

**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 will be held on Tuesday, 23 November 2004 at 10.30 a.m. at Shangri-La Hotel Sydney, Bradfield Lounge, 176 Cumberland Street, The Rocks, Sydney NSW 2000.

**BUSINESS**

**1. Financial Report**

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 2004.

**2. Election of Directors**

To elect Directors

- a) Anthony James Clark retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
- b) Peter John Evans retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
- c) Bruce Roger Soden retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Information about the candidates for re-election appears in item 2 of the Explanatory Notes in this Notice of Meeting.

**3. Approval of Benchmark Group giving financial assistance to the Company**

To consider and, if thought fit, to pass the following resolution as a special resolution:

**“THAT**, Ramsay Health Care Limited (**Company**) approves in accordance with sub-section 260B(2) of the *Corporations Act 2001*, the giving of financial assistance by Benchmark Healthcare Holdings Limited ABN 34 084 168 276 (**Benchmark**) and certain of its wholly owned subsidiary companies (refer detailed listing below), in relation to the acquisition by a subsidiary of the Company, of all the issued capital of Benchmark, as described in item 3 of the Explanatory Notes in this Notice of Meeting:

- Benchmark Healthcare Holdings Ltd ABN 34 084 168 276;
- Benchmark Healthcare Pty Ltd ABN 47 058 174 619;
- Donvale Private Hospital Pty Ltd ACN 005 390 750 (as trustee for Donvale Private Hospital Unit Trust);
- The Benchmark Hospital Group Pty Ltd ABN 61 005 437 169 (as trustee for Beleura Holdings Unit Trust);
- The Benchmark Hospital Group Pty Ltd ABN 61 005 437 169;

- Benchmark - Surrey Pty Ltd ACN 006 216 048 (as trustee for Surrey Hospital Unit Trust);
- Benchmark - The Valley Pty Ltd ACN 071 365 305 (as trustee for The Valley Private Hospital Unit Trust);
- Beleura Properties Pty Ltd ACN 006 511 100 (as trustee for Beleura Properties Unit Trust);
- Benchmark - Beleura Pty Ltd ACN 006 511 084 (as trustee for Beleura Hospital Unit Trust); and
- Benchmark - Peninsula Pty Ltd ACN 006 918 163 (as trustee for Peninsula Hospital Unit Trust).”

By Order of the Board



L R Ransley  
Company Secretary

St Leonards, 22 October 2004

1. **Proxies**

- a) *A member entitled to attend and vote 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.*
- c) *A proxy form (and the power of attorney (if any) under which it is signed or satisfactory proof of that power) must be received 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:*
  - *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 Australia  
Share Registry: Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Vic 8060 Australia.*
  - *By facsimile: (02) 8235 8220.*

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**

*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, 21 November 2004. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at 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.

---

### ITEM 2 – ELECTION OF DIRECTORS

---

**a) A J Clark AM FCA FAIC**

Non-executive Director Appointed 06/10/98

Mr Tony Clark is a Chartered Accountant and was formerly Managing Partner of KPMG NSW. Currently he is Chairman of Maritime Industry Finance Company Limited and Cumnock Coal Limited, Deputy Chairman of Tourism Australia, and a director of Telstra Corporation Limited, Carlton Investments Limited and Amalgamated Holdings Limited. In 1995 Mr Clark was awarded membership of the Order of Australia for services to Business, Commerce and Community.

**b) P J Evans FCA**

Non-executive Appointed 25/06/90

Mr Peter Evans is a Chartered Accountant who has been in public practice for over 18 years with KPMG and as a sole practitioner since 1989. He has specialised in the financial management of hospitals and has had extensive experience in the health care field for over 25 years. Mr Evans also acts as a director for a number of other companies including Prime Television Limited.

**c) B R Soden B.Comm AC MAICD**

Executive Finance Director Appointed 02/01/97

Mr Bruce Soden is a chartered accountant who prior to joining Ramsay Health Care in 1987 had 12 years experience with Arthur Andersen & Co in their Sydney, Milan and Johannesburg offices in the Financial Consulting Division. Mr Soden was appointed Finance Director of the Company's operating division in 1994. Prior to this, he spent four years in New Orleans as Senior Vice President and Director of Ramsay Health Care, Inc. a listed United States health care company.

---

### ITEM 3 – APPROVAL OF BENCHMARK GROUP GIVING FINANCIAL ASSISTANCE TO THE COMPANY

---

#### Background

Ramsay Health Care Limited (**RHC**), Ramsay Health Care Investments Pty Limited ABN 44 078 881 (**Purchaser**) and certain other members of the Ramsay Group, collectively known as **the Borrowers**, have raised finance under a Note Subscription and Multi-Option Facility Agreement dated 24 June 2004 (**Facility Agreement**). The parties to the Facility Agreement are RHC and certain of its subsidiaries (**Original Obligors**), Australia and New Zealand Banking Group Limited ABN 11 005 357 522 and ABN AMRO Bank N.V. ABN 84 079 478 612 and ABN AMRO Australia Limited ABN 78 000 862 797 (**Agent** and **Security Trustee**). The facility agreement has now been syndicated and the additional participants are:

- BOS International (Australia) Limited ABN 23 066 601 250;
- Commonwealth Bank of Australia ABN 48 123 123 124
- National Australia Bank Limited ABN 12 004 044 937;
- St George Bank Limited ABN 92 055 513 070;
- Westpac Banking Corporation ABN 33 007 457 141;

The Borrowers raised finance under the Facility Agreement (**Finance**) for the purpose of refinancing debt, funding acquisitions including but not limited to the acquisition of all of the issued shares in Benchmark Healthcare Holdings Limited ABN 34 084 168 276 (**Benchmark Holdings**) and capital expansionary projects.

As a result of the Purchaser's acquisition of the shares in Benchmark Holdings, that company and each of its subsidiaries listed in the resolution in item 3 of the Notice of Meeting (**Benchmark Group**) is a wholly owned subsidiary of RHC.

## 2 Details of financial assistance

Under the terms of the Facility Agreement, the Benchmark Group must become an Obligor. To become an Obligor, the members of the Benchmark Group must execute an Obligor's Certificate in a form prescribed by the Facility Agreement. By becoming an Obligor, each member of the Benchmark Group will unconditionally and irrevocably guarantee to each Participant, the Agent and the Security Trustee (**the Financiers**) the punctual payment by each other Obligor of the Guaranteed Money (**Guarantee**).

The maximum amount which may be drawn under the Facility Agreement is \$550,000,000. Assuming, therefore, that all facilities were fully drawn the Guaranteed Money would be \$550,000,000 plus interest, fees, costs, expenses and other similar amounts payable under the Facility Agreement.

By providing the Guarantee:

- (a) the Benchmark Companies will be providing financial assistance to the Purchaser to enable it to acquire all of the issued shares in Benchmark Holdings; and
- (b) Benchmark Holdings will be providing financial assistance to the Purchaser to enable it to acquire all of the issued shares in itself.

## 3 Financial assistance

Section 260A of the *Corporations Act 2001* (**Act**) provides that a company may provide financial assistance to a person to acquire shares in the company or a holding company of the company if certain requirements are met. These requirements include a resolution agreed to at a general meeting by all ordinary shareholders.

Further, as RHC is a company listed on the Australian Stock Exchange and is the parent company of Benchmark Holdings, approval in relation to the financial assistance to be provided by the Benchmark Group, must also be obtained by a special resolution being passed at a general meeting of RHC.

Each member of the Benchmark Group has become a subsidiary of RHC. RHC therefore proposes that its shareholders consider, and if thought fit, pass a special resolution in accordance with section 260B(2) of the Act to approve the giving of financial assistance by the Benchmark Group.

In accordance with section 260B(4) of the Act, this document sets out all the information known to RHC that is material to the decision of its shareholders on how to vote on this resolution (other than information previously disclosed).

#### **4 Effect of the proposed financial assistance**

The effects of providing the Guarantee are as follows.

- (a) Before the Purchaser was able to receive the Finance necessary to acquire the Benchmark Group, RHC was required to agree with the Financiers (pursuant to a term of the Facility Agreement) to cause the Benchmark Group to provide the Guarantee. As a result of RHC's agreement to do so, the Purchaser received the Finance necessary to acquire the Benchmark Group and RHC provided the Benchmark Group with finance enabling it to discharge its financial indebtedness to its existing financiers.
- (b) The Benchmark Group's obligations will be limited to that of a guarantor and not of a Borrower under the Facility Agreement and other Transaction Documents (as defined in the Facility Agreement). Accordingly, if the Guarantee were enforced, the Benchmark Group would have the right to be indemnified by the Borrowers.
- (c) If the Borrowers (which include RHC) fail to pay any of the Guaranteed Money or breach an obligation under the Facility Agreement or another Transaction Document, the Financiers may be entitled to require the Borrowers to pay the Guaranteed Money. The Financiers will also be entitled to enforce the Guarantee against the other Obligors (which include RHC) and therefore require the Obligors to pay the full amount of the Guaranteed Money. The Financiers are not required to exhaust their rights against the Borrowers before they enforce the Guarantee against the other Obligors but can enforce the Guarantee at any time after the Borrowers fail to pay the Guaranteed Money.
- (d) As RHC is a Borrower under the Facility Agreement, RHC will be primarily liable, to the full extent of all its assets, for all amounts owing under the Facility Agreement. Accordingly, the giving of the Guarantee by each member of the Benchmark Group will not of itself have any adverse impact on the position of RHC, nor will RHC be adversely affected by reason of any claim being made under the Guarantee. RHC will, however, be adversely affected if the Guarantee is not given as this would require RHC to renegotiate the terms of the Facility Agreement. If that renegotiation were unsuccessful RHC would have to refinance the facility, which may be on terms less favourable to RHC.

#### **5 Reasons for financial assistance**

The ability of the Purchaser to acquire the shares in Benchmark Holdings depended on the Purchaser being able to raise the Finance. This was itself conditional on RHC agreeing in the Facility Agreement to cause the Benchmark Group to become Obligors. Failure by the Benchmark Group to become Obligors would constitute an Event of Default under the Facility Agreement with the consequence that the Financiers would be entitled to demand immediate repayment of all money outstanding under the Facility Agreement.

#### **6 Definitions**

In this part of the Explanatory Notes:

**Guaranteed Money** means all amounts, which are or may become due for payment by any of the Obligors to any of the Financiers in connection with the Facility Agreement or any

other Transaction Document. This will primarily consist of the money borrowed or amounts due in relation to any other financial accommodation (such as bank guarantees or letters of credit) provided under the Facility Agreement together with interest, fees, costs and expenses payable under the Facility Agreement.

**Ramsay Group** means RHC and its subsidiaries but does not include the Benchmark Group.