

# Corporate Governance Statement 2020



# Corporate Governance Statement 2020

Ramsay Health Care Limited (Company) is committed to delivering high quality health care services, long-term sustainable growth and shareholder returns. The Board recognises the importance of good governance in achieving these corporate objectives, in discharging its responsibility to the Company and endeavouring to meet the expectations of all stakeholders and in executing the broader role of the Company as a good corporate citizen.

The Company's governance framework is designed to ensure that the Company is effectively managed, that statutory obligations are met and that the culture of personal and corporate integrity – *The Ramsay Way* – is reinforced. The Company remains steadfast in its commitment to maintaining the culture and principles of The Ramsay Way across all aspects of its business, honouring the architect of The Ramsay Way, the late Mr Paul Ramsay AO.

This Statement outlines the Company's governance framework, policies and procedures as at 30 June 2020 (unless otherwise stated) in accordance with the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Board continually reviews the Company's governance policies and practices to ensure that they remain appropriate in light of changes in corporate governance expectations and developments. As a result, many of the new suggestions contained in the 4th Edition of the ASX Recommendations are already embedded in the Company's existing governance arrangements, as outlined in this Statement.

## 1. The Role of the Board

The Board is committed to representing and promoting the Company effectively, thereby adding long-term value to all shareholders. The Board is accountable to shareholders for the oversight of the Company's business and affairs and, as such, is responsible for the overall strategy, governance and performance of the Company.

To clarify the roles and responsibilities of directors and management, and to assist the Board in discharging its responsibilities, the Company has established a governance framework which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management as considered appropriate. These are set out in the Board Charter, which was last reviewed and updated in FY2020, and can be found in the Corporate Governance section of the Company's website ([www.ramsayhealth.com/Sustainability/Governance](http://www.ramsayhealth.com/Sustainability/Governance)). The Charter review in FY2020 sought to reflect the new Recommendations in the 4th edition of the ASX Recommendations.

The Board is responsible for defining the Company's purpose and approving the Company's values and Code of Conduct, which can be found in the Social section of the Company's website ([www.ramsayhealth.com/Sustainability/Social](http://www.ramsayhealth.com/Sustainability/Social)).

The Company's Statement of Delegated Authorities was updated in FY2019 and will continue to be reviewed as required.

## 2. Governance Framework: The Board and its Standing Committees

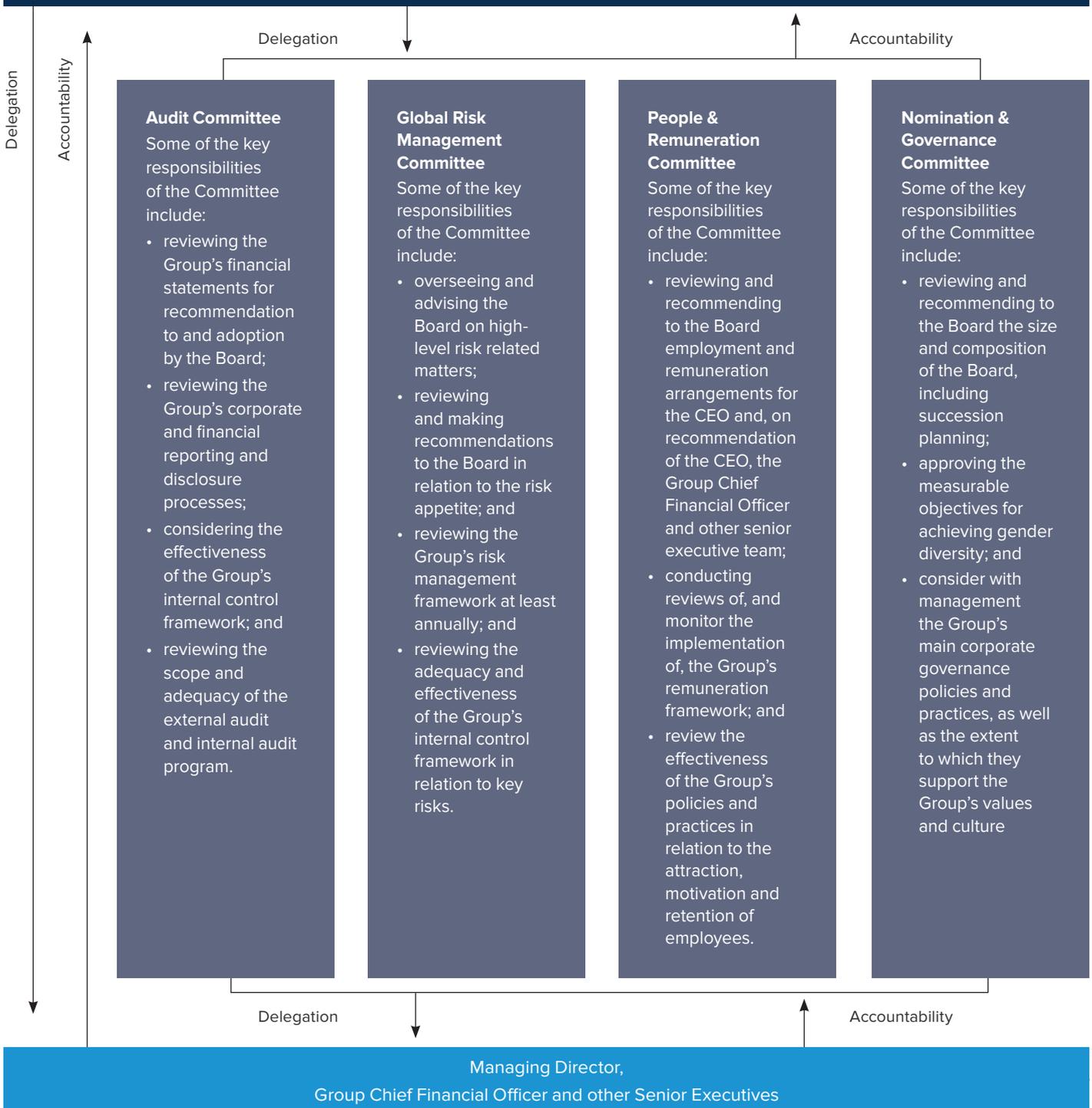
The governance framework in place is designed to promote and foster accountability, both of the Board and senior executives, to the Company and its shareholders. The diagram on the next page summarises the Company's governance framework, including the functions reserved for the Board and those carried out by the four standing Board Committees.

# Board

Formally delegated certain functions to Board Committees and to management via formal Board and Committee Charters.

Some of the key responsibilities of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Managing Director & CEO (CEO);
- contributing to management’s development of corporate strategy and approving corporate strategy, including defining the Group’s purpose, setting strategic objectives and approving operating budgets;
- monitoring corporate performance and corporate culture;
- approving the Group’s values and Code of Conduct;
- monitoring management’s implementation of the Group’s strategy, policies and decisions of the Board and promotion of the Group’s values; and
- approving the risk appetite within which the Board expects management to operate.



The four standing Board Committees assist the Board in the execution of its responsibilities. Each Committee operates under a specific charter, which can be found in the Corporate Governance section of the Company's website ([www.ramsayhealth.com/Sustainability/Governance](http://www.ramsayhealth.com/Sustainability/Governance)). The charter of each Committee was updated in FY2020 in light of the 4th edition ASX Recommendations.

The applicable composition requirements and membership of each of the Board Committees as at the date of this Corporate Governance Statement are set out below:

<b>Board Committee</b>	<b>Composition requirements</b>	<b>Membership for period 1 July 2019 – 30 June 2020</b>	<b>Membership as at 1 July 2020</b>
<b>Audit Committee</b>	Comprised of at least three members, all of whom are Non-Executive Directors and a majority of whom are independent. Chaired by an independent Non-Executive Director who must not be the Chairman of the Board.	Mr Peter Evans (Chair), Mr David Thodey, Mr James McMurdo (appointed September 2019) and Ms Karen Penrose (appointed March 2020).  *Mr Kerry Roxburgh was a member of the Committee until November 2019.	Ms Karen Penrose (Chair), Mr Peter Evans and Mr James McMurdo.
<b>Global Risk Management Committee</b>	Comprised of at least three members, all of whom are Non-Executive Directors and a majority of whom are independent. Chaired by a director who is not Chairman of the Board.	Mr Peter Evans (Chair), Mr David Thodey AO and Dr Claudia Süssmuth Dyckerhoff.  *Mr Kerry Roxburgh was a member of the Committee until November 2019	Mr Peter Evans (Chair), Dr Claudia Süssmuth Dyckerhoff and Ms Karen Penrose.
<b>People and Remuneration Committee</b>	Comprised of at least three members, all of whom are Non-Executive Directors and a majority of whom are independent. Chaired by an independent Non-Executive Director.	Ms Alison Deans (Chair from November 2019), Mr Michael Siddle, and Mr Peter Evans.  *Mr Rod McGeoch AO was the Chair of the Committee until November 2019	Ms Alison Deans (Chair), Mr David Thodey and Mr Michael Siddle.
<b>Nomination and Governance Committee</b>	Comprised of at least three members, a majority of whom are independent Non-Executive Directors.	Mr Michael Siddle (Chair), Mr David Thodey AO and Ms Alison Deans (appointed November 2019).  *Mr Kerry Roxburgh and Mr Rod McGeoch AO were members of the Committee until November 2019.	Mr David Thodey AO (Chair), Mr Michael Siddle and Ms Alison Deans.

The number of scheduled Board and Committee meetings held during the year ended 30 June 2020 and the number of meetings attended by each of the directors in office during FY2020 is set out in the table below:

	Board <sup>1</sup>	Audit Committee	Global Risk Management Committee	People & Remuneration Committee	Nomination & Governance Committee
	Attended (Eligible to attend)				
<b>C. A. Deans<sup>2</sup></b>	13 (13)			7 (7)	2 (2)
<b>P. J. Evans</b>	13 (13)	6 (6)	4 (4)	7 (7)	
<b>J. McMurdo<sup>3</sup></b>	11 (11)	3 (4)			
<b>C. R. McNally</b>	13 (13)				
<b>K. L. C. Penrose<sup>4</sup></b>	8 (8)	1 (1)			
<b>M. S. Siddle</b>	13 (13)			5 (7)	4 (4)
<b>C. Süßmuth Dyckerhoff</b>	10 (13)		4 (4)		
<b>D. I. Thodey AO</b>	12 (13)	6 (6)	3 (4)		4 (4)
<b>R. H. McGeoch AO<sup>5</sup></b>	3 (4)			2 (3)	2 (2)
<b>K. C. D. Roxburgh<sup>5</sup></b>	4 (4)	3 (3)	2 (2)		2 (2)
<b>B. R. Soden<sup>6</sup></b>	2 (2)				

<sup>1</sup> Includes special board meetings.

<sup>2</sup> Ms Alison Deans was appointed as Chairman of the People and Remuneration Committee in November 2019 and as a member of the Nomination and Governance Committee in November 2019.

<sup>3</sup> Mr James McMurdo was appointed to the Board on 11 September 2019 and was appointed as a member of the Audit Committee in November 2019.

<sup>4</sup> Ms Karen Penrose was appointed to the Board on 1 March 2020 and was appointed as a member of the Audit Committee in March 2020.

<sup>5</sup> Mr Rod McGeoch and Mr Kerry Roxburgh retired as Directors at the close of the 2019 AGM on 14 November 2019.

<sup>6</sup> Mr Bruce Soden stepped down as Director of the Company with effect from 12 September 2019.

### 3. Board Composition

Details of the background, particular qualifications, expertise and period of service of each Director are set out in the Board of Directors section on page 10 of our 2020 Annual Report.

The Nomination and Governance Committee is responsible for reviewing and making recommendations to the Board on its membership, including recommendations on the size and composition of the Board, review of Board succession plans and the succession of the Chairman. The Nomination and Governance Committee must have regard to the Board skills matrix and the objective that the Board comprise Directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender.

The Company aims to maintain a Board that comprises directors who are able to effectively understand and manage the issues arising in the Company's business, review and challenge the performance of management and optimise the Company's performance. To this end, the Nomination and Governance Committee annually assesses the composition of the Board by reference to its Board Skills Matrix.

The appointments of Mr James McMurdo and Ms Karen Penrose as directors during FY2020 were made by the Board after considering the Board Skills Matrix. As noted in the Company's FY2019 Corporate Governance Statement, the Board stated that it would favourably consider any candidate to fill a casual vacancy that had capital management/finance and/or strategy experience. The appointments of Mr McMurdo and Ms Penrose have strengthened the Board's collective expertise and experience in these areas.

During FY2020, the Board critically reviewed the Board Skills Matrix and the skill and experience categories and completed its evaluation to better inform the Board of the specific skills and experiences relevant to its role, the depth of such skills and experiences and how important those skills and experiences are to the success of the Board and the Company. As part of this evaluation, each Director was asked to assess the extent of their skills/experiences in respect of specific areas on a Level 1 (Expert/Extensive Experience) to Level 5 (limited/no experience) basis.

The results of the 2020 Evaluation continue to demonstrate that the Board is comprised of members with an extensive, diverse and relevant skill set with depth of experience in all key areas.

The following table sets out the various skills/experience that comprise the Company's Board Skills Matrix by describing each relevant skill/experience and the number of Directors that have at least a solid amount of experience (i.e. Level 3) in respect of that skill or experience (noting that there are eight Directors in total, including the Executive Director).

<i>Skill and Experience</i>	No. of Directors possessing relevant skill / experience
<b>Sectors/Activities</b>	
<b>Health Care</b> <i>Competency in the health care industry and international health systems.</i>	5
<b>Multinational Experience (including Asia and/or Europe)</b> <i>Ability to manage and oversee an organisation's business and strategic objectives from an international perspective.</i>	8
<b>Specific Skills and Experience</b>	
<b>Strategy</b> <i>Ability to identify and critically assess strategic opportunities and threats and to develop and implement successful strategies.</i>	8
<b>Public Policy and Regulatory Affairs</b> <i>Ability to influence public policy development and manage the implications of public and regulatory policy.</i>	4
<b>Capital Management and Finance</b> <i>Ability to assess financial performance, analyse financial statements and implement effective internal financial and risk controls.</i>	7
<b>Technology and Disruption</b> <i>Ability to leverage technological developments to support growth and drive competitive advantage, including responding to digital disruption.</i>	5
<b>People and Culture</b> <i>Ability to set &amp; communicate corporate culture, motivate key capital talent, oversee management and evaluate the suitability of CEOs and other key executives.</i>	8
<b>Workplace Health and Safety</b> <i>Ability to oversee the proactive management of workplace health and safety practices.</i>	5
<b>Consumer Focus</b> <i>Ability to oversee a strong consumer-focused culture committed to achieving consumer outcomes.</i>	6
<b>Operational Experience in Major Business</b> <i>Ability to manage and oversee business operations and deliver sustained business success.</i>	6
<b>Governance, legal and regulatory</b> <i>Ability to assess the effectiveness of policies and procedures, and to manage legal, compliance and reputational risks.</i>	6
<b>Risk Management</b> <i>Ability to identify and manage key risks to an organisation.</i>	7
<b>Mergers and Acquisitions (M&amp;A)</b> <i>Ability to assess strategic M&amp;A opportunities and oversee execution/completion.</i>	7

In considering future Board appointments to fill any casual vacancies that might arise, the Board and Nomination and Governance Committee will use the above matrix to assist in the identification of the Board's strengths and where its existing skills and experience may best be enhanced or supplemented.

## 4. Appointment, Induction and Training

An offer of a Board appointment must be made by the Chairman only after having consulted with all Directors and with the approval of the Board as a whole. In accordance with the Company's Constitution, a Director appointed by the Board holds office until the conclusion of the next Annual General Meeting (AGM), at which he or she will be eligible for election. Prior to appointment, new Directors receive a letter of appointment which sets out the terms of their appointment. Directors are also encouraged to sign a deed of indemnity, access and insurance.

The Company has written agreements with each of its Directors, including the Managing Director, setting out the terms of their appointment.

The Nomination & Governance Committee ensures that:

- appropriate background checks are carried out prior to the Board appointing a new Director or putting to shareholders a candidate for election. In respect of the appointments of Mr McMurdo and Ms Penrose during FY2020, appropriate checks were undertaken in accordance with Recommendation 1.2 of the ASX Recommendations; and
- shareholders are provided with all material information in the Company's possession that is relevant to a decision on whether or not to elect or re-elect a Director, most relevantly through the Notice of Meeting and Annual Report.

The Nomination & Governance Committee is also responsible for implementing an effective induction process for new Directors and regularly reviewing its effectiveness. New Directors are required to attend and complete a structured Director Induction Programme, which includes site visits to the Company's hospitals and meetings with key executives. In addition, Directors are provided with ongoing professional development and training to enable them to develop and maintain their skills and knowledge.

## 5. Director Independence

The Board considers that it is able to exercise its judgement in an independent and unfettered manner, provide independent and effective oversight of management and is highly effective in promoting the interests of shareholders as a whole.

All members of the Board, whether independent Directors or not, exercise independent judgement in making decisions in the best interests of the Company. When considering matters at Board meetings, questioning and debate amongst the Directors is encouraged and no individual Director (or small group of Directors) is permitted to dominate the Board's discussions or decision making.

The Board determines the independence status of each Director on an annual basis. In doing so, the Board considers the matters described in Box 2.3 of the ASX Recommendations. The Board may determine that a Director is independent notwithstanding the existence of an interest, position, association or relationship of a kind described in Box 2.3. The Company assesses independence on a case by case basis, having regard to the extent to which any relevant interest, position, association or relationship may materially interfere with the Director's ability to exercise unfettered and independent judgement in the discharge of their responsibilities and duties.

At the date of this Statement, Paul Ramsay Holdings Pty Limited (PRH), which is a subsidiary of Paul Ramsay Foundation Limited (PRF), is the Company's largest shareholder. Mr Siddle (Chairman) is a director of PRH, and both Mr Siddle and Mr Peter Evans (Deputy Chairman) are directors of PRF. Mr Siddle and Mr Evans are also directors of the subsidiaries and related entities of PRH.

During FY20, the Board undertook the annual review of each Director's independence. Following the introduction of the 4th edition ASX Recommendations and updates to commentary about director independence, it was concluded that given Mr Siddle's and Mr Evans' respective roles as directors of PRF and PRH and given their tenure on the Board, Mr Siddle and Mr Evans would not be considered to be independent directors under the 4th Edition ASX Recommendations which apply to the Company from 1 July 2020. Notwithstanding this decision, the Board considers that both Mr Siddle and Mr Evans add significant value to the Board's deliberations given their considerable industry experience and expertise, as well as the corporate knowledge they bring to Board deliberations.

As a result of this determination, from 1 July 2020 the Board has one executive director, two non-independent non-executive directors and five independent non-executive directors.

The Managing Director & CEO, Mr Craig McNally, is not considered to be an independent director as he is a current executive of the Company.

In the case of Mr David Thodey AO, Dr Claudia Süßmuth Dyckerhoff, Ms Alison Deans, Mr James McMurdo and Ms Karen Penrose, the Board does not consider there to be any relationships that could materially interfere with or could reasonably be perceived to materially interfere with their ability to exercise unfettered and independent judgement in the discharge of their responsibilities and duties. Ms Karen Penrose was appointed as a Non-Executive Director in March 2020 and will stand for election at the Annual General Meeting to be held in November 2020.

Both Mr Rod McGeoch AO and Mr Kerry Roxburgh, who retired at the close of the 2019 AGM, were also considered independent. As a former executive of the Company, Mr Bruce Soden was not considered to be independent. Mr Soden stepped down as Director of the Company with effect from 12 September 2019.

Accordingly, throughout the reporting period, the Board comprised a majority of independent Non-Executive Directors. During FY20, the Company met the recommendations relating to Board and Committee composition in the ASX Recommendations. Going forward in FY21, as a result of the new independence determination under the 4th Edition, the Board of the Company will no longer be chaired by an independent Chairman and the Chair of the Global Risk Management Committee will not be independent, as is recommended under the ASX Recommendations. Nevertheless, the Board is satisfied that it is continuing to operate independently of management and will be effective in promoting the best interests of shareholders as a whole. It is also of the view that stability in the Board and Committee Chair roles is appropriate in the context of the current highly uncertain and evolving market and economic environment.

The independence of each Director will again be considered in FY2021.

## 6. Chairman

Mr Siddle continues in his role as Chairman of the Board. He has considerable knowledge and experience in the management of the Company, private hospitals generally and property development. Mr Siddle was the Deputy Chairman of the Board for many years and, in order to ensure continuity and stability of this successful Board, was appointed Chairman of the Company following the passing of Mr Paul Ramsay AO in May 2014. Given this relevant and valuable experience, the Board considers that the interests of the shareholders are best met by the continued contribution of Mr Siddle as Chairman.

## 7. Lead Independent Director

To enhance the independent functioning of the Board, in FY2020 the Board resolved to appoint Mr David Thodey AO as Lead Independent Director, following the retirement of Mr Kerry Roxburgh. The key functions of the Lead Independent Director are to:

- ensure that any conflicts of interest (or potential conflicts of interest) between the Company's major shareholder and the Company are identified and appropriately managed;
- promote awareness of the importance of independent judgements in the Board's decision-making;
- provide leadership to the other independent Non-Executive Directors and support them in presenting diverse perspectives on issues being considered by the Board; and
- promote constructive interaction between the independent Non-Executive Directors and all other Directors.

## 8. Access to Independent Advice

Directors are entitled to seek independent professional advice at the expense of the Company as required in the furtherance of their duties and in relation to their functions (including their Board Committee functions), subject to prior consultation with, and approval of, the Chairman or Deputy Chairman. Directors have consistently indicated in their evaluations that they consider they have adequate opportunity to access such advice.

## 9. Evaluating Board, Committee and Director Performance

During FY2020, the Board undertook a self-assessment of the performance of the Board, the Directors and the Board Committees. The results of the review were discussed by the whole Board, and initiatives to improve or enhance Board performance and effectiveness were considered and recommended.

In accordance with good governance practices, the Board will engage an external consultant to undertake independent evaluations of the Board, the Directors and the Board Committees on a regular basis. An independent third party evaluation of the Board, the Directors and the Board Committees was last undertaken in FY2018.

## 10. The Company Secretary

Ms Henrietta Rowe was the Group General Counsel and Company Secretary throughout FY2020. The role of Company Secretary is by Board appointment and is directly accountable to the Board, through the Chair, in relation to all matters relating to the proper functioning of the Board. All Directors have direct access to the Company Secretary.

The role of Company Secretary is set out in more detail in the Company's Board Charter.

Details of Ms Rowe's experience and qualifications are set out in the Board of Directors' section on page 12 of the Annual Report.

## 11. Senior Executives

The Board delegates the responsibility for the day-to-day management of the Company to the Managing Director, who is assisted by the senior executives who report to him.

The diagram below sets out details of the senior executives reporting directly to the Managing Director as at the date of this Corporate Governance Statement.



\*The role of Company Secretary is directly accountable to the Board, through the Chair.

\*\*In his role as Internal Auditor, the Group Chief Risk Officer has a direct reporting line through to the Audit Committee, through the Audit Committee Chair.

The Managing Director must consult with the Chairman or Deputy Chairman on any matters which the Managing Director considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board, regardless of value. The authorisation thresholds for the control of expenditure and capital commitments by the Managing Director and senior executives are established and defined in the Company's Statement of Delegated Authorities. This Statement was reviewed in FY2019 to optimise the function and decision making of the executive as the Company continues to grow and expand geographically, whilst maintaining appropriate oversight by the Board.

Subject to these policy limits and the directions of the Board or Audit Committee, the Managing Director may sub-delegate the day-to-day running of the Company to the senior executive team.

Appropriate background checks are carried out prior to the appointment of a new senior executive, as recommended under the 4th edition of the ASX Recommendations.

## 12. Performance of Senior Executives

The terms of employment of Mr McNally and each recently appointed senior executive are formalised in a written services agreement. For other senior executives that have been with the Company for a considerable period of time, the terms of their employment are not formalised in written services agreements. The Company considers that the unique working environment and culture developed over many years, principally founded on 'The Ramsay Way' and exemplified through the longevity and low turnover of the Company's executive team, is such that written agreements with those longstanding senior executives are unnecessary at this time.

However, to monitor senior executive performance each executive is set an individual scorecard containing a number of financial and non-financial key performance indicators (KPIs) that are to be achieved during the year. Details of the KPIs used for Mr McNally in FY2020 are set out in the FY2020 Remuneration Report on page 28 of our 2020 Annual Report.

The Managing Director's performance is formally assessed on an annual basis. The Managing Director's KPIs are reviewed and set annually by the Board on the basis of recommendations made by the People & Remuneration Committee at the commencement of the financial year. The People & Remuneration Committee carefully evaluates the Managing Director's performance against those KPIs and makes recommendations to the Board for final decision.

An annual assessment of the performance of all other senior executives is undertaken by the People & Remuneration Committee on the basis of recommendations by the Managing Director, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the Managing Director, was undertaken in the reporting period in accordance with the process disclosed above.

## 13. Diversity

The Company is proud of the considerable diversity that exists throughout the organisation's workforce. The Company strives to create a culture that embraces the differences of ideas, perspectives and experiences that diversity brings in recognition of the positive impact a diverse workforce has on the Company's overall performance.

During FY2020, the Board updated the Group Diversity and Inclusion Policy which is available on the Company's website under the Social tab. The Company also has in place very comprehensive and well-developed Workplace Diversity Guidelines for Employees, including diversity criteria in its Recruitment and Selection Guidelines.

In each of its geographical business units, the Company has in place a Flexible Work Practices Policy to promote balance of work and life responsibilities and interests, such as family and carer, study, community and cultural needs, with the aim of accommodating employees' needs for flexibility subject to meeting the operational needs of the business. This is exemplified by the fact that a significant number of the Company's employees are part time with child and/or elderly care and other responsibilities and desire to obtain effective work life balance in order to maintain and progress their careers.

The Company is proud of the strong representation of women throughout the organisation. In FY2020 women comprised over 80% of employees in each of the Company's operations in Australia, Europe, the United Kingdom and Asia. As at 30 June 2020, women occupied 27% of senior executive<sup>1</sup> positions and approximately 43% of the Group's senior management<sup>2</sup> positions.

These figures do not reflect the level of female management representation in our hospital facilities, which is generally high. For example, women represent 48% of hospital and facility CEOs and 75% of hospital and facility managers<sup>3</sup>.

Leadership programmes are designed to support and prepare employees for their first move into supervisory roles through their progression to senior management and executive positions. The diversity profile of applicants and successful candidates is assessed to ensure that such leadership programmes are broadly reflective of our workforce.

Since 2015, the Company has had at least two female Board members, and since Ms Penrose's appointment in March 2020, the Company has three female Board members, which accounts for 38% of Board members (43% of non-executive directors). The Board is conscious of the importance of female representation on the Board, particularly in light of the fact that women represent a substantial proportion of the Group's overall workforce, clinicians and patients.

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1. 'senior executive' positions are those reporting directly to Craig McNally, Managing Director and CEO.

2. 'senior management' positions are those positions reporting to (and including) Craig McNally, Managing Director and CEO, and each of their direct reports.

3. Excluding Nordics.

In order to facilitate greater gender diversity in leadership roles, the Diversity & Inclusion Policy provides that diversity and inclusion is a business imperative that assists to drive business results, enhance Ramsay's reputation and attract, recruit, engage and retain a diverse group of talented people. The Policy requires meaningful measurable objectives for achieving gender diversity to be set annually for achieving gender diversity in the composition of the Board, senior executives and workforce generally, as required under the 4th edition ASX Recommendations. Reporting on the progress against the measurable objectives to the People & Remuneration Committee and Nomination & Governance Committee occurs at least annually.

Updates on the Company's progress against its objectives during FY2020 and the measurable objectives set for FY2021 and adopted by the Board are set out in the table below.

Measurable Diversity Objective	Timeframe	Progress in FY2020	Relevance for FY2021
Expand our talent identification, Leadership Development and succession planning processes to ensure high potential females are encouraged to consider leadership and management roles and to prepare them to take on executive management roles.	Ongoing	25 executive leaders participated in the Executive Leadership programme during FY2020 with 40% being female.  Following our annual talent and succession planning session, an audit is completed to consider the diversity within our succession pools.	The Executive Leadership Programme and succession process will assist us to increase gender diversity at the most senior levels.
Align the internal mentoring programme (which aims to increase opportunities for female employees in management or professional positions to have access to senior managers as mentors) with identified forecasted shortages in key management positions.	Ongoing	The Company continued to offer tailored professional development opportunities to senior management including access to mentoring and executive coaching.	The mentoring programme will continue in FY2021 with a focus on identifying mentees in areas of forecasted shortages in senior management positions.
Aim to increase the percentage of women in executive and senior management positions subject to the identification of candidates with appropriate skills.	Ongoing	More than 43% of the Group's senior management positions <sup>4</sup> are currently held by women.	For FY2021, this objective will be replaced by the new measurable objective regarding gender diversity at the senior management level set out below.
Ensure online Discrimination, Bullying and Harassment training modules are completed by all senior managers.	Ongoing	New employees must complete the online Discrimination, Bullying and Harassment module as part of their induction programme. Further, the module is scheduled for completion by all managers bi-annually.	Compliance will again be monitored in FY2021 with a target of 100% compliance
Review of flexible and part-time work arrangements to endeavour to ensure that roles are appropriate to maintain career development.	Ongoing	Senior managers continue to support and encourage managers to consider requests for flexibility from employees wherever practicably possible. The number of flexible working arrangements continues to increase each year.  Flexible working options are supported by the Flexible Work Practices policies in all our markets.	Flexible work arrangements will continue to be supported and encouraged throughout FY2021.
Achieve gender diversity at the senior management <sup>4</sup> level with a target of 40:40:20, being 40% female, 40% male and 20% of either gender.	FY2025	The current mix of gender at the senior management level is 43% female and 57% male.	For FY2021 and beyond, the Company will continue to target a 40:40:20 senior management composition balance.
Achieve gender diversity in the composition of the Board with a target of 35:35:30, being 35% female, 35% male and 30% of either gender.	FY2025	The current mix of gender at the board composition level is 38% female and 62% male.	For FY2021 and beyond, the Company will continue to target a 35:35:30 board composition balance.

4. 'senior management' positions are those positions reporting to (and including) Craig McNally, Managing Director and CEO, and each of their direct reports

In relation to the Australian business, each year the Company reports gender equality indicators in accordance with the Workplace Gender Equality Act 2012 and these reports can be found in the Workforce section of the Ramsay Australia website at [www.ramsayhealth.com.au/Sustainability/Workforce](http://www.ramsayhealth.com.au/Sustainability/Workforce). Ramsay UK also publishes an annual Gender Pay Report in accordance with UK legislative requirements. The latest Report is available at [www.ramsayhealth.co.uk/legal-and-regulatory](http://www.ramsayhealth.co.uk/legal-and-regulatory)

### **Gender Pay Equality**

During FY2020, a gender pay equity audit was performed for the fixed and STI components of Hospital Executive Remuneration across Australia. The comparison demonstrated that there is no gender-based pay issues within the Hospital Executive roles of Ramsay Australia with respect to the fixed and STI remuneration components. Further, in relation to employees more broadly, the majority of Ramsay's employees are covered by Enterprise Bargaining Agreements, which are designed so that people are paid equally for the same role at the same level.

## **14. Ethical and Responsible Behaviour**

### **Code of Conduct and Whistleblower Policy**

The Company places the highest value on ethical and responsible behaviour and has established a Code of Conduct for all Directors, officers and employees as to:

- the practices necessary to maintain confidence in the Company's integrity;
- their legal obligations from time to time and the reasonable expectations of the shareholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Conduct, which is available in the Sustainability section of the Company's website ([www.ramsayhealth.com/Sustainability/Social](http://www.ramsayhealth.com/Sustainability/Social)), is the subject of periodic review to ensure that it covers all relevant issues and sets standards consistent with the Company's commitment to ethical and responsible behaviours.

Employees are encouraged to report any concerns regarding serious misbehaviour including theft, fraud, bribery, breach of policies, dishonesty, harassment, bullying, unlawful discrimination, unethical or negligent behaviour, workplace safety hazards and medical negligence through the Ramsay Whistleblower Programme. The Programme has been implemented in all Ramsay facilities in Australia and the UK and includes an independent hotline service operated by Deloitte to encourage anonymous disclosures by providing a mechanism by which employees may confidentially register complaints with an organisation independent of the Company and which will in turn refer complaints to senior managers of the Company for investigation. The Whistleblower Policy was amended in FY2018, with effect from 1 July 2019, to take into account the changes to the Australian laws relating to protected disclosures. The Global Risk Management Committee is responsible for oversight of the Whistleblower Policy.

In relation to France, Ramsay Santé has a Whistleblower Policy having regard to legislative requirements in France ('Loi Sapin 2'). In relation to the Company's Asian joint venture, Ramsay Sime Darby, a formal whistleblowing policy is also in place.

The Whistleblower Policy is available in the Social section of the Company's website ([www.ramsayhealth.com/Sustainability/Social](http://www.ramsayhealth.com/Sustainability/Social)).

Material incidents reported under the Whistleblower Policy, are reported to the Global Risk Management Committee.

### **Securities Trading Policy**

In line with ASX Listing Rule 12.9, the Company has in place a Securities Trading Policy. The Securities Trading Policy was last reviewed and updated during FY2017, with the updated Securities Trading Policy approved by the Board on 28 April 2017.

Under the Securities Trading Policy, all employees are prohibited from dealing (or causing or encouraging a third party to deal) in Company securities at any time while they are in possession of price-sensitive information and from dealing in securities of other listed companies where they obtain price sensitive information in relation to that other company in the course of their employment.

Under the Securities Trading Policy, the Company has adopted “trading blackouts” for “Restricted Employees” to trade. Under the “trading blackouts”, “Restricted Employees” (including Directors, officers and senior executives) and their families and trusts or companies over which they have influence or control are prohibited from trading directly or indirectly in Company securities during the following blackout periods:

- the period from the close of trading on the ASX on 30 June each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the full-year results;
- the period from the close of trading on the ASX on 31 December each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the half-year results; and
- any other period that the Board specifies from time to time.

The only exception to this prohibition is where the Restricted Employee has “exceptional circumstances” and has obtained written approval to deal in Company securities outside the windows in accordance with the process set out in the Securities Trading Policy.

Restricted Employees are permitted to trade at any time other than during the “trading blackout” periods set out above, subject to receiving clearance to deal in accordance with the process set out in the Securities Trading Policy.

A copy of the Company’s Securities Trading Policy is available in the Corporate Governance section of the Company’s website ([www.ramsayhealth.com/Investors/CorporateGovernance](http://www.ramsayhealth.com/Investors/CorporateGovernance)).

### **Global Anti-Bribery and Corruption Policy**

To supplement the prohibition on bribery, or acceptance by staff of gifts that are beyond general commercial practice or common courtesy under the Code of Conduct, the Company has in place a Global Anti-Bribery and Corruption Policy, which was last reviewed and updated during FY2019. The updates were made following changes to the *Criminal Code (Cth) 1995* and to provide greater clarity for users of the Policies. This Global Policy, which builds on and consolidates the Company’s previous anti-bribery and corruption policies, now applies to all of the Company’s related bodies corporate worldwide. The Policy also sets out the Company’s expectations of its third party suppliers and includes a requirement for the Company’s employees to take steps to satisfy themselves that the Company is dealing with suppliers that do not engage in bribery/corruption.

The Company has also adopted a Global Gifts & Hospitality Policy which was reviewed and updated during FY2019. This Policy supplements the Global Anti-Bribery & Corruption Policy’s guidance on accepting and offering Gifts and Hospitality by establishing:

- monetary thresholds for Gifts and Hospitality that, if exceeded, must be approved before a Gift or Hospitality may be accepted; and
- protocols in relation to the giving of Gifts and/or Hospitality by or on behalf of Ramsay.

The Board, through the Global Risk Management Committee, has primary responsibility for ensuring that both the Global Anti-Bribery and Corruption Policy and Global Gifts & Hospitality Policy are complied with. Material breaches of the Global Anti-Bribery & Corruption Policy are reported to the Global Risk Management Committee, as required under the 4th edition of the ASX Recommendations. The Global Risk Management Committee has further delegated responsibility to test compliance with our Global Anti Bribery & Corruption Policy to the Global Chief Risk Officer, who reports to the Global Risk Management Committee and the Audit Committee on a quarterly basis. The controls in ensuring compliance with all key Ramsay policies, including the Anti-Bribery and Corruption Policy, form part of the Internal Audit Plan that is monitored and approved by the Audit Committee.

### **Global Human Rights and Labour Policy (Modern Slavery Act Statement)**

The Board has adopted the Ramsay Human Rights & Labour Policy. The Policy, which applies to all of the Company’s businesses worldwide, sets out (among other things) the Company’s commitment to only engage workers who have capacity, are of legal age and have a free will and consent to work. This Global Policy which was updated during FY2019 also sets out the steps that must be taken by the Company’s business units to uphold this commitment.

Each year, the *Modern Slavery Act 2015 (UK)* requires the Company to prepare a Statement on the steps it has taken to mitigate the risk of slavery or human trafficking in its business or supply chain. The Company's FY2019 Modern Slavery Act Statement can be viewed via a link on the Company's homepage, [www.ramsayhealth.com](http://www.ramsayhealth.com), under the 'Sustainability' tab. The Company is mindful of the recently enacted *Modern Slavery Act 2018 (Cth)*. The Company will issue its first statement pursuant to the Australian legislation with respect to FY2020.

### **Other Policies**

The Company also has in place a Code of Conduct for Agents, Manufacturers and Suppliers with whom the Company does business, which has been distributed internally and progressively implemented as a term of key supplier contracts as those contracts are entered, reviewed or renewed.

Copies of the Company's [Whistleblower Policy](#), [Global Anti Bribery and Corruption Policy](#), [Human Rights & Labour Policy](#) and [Code of Conduct for Agents, Manufacturers and Suppliers](#) are available in the Sustainability section of the Company's website ([www.ramsayhealth.com/Sustainability/Social](http://www.ramsayhealth.com/Sustainability/Social)).

### **Sustainability**

As a global company employing over 77,000 staff and caring for over eight million patients each year, we recognise that we have an enormous responsibility to ensure we are maintaining the highest standards of quality, safety and sustainability. The Ramsay Way philosophy: "People Caring for People" is the foundation of how we operate and our people are central to this.

In FY2020 Ramsay Health Care undertook a global review of its sustainability strategy and has developed some key focus areas under the title of '*Ramsay Cares*' which aim to deliver stronger communities, healthier people and a greener planet. A Global Sustainability Committee was established to help develop and oversee the '*Ramsay Cares*' strategy and reports to the Global Risk Management Committee. The '*Ramsay Cares*' sustainability program focuses on three key pillars – Caring for our People, Caring for our Communities, and Caring for Our Planet. The outcomes will be reported annually in the Impact Report.

A Group Sustainability Officer was appointed to the business in FY2020. This newly appointed position will be responsible for driving the Ramsay Cares program, as well as internal and external reporting and communications including the Company's annual impact report, submission to investor surveys and employee sustainability engagement.

The Company has been included in the FTSE4Good Global Index every year since 2011. The FTSE4Good Global Index is a global index identifying companies that demonstrate strong environmental, social and governance practices (ESG), measured against globally recognised standards. Inclusion in the 2020 FTSE4Good Index demonstrates the Company's sustained commitment to global ESG standards. As of 2020, Ramsay received an MSCI ESG Rating of AA. Ramsay has achieved an "AA" rating since 2017.<sup>5</sup> Further details of the Company's sustainability indicators and annual Impact Report can be found on the Company's website ([www.ramsayhealth.com/Sustainability/Overview](http://www.ramsayhealth.com/Sustainability/Overview)).

### **Financial Reporting**

#### **Audit Committee**

The Audit Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Company's and the Group's financial reporting and the system of internal control. A key component of the Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its responsibilities in regard to financial reporting, the internal control environment and audit management across the Group.

The Audit Committee Charter, which was last reviewed and updated in FY2020 in light of the 4th edition of the ASX Recommendations, takes into account the roles and responsibilities of the Audit Committee, the Company's internal audit structure as well as contemporary governance practices. The Audit Committee Charter includes details on the appointment and oversight of the external auditor and the internal audit function.

Furthermore, the relevant experience and qualifications of the Audit Committee members are set out in the Board of Directors' section on page 10 of our 2020 Annual Report.

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5. The use by RHC of any MSCI ESG Research Llc or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation, or promotion of RHC by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

## Internal Audit

The Company has an Internal Audit function to assist in the management of the Company's risks. A risk-based internal audit plan is agreed with management and the Audit Committee on an annual basis and may include reviews in the areas of financial risk, operational risk, strategic risk and compliance with regulatory regimes, laws and standards. The results of these reviews are reported to the Audit Committee and Global Risk Management Committee by the Global Chief Risk Officer.

Mr Andrew Wearne was appointed Global Chief Risk Officer in FY2019 and continues to be responsible for Internal Audit. Mr Wearne is a senior executive with over 20 years' experience in ASX top 30 companies in Europe, Asia and the South Pacific regions.

## Assurance

Prior to the Board's approval of the Company's FY2020 financial statements and in accordance with s295A of the *Corporations Act 2001 (Cth)* and the ASX Recommendations, the Managing Director and the Group Chief Financial Officer provided a declaration to the Board that:

- in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

A similar declaration was provided by the Managing Director and the Group Chief Financial Officer prior to the Board's approval of the Company's HY2020 financial information.

The Company's external auditor, Ernst & Young, will again attend the Company's 2020 AGM and be available to answer shareholder questions concerning the audit of the Company's FY2020 financial statements.

## Tax

As part of the Company's commitment to transparency and being a responsible tax payer, the Company has voluntarily disclosed against the Australian Board of Taxation's Voluntary Tax Transparency Code. A copy of the Company's Australian Tax Governance Report, which includes the FY19 financial information, can be found on the Company's website

[www.ramsayhealth.com/-/media/Documents/RHC/Investor/documents/RHC-Australian-Tax-Governance-Report.pdf](http://www.ramsayhealth.com/-/media/Documents/RHC/Investor/documents/RHC-Australian-Tax-Governance-Report.pdf).

## 15. Risk Management

The Company has developed a governance structure for oversight of risk whereby material business risks can be identified at an operational level and managed and reported, ultimately to Board level, via the Global Risk Management and Audit Committees. The structure also allows for top-down management of risks identified at Board or Board Committee level. The Company's system of reporting encompasses both formal and informal channels.

The Board has ultimate responsibility for reviewing the Company's risk management framework at least annually and satisfying itself that the risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

### The Company's risk management framework

The Company has in place a Risk Management Framework which is consistent with the definition of an 'appropriate framework' in Standard AS/NZS ISO 31000:2009 *Principles and Guidelines for Risk Management*.

The Risk Management Framework:

- provides a Group-wide approach which outlines the structure and policies applicable to the proactive identification, assessment, management, reporting and oversight of risks, particularly material business risks;
- encompasses all areas of risk with the capacity to adversely affect the business of the Group, such as strategic, financial, patient safety, workplace health and safety, the operating environment and legal risks;
- emphasises a collaborative approach by all stakeholders to the identification of risks, the importance of clear communication of initiatives and strategies to manage identified risk and reinforcement of compliance with such initiatives as an integral part of corporate culture; and
- provides guidance on risk treatment and prioritisation.

Our material business risks, including economic sustainability risks, together with our approach to managing those risks, are outlined in the Operating and Financial Review section on page 18 of our 2020 Annual Report.

The Company does not consider that it has any material environmental or social sustainability risks (as those terms are defined in the ASX Recommendations).

The Global Risk Management Committee reviews the Risk Management Framework at least annually. Following its FY2020 review, the Global Risk Management Committee is satisfied that the Risk Management Framework continues to be sound.

### **Strategic and Operational Risks**

Strategic and operational risks are considered at least annually by all operating divisions as part of the annual strategic planning, forecasting and budgeting process. Each facility is responsible for the development and maintenance of a risk management plan identifying material risks, developing strategies for dealing with those risks and developing and testing controls.

### **Global Risk Management Committee**

The Global Risk Management Committee helps drive a positive culture towards risk management that promotes open disclosure and quality improvement in risk management activities.

The Global Risk Management Committee Charter was updated in FY2020 in light of the 4th edition of the ASX Recommendations. The Committee assists the Board with the oversight of:

- financial and non-financial risks across the Company and its subsidiaries;
- internal controls and systems; and
- processes for monitoring compliance with laws and regulations.

The Global Risk Management Committee Charter further articulates how the Committee will seek to meet the above objectives, including by:

- overseeing and advising the Board on high-level risk related matters;
- reviewing trends in the Group's risk profile and reporting to the Board on key risks;
- monitoring whether management is communicating the importance of internal control and management of risk throughout the organisation and therefore setting up an appropriate 'control culture'; reviewing any material incidents as a result of the breakdown of the Group's internal controls (e.g. fraud, patient and staff safety, cyber, etc.);
- reviewing the procedures the Group has in place to ensure compliance with laws and regulations; and
- evaluating the structure and adequacy of the Group's business continuity plans.

There are currently three (3) members of the Global Risk Management Committee each of whom is a Non-Executive Director.

The relevant experience and qualifications of the Director members is set out in the Board of Directors section on page 10 of our 2020 Annual Report.

### **Risk Sub-Committees**

The Board has an integrated risk management reporting framework that is befitting of a transnational organisation.

Risk management structures have been established in respect of each of the Company's Australian, Continental European, UK, Malaysian and Indonesian businesses. Risk management subcommittees have also been established in Ramsay Australia, Ramsay Santé and Ramsay UK. Risks relating to the Company's Asian joint-venture are reported to the board of Ramsay Sime Darby Health Care Sdn Bhd, as part of the joint venture arrangements with Sime Darby.

Each country/region reports to the Global Risk Management Committee in writing at least on a quarterly basis and in a consistent format. These reports cover the management of key risks and analysis of trends relating to (among other things) clinical governance, workplace health and safety and other material enterprise risks.

Further, within each country/region, sub-committees are established with specialised responsibilities: e.g., in Australia sub-committees have been established to oversee the management of risk in relation to clinical governance risk and workplace health and safety and culture risk. These sub-committees, which report to the relevant country/region body are an important part of the Company's risk management and governance strategy as they each oversee and report on their respective area of specialisation and responsibility.

## 16. Communication

### With the Market

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders are kept well-informed of all major developments affecting the Company's state of affairs.

The Company has a Disclosure & Communications Policy that was updated in FY2020 and is available on the Governance section of the Company's website ([www.ramsayhealth.com/Sustainability/Governance](http://www.ramsayhealth.com/Sustainability/Governance)). This Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of senior executives for achieving compliance. More specifically, the Policy:

- explains the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act;
- establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of such information by the Company Secretary, the Disclosure Committee and (where necessary) the Board;
- establishes internal processes for briefing of analysts, investor and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market;
- delegates to the Disclosure Committee and Company Secretary the authority to release information or make disclosures to the ASX and responsibility for decisions regarding price sensitive information, coordinating disclosures, establishing and monitoring procedures under this Policy and making recommendations to the Board on any necessary updates to the Policy; and
- requires the Company Secretary to circulate copies of material market announcements to the Board promptly after they have been released on the market announcements platform (which is now a recommendation in the 4th Edition of the ASX Recommendations).

### With Shareholders

The Company is always mindful of the importance of communicating effectively with its shareholders including by allowing shareholders access to information about the Company and its governance on its website.

The Company's Disclosure & Communications Policy has been adopted by the Board in relation to the provision of information to shareholders, the media and the wider community.

The Company's investor relations programme comprises the following mechanisms, which together facilitate two-way communications with shareholders and ensure that shareholders are kept fully informed and able to participate effectively at general meetings:

- financial reports, market reports and ASX releases are posted on the Investor Centre on the Company's website;
- relevant documents relating to the Company's governance arrangements are made available in the Corporate Governance and Social sections of the Company's website;
- the Investor Centre of the Company's website also contains a link to the Company's Share Registry, recent and historical information on dividends and a calendar of key dates for the Company's results announcements, dividend payments and Annual General Meeting; shareholders may make inquiries of the share registry manager by telephone or post. All security holder and investor queries must be dealt with courteously and in a timely way; shareholders may sign up for email alerts via the share registry manager and receive correspondence (by email or post) from the Chairman for significant events and notices of general meetings; participation by shareholders at the AGM is actively encouraged. For example, shareholders are encouraged to submit questions to the Company's auditor prior to the AGM, with those questions answered at the AGM. In addition, all resolutions in the Notice of Meeting are decided on a poll (which is now a recommendation in the 4th edition of the ASX Recommendations).

## 17. Remuneration

The Board has established a People & Remuneration Committee which, in accordance with the People & Remuneration Committee Charter, is responsible for:

- reviewing and recommending to the Board employment and remuneration arrangements for the Managing Director & Chief Executive Officer and, on recommendation of the CEO, the Group Chief Financial Officer, including contract terms, annual remuneration and participation in the Group's incentive plans;
- conducting reviews of, and monitoring, the implementation of, the Group's remuneration framework to confirm it:
  - encourages and sustains a culture aligned with the Group's values;
  - supports the Group's strategic objectives and long-term financial soundness; and
  - is aligned with the Group's risk management framework and risk appetite;
- reviewing major changes in relation to the Group's equity based employee incentive plans;
- approving major changes and developments in the remuneration policies, superannuation arrangements and personnel practices for the Group;
- reviewing remuneration by gender and strategies or changes required to address any pay gap identified;
- effectiveness of the Group's policies and practices in relation to the attraction, motivation and retention of employees; and
- reviewing and recommending to the Board the remuneration arrangements for the Chairman and non-executive Directors.

The People & Remuneration Committee Charter was updated during FY2020. The changes to the charter reflected the 4th edition ASX Recommendations.

The Company distinguishes the structure of Non-Executive Directors' remuneration from that of executive Directors and senior executives.

The Company's policy is to reward executives with a combination of fixed, performance-based and equity-based incentives. To drive improvements in shareholder value, a significant proportion of remuneration for the CEO and senior executives is 'at risk' based on delivery of returns to shareholders. Conversely, to preserve independence and impartiality, no element of Non-Executive Director remuneration is 'at risk' (i.e. it is not based on the performance of the Company).

Non-Executive Directors receive Board and Committee fees that are set having regard to the responsibilities and risks of the role and market competitiveness. To create alignment between the interests of Non-Executive Directors and shareholders, Non-Executive Directors are encouraged to hold shares in the Company. Many of the Non-Executive Directors have acquired shares in the Company and hold them in their own right. The Board implemented a Minimum Shareholding Policy that took effect on 1 July 2019. This Policy requires Non-Executive Directors to hold shares equal in value to their annual base salary within 5 years.

Further, following shareholder approval at the 2018 AGM, the Company continued the Non-Executive Director Share Rights Plan under which Non-Executive Directors are granted share rights that convert into ordinary shares as part of their annual board fees. However, one of the concerns raised by shareholders in 2019 was the perceived high level of Non-Executive Director fees relative to the market. The Company recognises that there is an opportunity to re-align Non-Executive Director fees to broader market practice. As a result, this year the Board has determined to reduce Non-Executive Director remuneration by 20% and accordingly, it will no longer be making the NED Rights Plan award equal to 20% of the relevant Non-Executive Director's base fees (excluding committee fees and superannuation). However, the Company is still providing Non-Executive Directors the opportunity to salary sacrifice a portion of their annual remuneration to be granted as share rights if they choose to do so. Structuring Non-Executive Director remuneration in this way has supported Non-Executive Directors in building their shareholdings in the Company and continues to enhance the alignment of interests between Non-Executive Directors and shareholders generally.

Further details about the Non-Executive Director's Share Rights Plan are contained in the FY2020 Remuneration Report.

The Company's Securities Trading Policy prohibits hedging arrangements, dealing in derivatives or any other arrangements that vary the economic risk related to the Company's securities. This includes hedging or arrangements that have the effect of limiting the economic risk in connection with unvested securities issued under an employee or Director option or share plan.

For details of the Company's remuneration structure, please refer to the Remuneration Report.

This Statement has been approved by the Board and is current as at 25 August 2020.

