resolution 6.1 by the Directors (other than those that are ineligible to participate in any employee incentive scheme in relation to the Company) and their associates.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At present, all of the Non-Executive Directors are ineligible to participate in any employee incentive scheme in relation to the Company.

6.2 Proposed grant of PRs to Mr Soden

The Board has received independent advice from external consultants on the appropriate level of remuneration to be made available to Mr Soden. Based on this advice, the Board (with Mr Soden and Mr Grier absent and not voting) believes it is appropriate and has

resolved that, subject to shareholder approval, the Finance Director, Mr Bruce Soden, participates in the Plan as set out below. Shareholders are requested to approve the award of up to 200,000 PRs to Mr Soden. If shareholders approve resolution 6.2, the Board will grant 34,386 PRs to Mr Soden in respect of the 2006 year as soon as practicable after the date of the meeting. Those PRs will be subject to a 3 year performance period commencing on 1 July 2005. It is intended that further grants of PRs (up to a maximum of 200,000 PRs) will be made in respect of the 2007 and 2008 years. Those PRs will also be subject to 3 year performance periods. The performance hurdle set by the Board for the grant of PRs to Mr Soden is the TSR of the Company in comparison to the last 100 bodies corporate (excluding the Company) comprised in the ASX 200 Index (**Comparator Group**).

The TSR will be measured over the applicable 3 year performance period. The TSR will be first tested at the end of the applicable performance period and, if required, re-tested on two more occasions at 6 monthly intervals. PRs that remain unvested at the end of the re-testing period automatically lapse.

The performance hurdle will be considered satisfied in accordance with the following table:

Company TSR performance in comparison to Comparator Group	Number of PRs available to vest
0 to 49th percentile	Nil
50th percentile	50% of the PRs vest
51st to 74th percentile	50% of the PRs vest, plus a pro rated vesting of PRs between the 51st to 74th percentiles
75th to 100th percentile	100% of the PRs vest

To the extent the performance hurdle is met, PRs will be converted into shares in the Company which will be purchased on-market and registered in the name of the Plan trustee pending withdrawal of the shares by Mr Soden.

Listing Rule information

Rule 10.15A of the Listing Rules of Australian Stock Exchange Limited requires certain information to be given in a notice of meeting to approve the acquisition of securities under an employee incentive plan.

For the purposes of Rule 10.15A of the Listing Rules of Australian Stock Exchange Limited, the following information is provided for shareholders:

- a) Under the terms of the Plan, and subject to shareholders approving resolution 6.2, Mr Soden, Finance Director, will be awarded up to 200,000 PRs.
- b) Subject to the satisfaction of the applicable performance hurdle described above, each PR entitles the holder to acquire one fully paid ordinary share in the capital of the Company.
- c) The acquisition price for a PR is nil and no money is payable by the holder for a share on exercise of a PR. On exercise of the PRs, shares will be acquired on behalf of the holder at the prevailing market price on the Australian Stock Exchange. The closing price of the Company's shares on ASX on 14 October 2005 (being the date before this Notice of Meeting was despatched for printing) was \$9.15.
- d) No persons in respect of whom approval is required under Listing Rule 10.14 has acquired PRs or shares under the Plan previously.
- e) At present, Mr Grier and Mr Soden are the only people entitled to participate in the Plan that require shareholder approval under Listing Rule 10.14 for the right to acquire shares in the capital of the Company.
- f) No loans will be made in relation to the acquisition of PRs or shares under the Plan.
- g) Details of any rights to acquire a PR or a share under the Plan will be published in each annual report of the Company relating to the period in which they have been acquired along with a statement to the effect that approval for the acquisition of shares was obtained under Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited;
- h) Any additional person for whom shareholder approval is required under Listing Rule 10.14 who may become entitled to participate in the Plan, and who is not named in this notice of meeting, will not participate in the Plan unless approval is obtained in accordance with Listing Rule 10.14;
- i) No new shares will be issued under this approval. As noted above, shares acquired on exercise of PRs will be bought on market at the prevailing market price; and
- j) As explained above, if shareholders approve resolution 6.2, 34,386 PRs will be granted to Mr Soden as soon practicable after the date of the meeting. Further grants of PRs (up to a maximum of 200,000 PRs) will be made in respect of the 2007 and 2008 years. In any event, all PRs the subject of this approval will be granted no more than 3 years after the date of the meeting.

Directors' recommendation

The Directors (with Mr Soden and Mr Grier absent and not voting) recommend that you vote in favour of resolution 6.2.

Voting Exclusion Statement

The Company will disregard any votes cast on resolution 6.2 by the Directors (other than those that are ineligible to participate in any employee incentive scheme in relation to the Company) and their associates.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At present, all of the Non-Executive Directors are ineligible to participate in any employee incentive scheme in relation to the Company.