

ASX Announcement (ASX: PRY)



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Appointment of Managing Director and Chief Executive Officer

The Board of Primary Health Care Limited ("Primary") announced today that it has appointed Dr Malcolm Parmenter as Managing Director and Chief Executive Officer ("MD & CEO") of the Company, effective 6 September 2017. In the meantime, Mr Peter Gregg will continue in this role.

Mr Rob Ferguson, Chairman of Primary, welcomed the appointment stating: "We have undertaken a thorough internal and external selection process, which identified several excellent candidates, and I have great pleasure in announcing Dr Parmenter as the new MD & CEO of Primary.

"Malcolm brings a wealth of knowledge and practical experience in the operation of medical centres in Australia, with over nine years' tenure as CEO of Independent Practitioner Network Limited ("IPN"), both as a listed company and under the ownership of Sonic Healthcare Limited ("Sonic"), and subsequently two years as CEO of Sonic Clinical Services.

"Malcolm's experience in healthcare policy regulation is extensive. He was most recently a member of the Federal Health Minister's Primary Healthcare Advisory Group into chronic and complex illnesses. He has also been a member of the senior executive committee of Sonic Pathology.

"With Malcolm's long involvement in the healthcare sector and his proven track record, the Primary Board is delighted to appoint Malcolm to this role. We believe he is an excellent fit for Primary and is ideally placed to lead the Company through the next stage of its evolution," Mr Ferguson concluded.

Dr Parmenter said: "I am honoured and excited to be appointed as MD & CEO of Primary. This company has a great footprint of healthcare assets in Australia. It is undergoing a strategic transformation while focusing on improving cash flow and return on investment.

"Furthermore, the healthcare sector in Australia remains one with strong underlying growth and real opportunities from innovation in technology. Efficient players who can both capitalise on the fundamentals and drive change will thrive."

Dr Parmenter has degrees in medicine and surgery. He has practised in hospitals and medical centres in Hong Kong and Australia and joined IPN as a GP in 2000 from Endeavour Healthcare where he was NSW Medical Director.

He was appointed CEO & MD of IPN in 2006. He oversaw IPN's successful turnaround over the next two years delivering a fourfold increase in shareholder value. Since Sonic's 100% acquisition in 2008, Dr Parmenter has established a range of new businesses including Australia's largest occupational medicine network. He currently leads a network of over 2000 GPs with annual revenue of around \$400 million.

Recognising Mr Gregg's contribution to Primary, Mr Ferguson stated: "Peter has done a great job at Primary and, since January, has continued to undertake his duties in the best interests of the Company and with great energy."

The key terms and conditions of Dr Parmenter's appointment are set out in Attachment 1.

ENDS

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Primary Health Care is one of Australia's leading listed healthcare companies and has been committed to quality, affordable and accessible healthcare for all Australians for more than 30 years. We have an expansive network of multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres, in which a cohort of dedicated, independent healthcare professionals deliver quality services to their patients, in partnership with Primary professional and support employees. Primary's 'medical home' model makes healthcare services easily accessible and cost efficient, while enabling coordination and continuity of patient care. At Primary Health Care we pride ourselves on quality outcomes for patients and aspire to cement our position as a leader in frontline care in Australia.

Dr Malcolm Parmenter**Key terms and conditions of employment**

Commencement date	6 September 2017.
Term	Appointment on an on-going basis subject to termination by either party (see termination and notice below).
Total Employment Cost	Initial total employment cost of \$1.65 million per annum inclusive of compulsory superannuation contributions and salary sacrifice benefits, subject to annual review from twelve months after commencement date.
Incentive Arrangements	
Short Term Incentive ("STI")	Eligible to receive a short term incentive for FY 18, pro-rated from the date of commencement, up to a maximum of \$961,950, based on the achievement of performance objectives determined by the Board in its absolute discretion.
Long Term Incentive ("LTI")	Eligible to receive a long term incentive award, for the FY18-20 performance period, up to a maximum of \$961,950, based upon the achievement of performance objectives and vesting conditions determined by the Board in its absolute discretion and subject to shareholder approval at the 2017 annual general meeting.
	The terms of, and participation in, STI and LTI awards in future years will be at the discretion of the Board.
Change of control	Eligible to receive a cash payment equivalent to the maximum LTI award outlined above, if a change of control occurs before the annual general meeting in 2017.
	If a change of control occurs after the annual general meeting in 2017 but within 12 months of commencement date, the LTI will vest in full.
	The Board will have discretion to determine to make a cash payment or vest the award early (as applicable) in anticipation of a change of control.

Termination and notice	Termination by either party can be made with 12 months' notice (or payment in lieu), other than where employment is terminated for misconduct, dishonesty, fraud, negligence or a serious or persistent breach of contract, in which case Primary may terminate with no notice period.
Leave	Eligible for statutory leave entitlements including annual and long service leave.
Post-employment restrictions	<p>Restricted from competing with the Primary Group and/or soliciting its clients, suppliers, directors, employees or contractors for a period up to 12 months.</p> <p>Total employment cost will be paid during the restraint period (inclusive of any payment in lieu of notice or payments made during any period of garden leave).</p>
