

# Board Charter

Approved by the Board of  
Ramsay Health Care Limited  
on 22 February 2022.

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**Ramsay**  
Health Care

# Board Charter

## INTRODUCTION

The Board of Ramsay Health Care Limited (**Company**) has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged across the Company and its subsidiaries (together, the **Group**), having regard to principles of good corporate governance and applicable laws.

This Charter includes an overview of:

- (a) Board composition and process; and
- (b) the relationship and interaction between the Board, Board Committees and management.

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 can add to the performance of the Group, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least every two years.

## BOARD COMPOSITION

### Board composition and size

The Board, together with the Nomination & Governance Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution, and is responsible for Board succession plans and the succession of the Chairman.

It is intended that the Board should comprise a majority of independent Non-Executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.

The Board, together with the Nomination & Governance Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Group's strategy and covers the skills needed to address existing and emerging business and governance issues relevant to the entity.

### Director independence and tenure

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.

The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (4th edition) (see Attachment 1).

The Board regularly reviews the independence of each Non-Executive Director in light of information relevant to this assessment as disclosed by each Non-Executive Director to the Board.

The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Group and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

# BOARD ROLE AND RESPONSIBILITIES

## Board role

The Board's role is to:

- (a) represent and promote the interests of shareholders by overseeing and appraising the Group's strategies, policies and performance. This includes overseeing the financial and human resources the Group has in place to meet its objectives and reviewing management performance;
- (b) protect and optimise Group performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- (c) set, review and monitor compliance with the Group's values and governance framework (including establishing and observing high ethical standards and demonstrating leadership); and
- (d) ensure shareholders are kept informed of the Group's performance and major developments affecting its state of affairs.

## Board responsibilities

The responsibilities of the Board include:

- (a) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Managing Director & CEO (**CEO**);
  - (b) overseeing succession planning for the Chief Financial Officer (CFO) and other direct reports to the CEO;
  - (c) 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;
  - (d) monitoring corporate performance and management's implementation of the Group's strategy, and policies and decisions of the Board;
  - (e) approving the Group's values and Code of Conduct and monitoring corporate culture, including management's promotion of the Group's values;
  - (f) considering the social and environmental impact of the Group's activities and approving the Group Environmental Sustainability Policy and associated corporate responsibility and climate related disclosures;
  - (g) approving measurable objectives for achieving gender diversity in the composition of the Board, senior executive team and workforce generally and monitoring the Group's progress in achieving those objectives;
  - (h) approving the risk appetite within which the Board expects management to operate;
  - (i) monitoring systems of risk management, internal control and legal compliance, including reviewing procedures to identify the main financial and non-financial risks associated with the Group's businesses and the implementation of appropriate systems to manage these risks;
  - (j) reviewing the Group's risk management framework at least annually to satisfy itself that it continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board;
  - (k) approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
  - (l) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
  - (m) approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
  - (n) overseeing the Group's process for making timely and balanced disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
  - (o) setting and reviewing the Group's governance policies;
  - (p) satisfying itself that the Group's remuneration framework is aligned with the Group's purpose, values, strategic objectives and risk appetite;
  - (q) setting performance targets for the CEO and members of the senior executive team, considering performance against those targets and determining remuneration outcomes;
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- (r) evaluating, at least annually, the performance of the Board, its Committees and individual Directors in accordance with the process set out in Attachment 2; and
- (s) performing such other functions as are prescribed by law or nominated by the Board from time to time.

## **Director responsibilities**

Directors are subject to a range of duties under statute, common law, the ASX Listing Rules and policies adopted by the Group from time to time. The Group expects that Directors will take all reasonable steps to satisfy these duties.

Directors will act at all times with honesty and integrity and will demonstrate the highest standards of ethical behaviour.

Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Group's interests.

Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman or Deputy Chairman.

## **DELEGATION OF DUTIES AND POWERS**

### **Delegation to Committees**

The Board from time to time establishes Committees to streamline the discharge of its responsibilities.

The Board adopts a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities and administration of the Committee.

The permanent standing Committees of the Board are the Audit Committee, Risk Management Committee, People & Remuneration Committee and Nomination & Governance Committee.

The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

### **Delegation to management**

While the Board retains ultimate responsibility for the strategy and performance of the Group, the day-to-day operation of the Group is conducted by, or under the supervision of, the CEO as directed by the Board.

The Board approves strategic objectives for the CEO to work towards and, jointly with the CEO, develops the duties and responsibilities of the CEO.

The management team (being the CEO and other personnel to whom the management function is properly delegated by the CEO):

- (a) is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
- (b) is accountable to the Board for matters within its delegated authority and for complying with any limits on that authority, including complying with the law and Group policies.

The CEO must consult with the Chairman or, in the absence of the Chairman, the Deputy Chairman, on any matters, which the CEO 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 have been established and defined in the Group's policy on Delegated Authorities and are otherwise delegated to the Audit Committee. Subject to these policy limits and the directions of the Audit Committee, the CEO may sub-delegate the day-to-day running of the Group to the senior executive team.

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Directors are entitled to request additional information at any time when they consider it appropriate.

The Board will regularly monitor the performance of the CEO and senior executive team and where required, provide feedback to and challenge the CEO and senior executives.

# BOARD PROCESS

## Meetings

The Board will meet regularly and Directors will use all reasonable endeavours to attend Board meetings in person.

Periodically, Non-Executive Directors will meet without management present.

The Company's Constitution governs the regulation of Board meetings and proceedings.

## Chairman

The Board will appoint one of its members to be Chairman.

It is intended that the Chairman should be an independent Non-Executive Director.

The Chairman represents the Board to the shareholders and communicates the Board's position.

The Chairman is responsible for leading the Board, facilitating effective contribution of all Directors and promoting respectful and constructive communication between Directors and between the Board and management.

## Deputy Chairman

From time to time the Board may appoint a Deputy Chairman. The Deputy Chairman's responsibilities include chairing meetings in the absence of the Chairman and undertaking any other duties as required by the Board.

## Lead Independent Director

Where appropriate, the Board may appoint a Lead Independent Director to enhance the independent functioning of the Board to:

- (a) 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;
- (b) promote awareness of the importance of independent judgements in the Board's decision making;
- (c) provide leadership to the other independent directors and support them in presenting diverse perspectives on issues being considered by the Board; and
- (d) promote constructive interaction between the independent directors and all other Directors.

## The Company Secretary

The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

All Directors will have direct access to the Company Secretary.

# Attachment 1

## GUIDELINES OF THE BOARD OF DIRECTORS – INDEPENDENCE OF DIRECTORS

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors.

In general, a Director will not be considered to be 'independent' if he/she:

- (a) is, or has been, employed in an executive capacity by the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Group;
- (c) is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Group, or is an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder;
- (e) has close personal ties with any person who falls within any of the categories described above; or
- (f) has been a director of the Company for such a period that their independence from management and substantial shareholders may have been compromised.

Notwithstanding the above, the Board may determine that a Director is independent if the Board is of the view that the interest, position or relationship in question is not material and will not interfere with the Director's capacity to bring an independent judgement 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.

# Attachment 2

## PERFORMANCE EVALUATION PROCESS IN RELATION TO THE BOARD AND ITS COMMITTEES

On an annual basis, Directors will provide written feedback in relation to the performance of the Board, its Committees and individual Directors against a set of agreed criteria.

Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.

Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.

In the case of the Chair of the Board's performance, feedback will be collected by the Chair of the Audit Committee or an external facilitator.

The CEO will also provide feedback from the senior executive team in connection with any issues that may be relevant in the context of the Board performance review.

