

# Ramsay Health Care Limited

# Notice of Annual General Meeting

Notice is given that the 2022 Annual General Meeting (**AGM**) of shareholders of Ramsay Health Care Limited (**Company**) is to be held on Tuesday, 29 November 2022 at 10.30am (Sydney time) in the Grand Ballroom, Sheraton Grand Sydney Hyde Park, 161 Elizabeth Street, Sydney, New South Wales, Australia.



# AGENDA

## BUSINESS

### 1. Consideration of Reports

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the financial year ended 30 June 2022.

### 2. Adoption of the Remuneration Report

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

“That the Remuneration Report, which forms part of the Directors’ Report for the year ended 30 June 2022, be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion statement applies to this resolution (see Item 2 of the Explanatory Notes to this Notice of Meeting).

### 3. Election of Director candidates

#### 3.1 Mr Steven Sargent

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

“That Mr Steven Sargent, a Non-Executive Director of the Company, being eligible, is elected as a Non-Executive Director of the Company.”

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

#### 3.2 Ms Alison Deans

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

“That Ms Alison Deans, a Non-Executive Director of the Company, being eligible, is re-elected as a Non-Executive Director of the Company.”

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

#### 3.3 Mr James McMurdo

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

“That Mr James McMurdo, a Non-Executive Director of the Company, being eligible, is re-elected as a Non-Executive Director of the Company.”

Note: Information about Mr McMurdo appears in Item 3.3 of the Explanatory Notes to this Notice of Meeting.

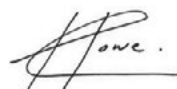
### 4. Grant of Performance Rights to Managing Director for FY2023

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

“That approval is given for the issue of **49,814** performance rights to the Managing Director, Mr Craig Ralph McNally, under the Equity Incentive Plan, on the terms and conditions outlined in the Explanatory Notes to this Notice of Meeting.”

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

By Order of the Board



**Henrietta Rowe**

Group General Counsel & Company Secretary  
Sydney, New South Wales  
Australia  
10 October 2022

# NOTES

## 1. Participating in the AGM

Shareholders are invited to attend the AGM in person.

Shareholders may also watch a live webcast of the AGM online accessible via

<https://boardroomlimited.com.au/agm/ramsay2022>

or Ramsay's website at

<https://www.ramsayhealth.com/Sustainability/Governance>

Shareholders watching online will not be able to vote, ask questions or make comments via the webcast. If you are unable to attend the AGM in person, we encourage you to watch the live webcast, appoint a proxy to vote on your behalf and submit any questions that you have in advance of the meeting.

Shareholders should monitor the ASX and Ramsay's website where updates will be provided if it becomes necessary or appropriate to change the arrangements for holding or conducting the meeting.

## 2. Proxies

- a) A member entitled to attend and vote at the AGM is entitled to appoint a proxy. A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half the member's votes.
- b) A proxy need not be a member of the Company. A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the AGM. The representative should ensure that the Company has been given evidence of his or her appointment, including any authority under which the appointment is signed, in advance of the AGM.
- c) Each of the resolutions set out in this Notice of Meeting will be decided by poll. On a poll, if:
  - a member has appointed a proxy (other than the Chairman of the meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
  - that member's proxy is either not recorded as attending the meeting or does not vote on the resolution,the Chairman of the meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the member for the purposes of voting on that resolution and must vote in accordance with the written direction of that member.
- d) Where the Chairman of the meeting is appointed, or is taken to be appointed, as a member's proxy and that member has not specified the way in which he is to vote for Items 2 and 4, then by completing and submitting the proxy form the member is expressly authorising the Chairman of the meeting to exercise the proxy as he decides notwithstanding that these Items are connected with the remuneration of the Company's key management personnel.
- e) The Chairman of the meeting intends to cast all available proxies in FAVOUR of each Item of business.

- f) For an appointment of a proxy for the meeting to be effective, the proxy's appointment and the power of attorney (if any) under which it is signed (or satisfactory proof of that power or a certified copy of it), must be received by the Company at the registered office or at the office of the Company's share registry, Boardroom Pty Limited, no later than **10:30 am (Sydney time) on Sunday, 27 November 2022.**

Online: <https://www.votingonline.com.au/ramsayagm2022>

By mail: Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

By facsimile: +61 2 9290 9655

## 3. Corporate representatives

Corporate members should either: appoint a proxy (as set out above), appoint a corporate representative, or appoint an attorney. The instrument of appointment of a corporate representative must be received by the Company in advance of the meeting.

## 4. Entitlement to vote

For the purposes of determining entitlements to participate and vote at the meeting, shares will be taken to be held by the persons who are the registered holders at **7:00pm (Sydney time) on Sunday 27 November 2022.** Accordingly, share transfers registered after that time will be disregarded in determining entitlements to participate and vote at the meeting.

## 5. Questions and comments on management of the Company

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

A shareholder entitled to attend and be heard at the AGM may submit a written question to the Company before the meeting. Any questions should be emailed to [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) by no later than **5:00pm (Sydney time) on Tuesday, 22 November 2022.**

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to any shareholder.

## 6. Questions for the Auditor

Shareholders may submit written questions to the Company's Auditor, Ernst & Young, if the question is relevant to the content of Ernst & Young's Audit Report for the year ended 30 June 2022 or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2022.

Relevant written questions for the Auditor must be received by the Company by no later than 5:00 pm (Sydney time) on Tuesday, 22 November 2022. Please send any written questions by email to [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au) or:

By mail: Boardroom Pty Limited GPO Box 3993  
Sydney NSW 2001 Australia

By facsimile: +61 2 9290 9655

A list of relevant written questions will be made available to shareholders participating in the meeting. While the Auditor is not obliged to provide written answers, if written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting.

# EXPLANATORY NOTES

These Explanatory Notes have been prepared to help shareholders understand the business to be put to shareholders at the forthcoming Annual General Meeting (**AGM**). They relate to the resolutions set out in the Notice of Meeting and form part of the Notice of Meeting.

## ITEM 1 – CONSIDERATION OF REPORTS

The Financial Report of the Company for the year ended 30 June 2022 and the Reports of the Directors and Auditor for the same period will be presented for consideration.

As part of this item of business, the Chairman of the meeting will give shareholders a reasonable opportunity to ask questions about or make comments on the management of the Company.

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

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

## ITEM 2 – ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report for the year ended 30 June 2022 is contained in the 2022 Annual Report.

The Chairman of the meeting will give shareholders a reasonable opportunity to ask questions about, or comment on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Board does take the outcome of the vote and discussion at the AGM into account in setting remuneration policy for future years.

## Directors' Recommendation

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

## Voting Exclusion Statement

The Company will disregard any votes cast on Item 2:

- by or on behalf of a member of the key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2022 or their closely related parties (such as close family members and any controlled companies) regardless of the capacity in which the vote is cast; and
- as a proxy by a member of KMP as at the date of the AGM, or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 2:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy as he decides even though Item 2 is connected with the remuneration of KMP.

## ITEM 3 – ELECTION OF DIRECTOR CANDIDATES

On 25 November 2021, Mr Steven Sargent was appointed as a Director of the Company. He is offering himself for election in accordance with clause 7.1(c) of the Company's Constitution and his profile is set out in Item 3.1 below.

On 14 November 2019, Ms Alison Deans and Mr James McMurdo were elected as Directors of the Company. Ms Deans and Mr McMurdo are offering themselves for re-election in accordance with clause 7.1(d) of the Company's Constitution and their profiles are set out in Items 3.2–3.3 below.

### 3.1 Mr Steven Sargent

*Non-Executive Director, Chair of the Risk Management Committee – Appointed on 25 November 2021*

Mr Sargent's executive career included 22 years at General Electric, where he gained extensive multi-industry, international experience leading businesses in industries including healthcare, energy and financial services across the USA, Europe and Asia Pacific.

Mr Sargent is currently a Non-Executive Director of Origin Energy Limited and Chair of infection prevention company Nanosonics Limited. His unlisted board activities include Chairman of The Origin Energy Foundation Limited, Origin's philanthropic arm, and Non-Executive Director of The Great Barrier Reef Foundation.

Mr Sargent holds a Bachelor of Business from Charles Sturt University and is a Fellow with the Australian Institute of Company Directors and a Fellow with the Australian Academy of Technological Sciences and Engineering.

In the past three years, Mr Sargent has served as a Director of the following listed companies:

- Origin Energy Limited (Appointed May 2015)
- Nanosonics Limited (Appointed July 2016)
- OFX Group Limited (Retired August 2022)

Prior to Mr Sargent's appointment, appropriate background checks were conducted.

The Board considers Mr Sargent to be independent.

### **Directors' recommendation**

For the reasons outlined above, the Directors (with Mr Sargent abstaining) recommend that you vote in favour of this resolution.

### **3.2 Ms Alison Deans**

*Non-Executive Director, Chair of the People & Remuneration Committee, Member of the Nomination & Governance Committee – Appointed on 15 November 2018 and last elected on 14 November 2019*

Ms Deans has 25 years' experience building technology-enabled businesses involved in media, ecommerce, financial services and health, and across leadership roles as an executive, a director and in venture capital.

Ms Deans joined the Board of Ramsay Health Care in November 2018. She is also Chair of Cochlear Limited and a Non-Executive Director of SCEGGS Darlinghurst, Deputy Pty Ltd and The Observership Program. She is also on the Investment Committee of MainSequence Ventures.

In her executive career Ms Deans was previously the CEO of eBay Australia and New Zealand, CEO of eCorp Limited, (a publicly listed portfolio of digital businesses), CEO of Hoyts Cinemas, and most recently CEO of netus Pty Ltd – a technology investment company acquired by Fairfax.

Ms Deans also spent seven years as a Consultant with McKinsey & Company. She holds a Master of Business Administration from the Stanford Graduate School of Business and a Master of Arts (Physics) from Cambridge University.

In the past three years, Ms Deans has served as a Director of the following listed companies:

- Cochlear Limited (Appointed February 2015)
- Westpac Banking Corporation (Retired December 2020)

The Board considers Ms Deans to be independent.

### **Directors' recommendation**

For the reasons outlined above, the Directors (with Ms Deans abstaining) recommend that you vote in favour of this resolution.

### **3.3 Mr James McMurdo**

*Non-Executive Director, member of the Audit Committee – Appointed on 11 September 2019 and last elected on 14 November 2019*

Mr James McMurdo has over 30 years' finance and banking experience. He has a background in corporate advisory spanning across mergers and acquisitions, strategic advisory and financing with experience across multiple industries including the healthcare sector. He has held senior operating management roles and worked extensively in both the Asia Pacific and European regions.

Mr McMurdo is one of the Founding Partners of Privatus Capital Partners, an advisory and merchant banking business. Prior to establishing Privatus, Mr McMurdo held senior management roles at Deutsche Bank and was based in Hong Kong. During the time he was at Deutsche Bank he was Global Co-Head of Corporate Finance, Head of Corporate and Investment Bank for Asia Pacific and CEO for Australia and New Zealand. He sat on the firm's Global Executive Committee for the Corporate and Investment Bank for four years.

Prior to this, Mr McMurdo was a Partner at Goldman Sachs where he held senior positions in the Investment Banking Division in Australia and Europe.

Mr McMurdo holds a degree in Economics from the University of Newcastle upon Tyne and is a member of the Institute of Chartered Accountants for England & Wales.

The Board considers Mr McMurdo to be independent.

### **Directors' recommendation**

For the reasons outlined above, the Directors (with Mr McMurdo abstaining) recommend that you vote in favour of this resolution.

## **ITEM 4 – GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR**

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a Director under an employee incentive scheme.

The Company is seeking shareholder approval for the proposed grant of performance rights (**PRs**) to the Managing Director, Mr Craig McNally, under the Equity Incentive Plan (**the Plan**). The Board, consistent with past practice, is intending to source the shares to satisfy the vesting of PRs through on-market purchases which are excluded from the operation of Listing Rule 10.14.

Despite the fact that no new shares are intended to be issued in respect of the PRs, the Board is nonetheless seeking this shareholder approval in the interests of transparency and good corporate governance and to preserve flexibility in case, for any reason, it is ultimately considered in the Company's best interests to issue shares rather than source them on-market.

If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise the Managing Director.

Under the Company's Long Term Incentive (LTI), each PR is an entitlement to receive a fully-paid ordinary share in the Company on terms determined by the Board, including vesting conditions linked to service and performance over a 3 year performance period. If the vesting conditions are satisfied, the PRs vest and shares (or, in limited instances, an equivalent cash payment) will be delivered to the executive. While the number of PRs to vest will primarily be determined by testing against the performance conditions, the Board retains the discretion to reduce the PR vesting outcome where it considers it appropriate in light of the Group's performance overall and any other relevant circumstances.

The Board, on the recommendation of the People and Remuneration Committee, proposes to grant PRs to Mr McNally in accordance with the terms of the Plan. The proposed grant of PRs to Mr McNally is in accordance with the Company's LTI strategy of aligning the LTI element of executive remuneration with the creation of shareholder wealth by linking reward with the strategic goals and performance of the Company.

The face value of the proposed grant of PRs to Mr McNally in FY2023 has been set at 175% of his total fixed remuneration (i.e. \$3,650,325).

ASX Listing Rule 10.15.4 requires this Notice of Meeting to include details (including amount) of Mr McNally's current total remuneration for FY23:

Fixed Remuneration (excluding superannuation) (FR)	\$2,085,900
Short-term incentive	100% of FR at target (i.e. \$2,085,900) 125% of FR at maximum (i.e. \$2,607,375)
Long-term incentive	175% of FR on a face value basis (i.e. \$3,650,325)

Please refer to the Company's Remuneration Report contained in its 2022 Annual Report which contains full details of Mr McNally's remuneration package for FY22.

Mr McNally will be granted 49,814 PRs. The number of PRs has been determined by dividing the FY2023 grant value of \$3,650,325 by the 5-day Volume Weighted Average of the Company's share price up to and including 1 July 2022 (AU\$73.2796), with 1 July being the first trading day of the performance period.

The Company grants the LTI in the form of PRs because they create share price alignment between Mr McNally and shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the PRs vest.

#### Performance Conditions:

The PRs proposed to be granted to Mr McNally will be divided into two equal tranches that are to be tested independently from each other:

- The first tranche will be subject to a relative total shareholder return (TSR) performance hurdle (Parcel A).
- The second tranche will be subject to an average actual return on invested capital (ROIC) and an earnings per share (EPS) performance hurdle (Parcel B).

There will be no retesting of either of the performance conditions.

#### a) TSR Performance Hurdle:

The relative TSR hurdle will be determined by measuring and ranking the Company's TSR at the end of the 3 year performance period relative to a comparator group comprising the S&P/ASX 100 index (adjusted as set out below).

The Board has determined that the S&P/ASX 100 index is the most appropriate comparator group for the FY2023 grant given the Company's sustained growth in market capitalisation in recent years. This comparator group is adjusted to exclude companies in sectors having different drivers of operating performance, being those in the real estate, financial and resources industries. The Board has the discretion to adjust the comparator group, including to take into account acquisitions, mergers or other relevant corporate actions or a delisting.

Relative TSR is the most prevalent performance measure used in LTI plans within ASX100 companies. The Board is of the view that use of a TSR hurdle is appropriate as it provides a strong link between executive remuneration levels and shareholder value, such that executives benefit where there is a corresponding relative benefit delivered to shareholders over the relevant period. The Board also considers that it is appropriate to use a broad index-based comparator group rather than a sector-specific peer group as there are too few Australian healthcare companies of similar size and scope of operations to Ramsay for benchmarking purposes.

The following table sets out the percentage of Parcel A PRs that may vest based on the Company's TSR ranking over the performance period:

Company's TSR ranking in the comparator group	Percentage of 'Parcel A' PRs available to vest
TSR below 50th percentile	Nil
TSR at 50th percentile	50%
TSR between 50th and 75th percentile	Between 50% and 100%, increasing on a straight line basis
TSR above 75th percentile	100%

#### b) ROIC and EPS Performance Hurdle:

Vesting of Parcel B PRs is subject to a gateway requirement being met. The ROIC outcome for the Company over the three year performance period is tested relative to the weighted average cost of capital (WACC) for the Company over the three year performance period. The actual ROIC outcomes will need to meet a threshold level of performance relative to the WACC for vesting of any Parcel B PRs.

Subject to the gateway requirement being met, the percentage of Parcel B PRs that may vest will be based on the cumulative compound annual growth rate (CAGR) in EPS for the performance period in accordance with the following table:

CAGR	Percentage of 'Parcel B' PRs available to vest
Less than 3%	Nil
3% (threshold)	30%
Between 3% and 9%	Straight line pro-rata between 30% and 100%
9% (stretch)	100%

EPS measures the earnings generated by the Company attributable to each share on issue. In deriving EPS, statutory earnings will be adjusted for significant items where the Board considers it appropriate, based on the principles detailed in the Remuneration Report.

The number of shares for the purposes of the EPS calculation is the weighted average number of issued ordinary shares over the relevant financial year.

#### Hedging of Performance Rights:

The Company prohibits the hedging of PRs by senior executives.

#### Rights Attaching to Performance Rights:

PRs do not carry voting or dividend rights, however shares allocated upon vesting and exercise of PRs carry the same rights as other ordinary shares in the Company.

#### Treatment of PRs on Termination of Employment:

Where Mr McNally's employment ceases before his PRs have vested, the treatment of his unvested PRs depends on a number of factors, including the circumstances in which he has ceased employment.

Where Mr McNally's employment is terminated:

- for cause or he resigns, his unvested PRs will lapse; or
- in other circumstances, a pro rata portion of his unvested PRs will remain on foot (calculated based on the portion of the Performance Period that has elapsed up until the date of termination) and will be tested in the ordinary course subject to the performance hurdles outlined above.

The Board retains discretion to determine a different treatment where it considers it appropriate.

**Clawback:**

The Board has broad "clawback" powers to determine that PRs lapse, any shares allocated on vesting are forfeited or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).

**Additional Information:**

The Company provides the following additional information in relation to resolution 4.

- a) As the PRs form part of Mr McNally's remuneration package, the acquisition price for a PR is nil and no money is payable by the holder for a share on exercise of a PR.
- b) Mr McNally is the only Director entitled to participate in new awards under the Equity Incentive Plan. Non-Executive Directors are ineligible to participate in this Plan.
- c) No loans will be made in relation to the acquisition of PRs or shares under the Plan.
- d) 278,040 PRs have been granted to Mr McNally under the LTI programme in prior years since Mr McNally's appointment as Managing Director. These PRs were granted to Mr McNally as his LTI for no cost.
- e) If shareholders approve Item 4, then PRs will be granted to Mr McNally as soon as practicable after the date of the meeting and in any event no more than 12 months after the meeting (i.e. 29 November 2023).
- f) Details of any shares issued under the Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

**Directors' Recommendation**

The Non-Executive Directors recommend that you vote in favour of Item 4.

**Voting Exclusion Statement**

The Company will disregard any votes on Item 4:

- cast in favour of the Item by or on behalf of Mr Craig McNally (being the only Director entitled to participate in the Equity Incentive Plan) or any of his associates (regardless of the capacity in which the vote is cast); and
- cast as a proxy by a member of KMP as at the date of the AGM, or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on the relevant item:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chairman of the meeting as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chairman decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

