

Corporate Governance Statement 2022

Ramsay Health Care Limited
ACN 001 288 768



Ramsay
Health Care

1. Corporate Governance

This Corporate Governance Statement describes Ramsay Health Care Limited's (**Ramsay** or the **Company**) corporate governance framework and its governance practices for the financial year ended 30 June 2022 (the **Reporting Period** or **FY22**). These arrangements are consistent with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**), unless otherwise indicated below.

Further information about Ramsay's corporate governance framework and practices can be accessed on our website under the Governance, Social, Environment and Sustainability Reports tabs (<https://www.ramsayhealth.com/>), which include links to each of the documents referenced in this Corporate Governance Statement.

This Statement is current as at 23 August 2022 and has been approved by the Board.

We are 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 Ramsay as a good corporate citizen.

The Ramsay Way values

- We are caring, progressive, enjoy our work & use a positive spirit to get things done.
- We take pride in our work & actively seek new ways of doing things better.
- We value integrity, credibility & respect for the individual.
- We build constructive relationships to achieve positive outcomes for all.
- We believe that success comes through recognising the value of people & encouraging that value through personal development.
- We aim to grow our business while maintaining sustainable levels of profitability, providing a basis for shareholder loyalty.

Our governance framework is designed to ensure that we are effectively managed, that legal and regulatory obligations are met and that the culture of personal and corporate integrity – *the Ramsay Way* – is reinforced.

The Ramsay Way Philosophy: “People Caring for People”

We remain committed to maintaining these principles across all aspects of our business, honouring the architect of *The Ramsay Way*, the late Mr Paul Ramsay AO.



Our values can be found on our website at www.ramsayhealth.com/About-Us/Values

Ethical and responsible behaviour – aspects of the *Ramsay Way*

Code of Conduct

Our Code of Conduct is a statement on the shared values of our organisation and how we conduct ourselves and our business. The Code sets out our expectations of how we should behave towards everybody and everything we come into contact with, in our capacity as a representative of Ramsay. It is the responsibility of each and every person to set the highest standards for themselves, to monitor their own behaviour, and to notify the appropriate person if the conduct of others is not aligned with the Code. The Risk Management Committee (**RMC**) is informed of any material breaches of the Code of Conduct.

respect for others	professionalism & diligence	health & safety
ethics and integrity	Principles of the Code	commitment to child safety
compliance with the law	sustainability, society & the environment	communication & transparency



View the Code on the Social section of our website www.ramsayhealth.com/Sustainability/Social

Global Anti-Bribery and Corruption Policy

Rejecting bribery and corrupt behaviour benefits the Ramsay business as a whole by protecting Ramsay’s reputation and maintaining the confidence of people and organisations with whom it conducts business. The objective of our Global Anti-Bribery and Corruption Policy is to make available information to Ramsay employees and associates regarding our legal responsibilities and position on bribery and corruption, and to establish procedures and protocols designed to assist compliance with the Policy.

The RMC is informed of any material breaches of the Global Anti-Bribery & Corruption Policy.



View this Policy the Social section of our website www.ramsayhealth.com/Sustainability/Social

Whistleblower Policy

The Board and management encourage the reporting of any behaviour, conduct or affairs that are inconsistent with Ramsay’s expected standards of conduct and behaviour. The purpose of the Whistleblower Policy is to promote a workplace environment in which everyone feels safe, supported and encouraged to report improper conduct, explain how to make a report and outline the protections available for those who make a report.

The RMC is informed of any material incidences reported under the Whistleblower Policy.



View this Policy on the Social section of our website www.ramsayhealth.com/Sustainability/Social

Securities Trading Policy

The Securities Trading Policy seeks to ensure that public confidence is maintained in the reputation of Ramsay and its related bodies corporate, our directors and employees in the trading of Ramsay securities, explains our policy and procedures for buying and selling securities and recognises that some types of dealing in securities are prohibited by law.



View this Policy on the Governance section of our website www.ramsayhealth.com/Sustainability/Governance

Human rights and modern slavery reporting

Our Human Rights & Labour Policy applies to all of Ramsay's businesses worldwide and sets out (among other things) our commitment to operate in accordance with all key universal human and labour rights across our regions globally. This Global Policy sets out the steps that must be taken by our regional businesses to uphold this commitment. Ramsay releases a modern slavery statement annually, which addresses both the reporting requirements under the UK *Modern Slavery Act 2015* (UK) and the Australian *Modern Slavery Act 2018* (Cth).

Ramsay has also adopted a supplier sustainability assessment approach and has developed a global responsible sourcing framework.



View this Policy on the Social section of our website www.ramsayhealth.com/Sustainability/Social

Global Sustainability Policy

As a global group, employing over 88,000 people and caring for over eleven million patients each year, we recognise our responsibility to maintain 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.

The Global Sustainability Policy outlines our commitment to be a sustainable and responsible business. The objective of the Policy is to improve or maintain social and environmental value drivers that can impact our long-term value creation and reputation. This is articulated through our 'Ramsay Cares' Strategy which aims to deliver stronger communities, healthier people and a thriving planet across three sustainability pillars and is set out below.



Caring for our people

Ramsay Health Care recognises people are at the heart of our business from our people, our doctors and partners, our patients and the community. We are committed to ensuring the legacy of 'people caring for people' remains at the centre of everything we do. In line with The Ramsay Way, we are focused on fostering a caring and inclusive culture, a high level of engagement, and support on key areas such as high-quality patient outcomes and experience, development and training, safety, wellbeing and importantly mental health.



Caring for our planet

Ramsay Health Care recognises that conserving and protecting the environment for future generations is a critical issue. We are committed to working toward the delivery of environmentally sustainable outcomes and achieving continual improvement in performance. We are focused on the key challenges of climate change, reducing greenhouse gas emissions, reducing energy and water use, reducing resource use such as single-use plastics where it is safe to do so, increasing recycling and promoting sustainable development and procurement outcomes.



Caring for our communities

Ramsay Health Care recognises that we have an important role to play in the local communities we serve and society at large. Our focus on health care provides us the opportunity to commit significant resources to medical research, clinical teaching and training. We are focused on a global approach towards health care prevention and supporting local communities.



View this Policy on the Environment section of our website www.ramsayhealth.com/Sustainability/Environment

Ramsay Health Care's Impact Report

Ramsay publishes an Impact Report annually, which contains information about the way we operate. This report covers our material sustainability issues that could influence the value Ramsay creates for our stakeholders over the short, medium and long-term.

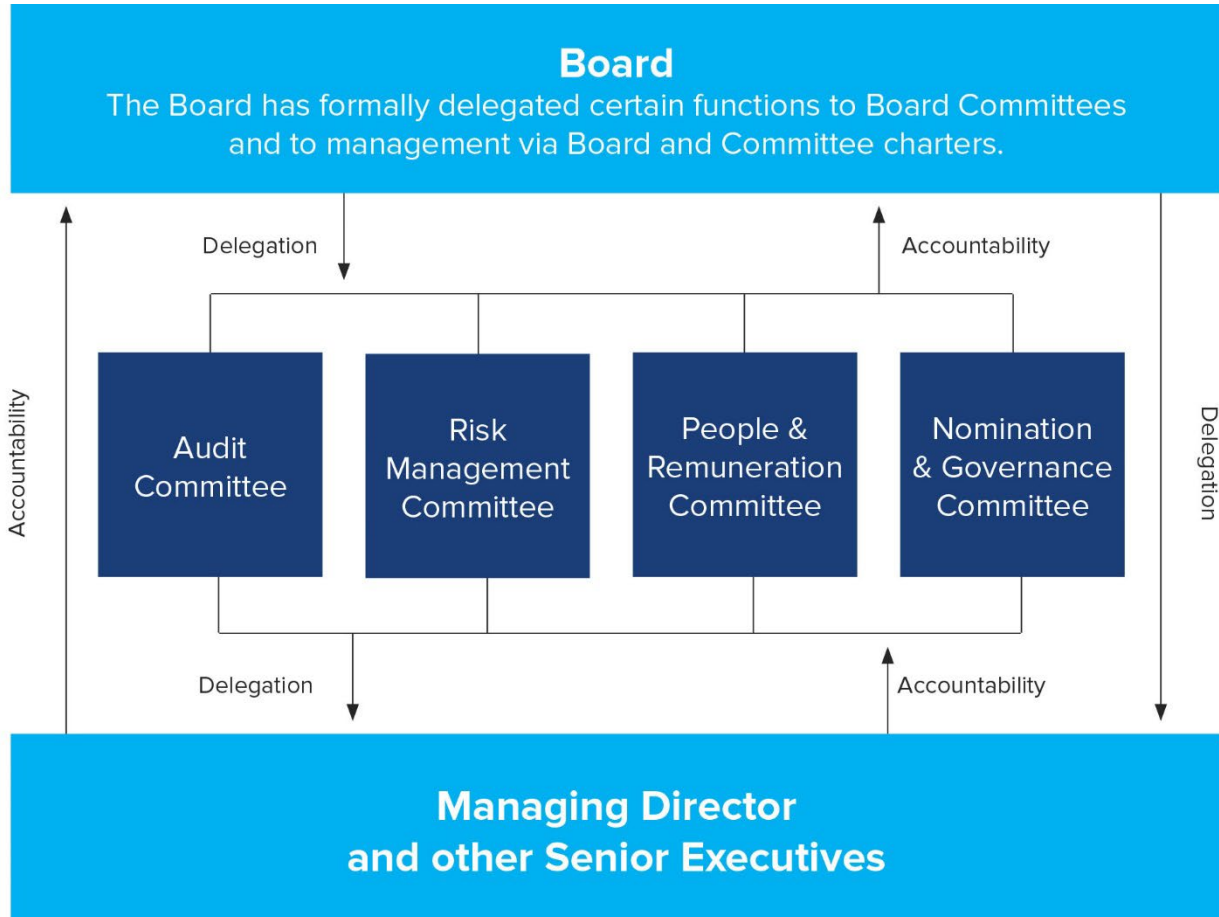
The Impact Report provides an overview of the performance of our operations in Australia, Continental Europe and the United Kingdom and our joint venture in Asia. The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and is informed by the Sustainability Accounting Standards Board (SASB) health care sector guidance.



View the Impact Report on the Sustainability Reports section of our website www.ramsayhealth.com/Sustainability/Sustainability-Reports









Our governance framework

Ramsay and its Board of directors are 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. Our governance framework is set out below and is designed to promote and foster accountability, both of the Board and senior executives, to the Company and its shareholders.



2. Our Board of Directors

Ramsay's current Board of directors is set out below. Details of the background, particular qualifications, expertise are set out in the Board of directors' section on pages 39-41 of the Annual Report.

	Name	Date of appointment	Status
	Michael Siddle Chairman	Appointed Chairman on 27 May 2014 (appointed as a director 26 May 1975)	Non-independent
	Craig McNally CEO & Managing Director	3 July 2017	Non-independent (executive)
	Alison Deans Non-Executive director	15 November 2018	Independent
	James McMurdo Non-Executive director	10 September 2019	Independent
	Karen Penrose Non-Executive director	1 March 2020	Independent
	Steven Sargent Non-Executive Director	25 November 2021	Independent
	Claudia Süssmuth Dyckerhoff Non-Executive director	30 October 2018	Independent
	David Thodey AO Non-Executive director	28 November 2017 (appointed lead independent director 1 March 2020)	Independent

The role of the board

The Board has adopted a Board Charter which includes an overview of Board composition and process, and the relationship and interaction between the Board, Board Committees and management. While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO, as directed by the Board.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance contributes to the performance of the Group, creates shareholder value and engenders the confidence of the investment market.

Company Secretary



Ms Henrietta Rowe was the Group General Counsel and Company Secretary throughout the Reporting Period.

Ms Rowe was appointed Group General Counsel & Company Secretary on 25 June 2019 and is responsible for the Group legal, governance and secretariat functions.

Ms Rowe has more than 15 years' experience with leading global law firm, Herbert Smith Freehills, and in-house at the Commonwealth Bank of Australia, specialising in mergers and acquisitions, capital management and corporate governance. She also holds a Bachelor of Economics (Social Sciences) (Honours) and a Bachelor of Laws (Honours) from the University of Sydney, is a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors Law Committee.

The Company Secretary is appointed by the Board 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




View the Charter on the Governance section of our website www.ramsayhealth.com/Sustainability/Governance










Board composition and skills matrix




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, Board succession plans and the succession of the Chairman. The Nomination and Governance Committee has 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.

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

The following table sets out the various skills/experience that comprise our Board Skills Matrix by describing each relevant skill/experience and the number of directors that have at least a solid amount of experience in respect of that skill or experience (noting that there are currently eight directors in total, including the CEO).

Skills and experience	Explanation	Number of directors with skill or experience							
Sectors/Activities									
Health Care 	Operational or technical experience in the health care industry and international health systems.	1	2	3	4	5	6	7	8

Skills and experience	Explanation	Number of directors with skill or experience								
Global experience 	Ability to manage and oversee an organisation's business and strategic objectives from an international perspective.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Specific Skills and Experience										
Strategy 	Ability to identify and critically assess strategic opportunities and threats and to develop and implement successful strategies.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Public Policy and Regulatory Affairs 	Ability to influence public policy development and manage the implications of public and regulatory policy.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Capital management and Finance 	Ability to assess financial performance, analyse financial statements and implement effective internal financial and risk controls.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Technology and disruption 	Ability to leverage technological developments to support growth and drive competitive advantage, including responding to digital disruption.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
People and Culture 	Ability to set & communicate corporate culture, motivate key talent, oversee management and evaluate the suitability of CEOs and other key executives.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Workplace Health and Safety 	Ability to oversee the proactive management of workplace health and safety practices.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Consumer Focus 	Ability to oversee a strong consumer-focused culture committed to achieving consumer outcomes.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Operational Experience in Major Business 	Ability to manage and oversee business operations and deliver sustained business success.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			

Skills and experience	Explanation	Number of directors with skill or experience								
Governance 	Ability to assess governance, environmental and social issues and the effectiveness of organisational policies and procedures.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Risk Management 	Ability to identify and manage key risks, including regulatory, financial and non-financial risks, to an organisation.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			
Mergers & Acquisitions 	Ability to assess strategic M&A opportunities and oversee execution/completion.	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td> </tr> </table>	1	2	3	4	5	6	7	8
1	2	3	4	5	6	7	8			

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.

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 Recommendations. The Board only considers a Director to be independent where he or she is free of any interest, position, or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Group as a whole rather than in the interests of an individual shareholder or other party.

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 PRF. Mr Siddle is also a director of the subsidiaries and related entities of PRH.

During FY22, the Board undertook the annual review of each director's independence. Given Mr Siddle's role as a director of PRF and PRH and given his tenure on the Board, the Board determined that Mr Siddle is not considered an independent director under the Recommendations. Notwithstanding this decision, the Board considers that Mr Siddle adds significant value to the Board's deliberations given his considerable industry experience and expertise, as well as the corporate knowledge he brings to Board deliberations.

In the case of Mr David Thodey AO, Dr Claudia Süssmuth Dyckerhoff, Ms Alison Deans, Mr James McMurdo, Ms Karen Penrose, and Mr Steven Sargent, 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.

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

Mr Peter Evans, who was a director of the Company from December 1990 until the close of the 2021 AGM, was not considered an independent director given his role as a director of PRF and PRH, and subsidiaries and related entities of PRH and his tenure on the Board.

As a result of this determination, the Board comprised a majority of independent Non-Executive directors throughout the Reporting Period. The Board of the Company is not chaired by an independent Chairman and the RMC was not chaired by an independent director for the whole of the Reporting Period (until Mr Evan's retirement from the board on 24 November 2021), as is recommended under the 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.

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.

Lead independent director

To enhance the independent functioning of the Board, in FY20 the Board resolved to appoint Mr David Thodey AO as Lead Independent director. 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.

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.

Appointment, induction and training

The Company has written agreements with each of its Non-Executive directors setting out the terms of their appointment.

The Nomination and 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. 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 and Governance Committee is also responsible for implementing an effective induction process for new directors and reviewing its effectiveness. New directors are required to attend and complete a structured director induction program, which includes site visits to Ramsay'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. The Nomination and Governance Committee reviews processes that are in place to support director induction and ongoing education.

Performance reviews and evaluation

The Board undertakes a review of the performance and effectiveness of the Board, its committees and individual directors. Periodically, and in accordance with good governance practices, the Board engages an external consultant to undertake independent evaluations of the Board, the directors and the Board Committees with the objective of assessing risk and looking to areas in which the Board could strengthen and enhance its performance.

During FY22, the Board undertook an assessment of the performance of the Board, the directors and the Board Committees with the assistance of an independent external consultant. 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.

Board committees

The Board has established four committees and has delegated to each committee duties to assist the Board in exercising its responsibilities and discharging its duties.

Each committee has a separate charter that sets out the roles and responsibilities of that committee, as well as the membership and any other requirements for the running of the committee. Each committee will regularly report to the Board on all matters relevant to the Committee's roles and responsibilities.



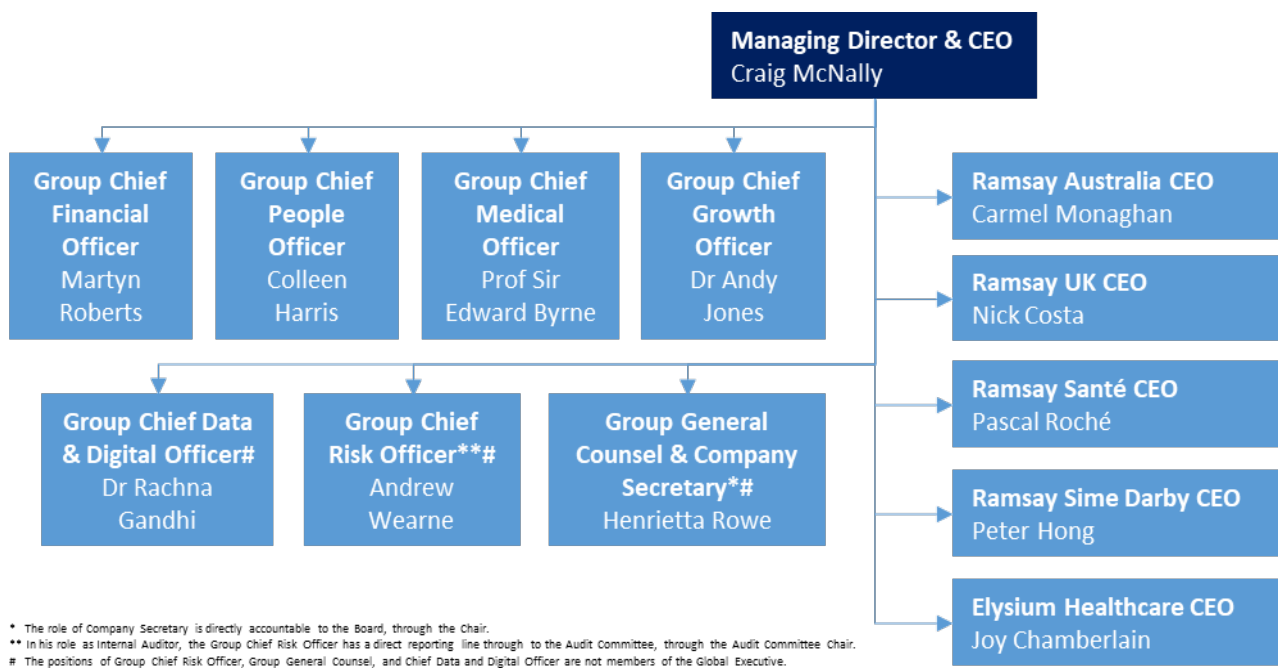
View the Charters on the Governance section of our website www.ramsayhealth.com/Sustainability/Governance

The members of each committee are set out below.

Board Committee	Composition requirements	Membership for period 1 July 2021 – 30 June 2022
Audit Committee	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 is not the chair of the Board.	<p>Karen Penrose (Chair)</p> <p>David Thodey AO (appointed 24 November 2021)</p> <p>James McMurdo</p> <p><i>Peter Evans was a member of the Audit Committee until 24 November 2021.</i></p>
Risk Management Committee	Comprised of at least three members, a majority of whom are independent Directors.	<p>Karen Penrose (Chair)*</p> <p>Claudia Süssmuth Dyckerhoff</p> <p>Steven Sargent (appointed 22 February 2022)*</p> <p><i>*Karen Penrose was a member of the RMC for the full Reporting Period and Chair from 24 November 2021 to 23 August 2022. Steven Sargent assumed the role of Chair on 24 August 2022.</i></p> <p><i>Peter Evans was Chair of the RMC until 24 November 2021.</i></p> <p><i>David Thodey was a member of the RMC from 24 November 2021 until 22 February 2022.</i></p>
People and Remuneration Committee	Comprised of at least three members, a majority of whom are independent Directors. Chaired by an independent Director.	<p>Alison Deans (Chair)</p> <p>Michael Siddle</p> <p>David Thodey AO</p>
Nomination and Governance Committee	Comprised of at least three members, a majority of whom are independent Directors. Chaired by an independent Director.	<p>David Thodey AO (Chair)</p> <p>Michael Siddle</p> <p>Alison Deans</p>

The number of scheduled Board and committee meetings held during FY22 and the number of meetings attended by each of the directors in office during this period is set out on page 42 of the Annual Report.

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

Appointment

Appropriate background checks are conducted before a senior executive is appointed.

The terms of employment of Mr McNally and all senior executives are formalised in a written services agreement. Further details regarding the terms of employment of Mr McNally and the Group Chief Financial Officer are set out in the Remuneration Report on pages 43 to 64 of the Company's Annual Report.

Performance reviews and evaluation

To monitor senior executive performance each executive is sent 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 FY22 are set out in the FY22 Remuneration Report on page 53 of our 2022 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 and 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 and 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.

5. Communication

Communication with shareholders and the market

Ramsay is committed to effective communication with its customers, shareholders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community.

The Board has adopted a Disclosure & Communications Policy which sets out procedures designed to ensure compliance with ASX Listing Rule and Corporations Act disclosure requirements. The Policy also sets out the role of the Disclosure Committee, which is comprised of the Managing Director and CEO, the Group CFO, the Group General Counsel and Company Secretary and the Group Head of Investor Relations, and, where possible in the circumstances, the Chairman. The Disclosure Committee is responsible for (among other things) determining whether matters within management's authority should be disclosed publicly under the Policy and for assisting employees in understanding what information may require disclosure to the market on the basis that it is price sensitive. Certain disclosure decisions (for example, relating to matters of fundamental significance to the Company) are the responsibility of the Board. The Policy also covers the provision of information to shareholders, the media and the wider community.



View this Policy on the Governance section of our website www.ramsayhealth.com/Sustainability/Governance

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, recordings of webcasts with senior executives and ASX releases are posted on the Investor Centre on our website;
- relevant documents relating to our governance arrangements are made available in the Governance and Social sections of our website;
- the Investor Centre of our website also contains a link to our 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 (AGM);
- shareholders may make inquiries of the share registry manager by telephone, email or post. All security holder and investor queries must be dealt with courteously and in a timely way;
- shareholders have the option to receive communications from, and send communications to, Ramsay and its share registry electronically. Contact details and the process for opting to receive shareholder communications (including annual reports and notices of general meetings) electronically are clearly set out on our website;
- participation by shareholders at the AGM is actively encouraged. For example, shareholders are encouraged to submit questions 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.

If a new and substantive presentation is to be given to investors or analysts at an open briefing, a copy of the presentation materials will be released to the ASX ahead of the presentation. Access to live webcasts of management briefings are available to all shareholders and a recording of the webcast will be posted on the Investor Centre of the Company's website following the briefing.

Verification of unaudited reports

The Audit Committee assists the Board to discharge its responsibilities on matters relating to the external reporting of financial information for the Group and is responsible for reviewing Ramsay's corporate and financial reporting and disclosure processes. This includes reviewing the process to verify the integrity of any periodic corporate report that we release to the market that is not audited or reviewed by the external auditor.

For periodic corporate reports released to the market which are not required to be audited or reviewed by our external auditor, Ramsay has a process in place to ensure the report is materially accurate and balanced in order to provide investors with appropriate information to make informed investment decisions. The process for each periodic report will vary depending on the nature of the particular report, but generally involve **confirmation** by the individuals responsible for the information that, to the best of their knowledge and belief, the information is accurate

and not misleading; **review** of the report or document by the relevant internal subject matter expert(s), and in some case external advisers; and **approval** by the individual responsible for the corporate report and confirmation that it is appropriate for release.

6. Risk management

Risk management framework

The Board has established the RMC to assist 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 Board, supported by the RMC, has responsibility for reviewing the 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, supported by the RMC. This review took place in FY22.

The Annual Report contains information about Ramsay's material business risks, including Ramsay's exposure to environmental or social risks – see pages 14 to 16. The Board and management understand the importance of meeting stakeholder expectations on social and environmental concerns and being resilient to be able to respond to a changing climate and transition to a low carbon economy. The Ramsay Health Care Impact Report also outlines the material sustainability issues, our management approach and performance of our operations on environmental and social areas. As part of its commitment to sustainability, Ramsay commenced aligning its reporting with the recommendations of the Task force on Climate related Financial Disclosure (TCFD) in its FY21 corporate reporting suite and continued to do so in FY22. Also in FY22, Ramsay announced that it has committed to both near-term and long-term science-based decarbonisation targets to achieve net zero greenhouse gas emissions consistent with a 1.5-degree pathway.

Internal audit

Group Internal Audit is the Company's 3rd line assurance function that provides the Board and senior executives with an independent and objective evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal controls. The Group Chief Risk Officer is responsible for Internal Audit and has a direct reporting line through to the Audit Committee through the Audit Committee Chair.

The Audit Committee is responsible for reviewing the scope and adequacy of the Group's Internal Audit program and approves the Internal Audit plan and budget annually. The Internal Audit plan is considered over a three-year rolling period and is continually reviewed to ensure alignment with the Group's key risks and strategy.

In addition, each of the Group's regions has its own Internal Audit plan, which is presented to the respective regional board/executive committee with relevant issues reported to the Audit Committee and/or RMC as part of the Group's quarterly risk reporting.

Assurance

Prior to the Board's approval of the Company's FY22 financial statements and in accordance with s295A of the *Corporations Act 2001* (Cth) and the 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 HY22 financial information. The Company's external auditor, Ernst & Young, will again attend the Company's 2022 AGM and be available to answer shareholder questions concerning the audit of the Company's FY22 financial statements.

7 Remuneration

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 supports alignment with the Company's shareholders and requires the members of the Global Executive and Non-Executive Directors to obtain and hold Ramsay Health Care shares in line with the detail below.

Position	Further detail	Timeframe to Acquire
MD & CEO	<ul style="list-style-type: none">200% of FAR	<ul style="list-style-type: none">5 years from time of appointment (or implementation of policy for individuals in role at 1 July 2019)
Global Executive	<ul style="list-style-type: none">100% of FAR	
Non-Executive Directors	<ul style="list-style-type: none">100% of base annual fees	

The Company provides 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 our remuneration practices and policies are set out in Ramsay's Remuneration Report on page 43 to 64 of the Annual Report.

The 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.

8 Diversity and inclusion

Diversity and Inclusion Policy

We are proud of the considerable diversity that exists throughout the organisation's workforce. We strive 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 Ramsay's overall performance.

"The Ramsay Way" culture recognises that people – staff and doctors – are Ramsay Health Care's most important asset and this has been key to our ongoing success. As part of 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 Board has adopted a Diversity and Inclusion Policy which sets out Ramsay's expectations in relation to diversity and inclusion and applies to all Ramsay personnel globally. The 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 to be set annually for achieving gender diversity in the composition of the Board, senior executives and workforce generally, as required under the Recommendations. Reporting on the progress against the measurable objectives to the People & Remuneration Committee and Board occurs at least annually. Our measurable objectives for FY22 are set out below.



View this Policy on the Social section of our website www.ramsayhealth.com/Sustainability/Social

We also have in place comprehensive and well-developed Workplace Diversity Guidelines for employees, including diversity criteria in recruitment and selection guidelines.

In each of our geographical business units, we have 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 our 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.

Female representation at Ramsay

We are proud of the strong representation of women throughout the organisation. In FY22 women comprised around 80% of employees in each of the Company's operations in Australia, Europe, the United Kingdom and Asia. As at 30 June 2022, women occupied 42% of senior executive¹ positions and approximately 46% of the Group's senior management² positions.

These figures do not reflect the level of female management representation in our hospital facilities, which is generally high. For example, women represent approximately 57% of hospital and facility CEOs and over 69% of hospital, facility and corporate managers³.

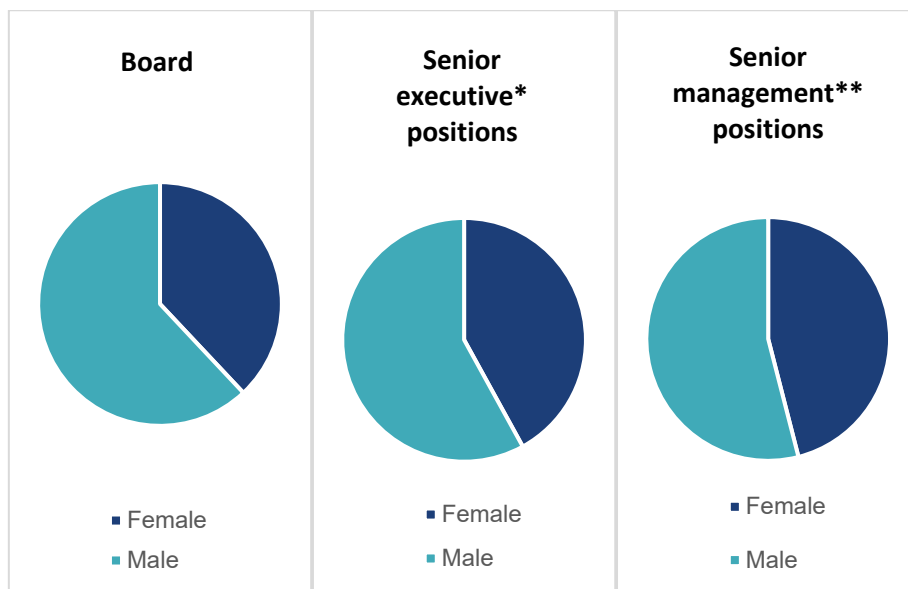
Leadership programs are designed to support and prepare employees for their first move into supervisory roles through their progression to senior management and executive positions. The diversity profile of applicants and successful candidates is assessed to ensure that such leadership programs are broadly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

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.

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.



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

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

Measurable objectives

The Diversity and Inclusion Policy requires meaningful measurable objectives for achieving gender diversity to be set annually in the composition of the Board, senior executives and workforce generally.

The Board, supported by the People and Remuneration Committee, is responsible for approving these measurable objectives and assessing our progress in achieving those objectives.

Updates on the Company's progress against its objectives during FY22 are set out in the table below.

Measurable objective for FY22	Progress in FY22
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.	48 executive leaders participated in the Executive Leadership programme during FY2022 with 54% being female. Following our annual talent and succession planning session, an audit is completed to consider the diversity within our succession pools.
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.	The Company continued to offer tailored professional development opportunities to senior management including access to mentoring and executive coaching.
Aim to increase the percentage of women in executive and senior management ⁴ positions subject to the identification of candidates with appropriate skills.	46% of the Group's senior management positions are currently held by women.
Ensure online Discrimination, Bullying and Harassment training modules are completed by all senior managers	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.

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

Measurable objective for FY22	Progress in FY22
Review of flexible and part-time work arrangements to endeavour to ensure that roles are appropriate to maintain career development.	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 national Flexible Work Practices policies in all our markets.
Achieve a gender balance at the Board level so that the Board is comprised of 40 per cent female, 40 percent male and 20 percent of either gender.	As at the end of FY2022 the Company's female Board members account for 38% of all Board members and 43% of Non-Executive Directors.

FY23 measurable objectives

For FY23, the Board has approved the following measurable objectives, which reflect our ongoing focus on increasing gender diversity at the most senior levels.

- Achieve gender balance at the Board level so that the board is comprised of 40 per cent female, 40 per cent male and 20 per cent of either gender.
- Achieve gender balance at the senior executive⁵ level (in accordance with the 40:40:20 principle).
- Maintain gender balance in senior management⁶ roles.

Ramsay is committed to an inclusive culture, and to providing career development, professional training and experience that supports the career and progression of all of our people. In particular, our Executive Leadership Programme and internal mentoring programme will continue to support diversity in our succession pools and progress against our objectives.

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 Social section of the Ramsay Australia website at www.ramsayhealth.com.au/Sustainability/Social. 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

⁵ 'senior executive' positions are those reporting directly to Craig McNally, Managing Director and CEO.

⁶ 'senior management' positions are those positions reporting to (and including) Craig McNally, Managing Director and CEO, and each of their direct reports

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