ASX ANNOUNCEMENT

4 May 2023

RAMSAY ESTABLISHES EURO MEDIUM TERM NOTE PROGRAMME AND AUSTRALIAN MEDIUM TERM NOTE PROGRAMME

Ramsay Health Care Limited (**Ramsay**) (ASX: RHC) has today established a US$2,000,000,000 Euro Medium Term Note Programme (**EMTN Programme**) to be listed on Singapore Exchange Securities Trading Limited (SGX-ST). Ramsay does not immediately intend to issue notes under the EMTN Programme. A copy of the Offering Circular which will be lodged with SGX-ST in relation to the EMTN Programme is attached to this announcement.

Ramsay notes that it has also concurrently established an AUD$2,000,000,000 Australian Medium Term Note Programme (**AMTN Programme**). Notes issued under the AMTN Programme are not intended to be listed or quoted on any securities exchange.

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IMPORTANT NOTICE

NOT FOR DISTRIBUTION INTO THE UNITED STATES, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED BELOW) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular included in this electronic distribution ("**Offering Circular**"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any amendments or supplements to the Offering Circular or other information as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD, DELIVER OR OTHERWISE DISTRIBUTE THE OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE THE OFFERING CIRCULAR IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, THE OFFERING CIRCULAR MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED AND PROHIBITED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

Confirmation of Your Representation: You will only access the Offering Circular on the basis that you have confirmed to the Issuer, the Guarantors, the Arrangers, the Dealers and the Agents (each term as defined in the Offering Circular) that (a) you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S and that the electronic mail address that you gave the Issuer and to which this e-mail has been delivered is not located in the United States and (b) you consent to the delivery of the attached Offering Circular, any amendments or supplements to the Offering Circular and other information as a result of accessing the Offering Circular, by electronic transmission.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted in electronic form may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantors, the Arrangers, the Dealers, the Agents nor any of their respective affiliates, directors, officers, employees, representatives, agents nor any person who controls an Obligor, the Arrangers, a Dealer, an Agent or their respective affiliates accept any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to deliver this Offering Circular, electronically or otherwise, to any other person.

Actions That You May Not Take: If you receive the Offering Circular by e-mail, you should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

The material relating to the offering does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Dealer(s) or any affiliate of the Dealer(s) is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer(s) or such affiliate on behalf of the Issuer in such jurisdiction.

You are responsible for protecting against viruses and other destructive items. Your use of any form of electronic distribution is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR DATED 3 MAY 2023

Ramsay Health Care Limited

(ACN 001 288 768 incorporated with limited liability in Australia)

U.S.$2,000,000,000 Guaranteed Medium Term Note Programme

unconditionally and irrevocably guaranteed by

certain subsidiaries of Ramsay Health Care Limited

Under this U.S.$2,000,000,000 Guaranteed Medium Term Note Programme (the "**Programme**") established by Ramsay Health Care Limited (ACN 001 288 768) (the "**Issuer**" or "**Ramsay**"), the Issuer may from time to time issue Notes (as defined below) denominated in any currency (subject to applicable laws) agreed between the Issuer and the relevant Dealer or Dealers (as defined below). The maximum aggregate nominal amount of Notes from time to time outstanding will not exceed U.S.$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

Each Series of Notes shall have the benefit of the unconditional and (subject to release of any Guarantors (as defined below)) irrevocable, joint and several guarantee (the "**Guarantee**") given by certain other Subsidiaries (as defined below) of the Issuer (the "**Initial Guarantors**"). From time to time and in accordance with the terms of the Trust Deed (as defined below), and subject to the requirements set out in the terms and conditions of the Notes (the "**Conditions**"), a Subsidiary may be appointed as an additional guarantor (each such guarantor, an "**Additional Guarantor**") or a Guarantor may be released from the Guarantee and shall cease to be a Guarantor. The Initial Guarantors, together with any Additional Guarantors but excluding any such released Guarantors, are referred to herein as the "**Guarantors**". A list of the current Guarantors, which may change from time to time in accordance with the Trust Deed and the Conditions, is available from the Issuer and/or the Issuing and Paying Agent upon request.

The Issuer may, from time to time, issue Notes in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") and such Notes be constituted by a trust deed dated 3 May 2023 between the Issuer, the Guarantors and The Bank of New York Mellon, London Branch (the "**Trustee**"), such Trust Deed as modified and/or supplemented and/or restated from time to time (the "**Trust Deed**"). The Bearer Notes and the Registered Notes are collectively referred to herein as the "**Notes**".

See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Programme and application will be made to the SGX-ST for permission to deal in, and for listing and quotation of, any Notes to be issued pursuant to the Programme which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the "**Official List**"). Unlisted series of Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than SGX-ST. The relevant Pricing Supplement (as defined below) in respect of any Series (as defined in the Conditions) of Notes will specify whether or not such

Notes will be listed on the SGX-ST or on any other stock exchange. There is no assurance that the application to the Official List for the listing of the Notes of any Series will be approved. The approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantors, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "*Overview of the Programme*") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the listing of Notes of such Tranche.

Each Series (as defined in "*Overview of the Programme*") of Bearer Notes will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a Permanent Global Note (as defined below), and will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Interests in Temporary Global Notes generally will be exchangeable for interests in permanent global notes (each a "**Permanent Global Note**" and, together with the Temporary Global Notes, the "**Bearer Global Notes**"), or if so stated in the relevant Pricing Supplement, definitive Notes, after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche, upon certification as to non-US beneficial ownership. Interests in Permanent Global Notes will be exchangeable for definitive Notes in whole but not in part as described under "*Form of the Notes*". Registered Notes will initially be represented by a permanent registered global note (each a "**Registered Global Note**" and, together with the Bearer Global Notes, the "**Global Notes**") without interest coupons.

Global Notes may be deposited on the issue date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). The provisions governing the exchange of interests in Global Notes for other relevant Global Notes and definitive Notes are described in "*Form of the Notes*". The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and the Notes may include Bearer Notes that are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S). Bearer Notes may not be offered, sold or delivered within the United States or its possessions or to a United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")).

Notes issued under the Programme may be rated or unrated. Where an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable), such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Credit ratings in respect of the Notes or the Issuer are for distribution to persons who are not a "retail" client within the meaning of section 761G of the Corporations Act (as defined below) and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act and in all cases in such circumstances as may be permitted by applicable laws in any jurisdiction in which an investor may be located.

This Offering Circular is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**").

Arrangers and Dealers

BNP PARIBAS **BofA Securities** **Crédit Agricole CIB** **HSBC Bank plc**

IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to cause such information to be misleading.

The SGX-ST takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

The Notes may be issued on a continuing basis to the Dealer specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**", and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealers or managers. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

No person is or has been authorised by the Issuer or the Guarantors to give any information or to make any representation not contained in or not consistent with this Offering Circular or other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or any Agent (as defined below).

Apart from their respective names and addresses appearing at the end of this Offering Circular, none of the Arrangers, the Dealers, the Trustee or the Agents, or any director, officer, employee, agent or affiliate or any such person, have separately verified any of the information contained in this Offering Circular. To the fullest extent permitted by law, except with respect to their respective names and addresses, none of the Arrangers, the Dealers, the Trustee or the Agents, or any director, officer, employee, agent or affiliate or any such person accepts any responsibility or liability for the contents, or completeness of this Offering Circular or for the information incorporated by reference into this Offering Circular, or for any other information given or statement made or purported to be made by the Arrangers, the Dealers, the Trustee or the Agents, or any director, officer, employee, agent or affiliate or any such person or on any of their behalf in connection with the Issuer or the issue and offering of the Notes. Each Dealer, each Arranger, the Trustee and each Agent or any director, officer, employee, agent or affiliate or any such person accordingly disclaim all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this Offering Circular, such information incorporated by reference or any such statement.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation; or (b) should be

considered as a recommendation by the Issuer, the Guarantors, the Arrangers, the Trustee, any Agent or any director, officer, employee, agent or affiliate or any such person or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Any recipient of this Offering Circular contemplating purchasing any Notes should determine for itself the relevance of the information contained in this Offering Circular and should make its own independent investigation of the Issuer's and the Guarantors' financial condition and affairs, and its own appraisal of their creditworthiness. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantors, any of the Arrangers, the Dealers, the Trustee or any Agent or any director, officer, employee, agent or affiliate or any such person to any recipient of this Offering Circular to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor any sale made in connection herewith, under any circumstances, create any implication that there has been no change in the affairs of the Issuer and the Guarantors since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer and the Guarantors since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. None of the Arrangers, the Dealers, the Trustee or the Agents or any director, officer, employee, agent or affiliate or any such person undertake to review the financial condition or affairs of the Issuer and the Guarantors during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers, the Dealers, the Trustee or any Agent.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to the general public to buy any Notes in any jurisdiction and particularly to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents or any director, officer, employee, agent or affiliate or any such person represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken or shall be taken by the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations of such jurisdictions. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in Australia, the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore see "*Subscription and Sale*".

From time to time, in the ordinary course of business, certain Dealers, certain Arrangers and their respective affiliates have provided advisory and investment banking services, and entered into other commercial transactions with the Issuer, the Guarantors and their respective affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers, the Arrangers and their respective affiliates will continue to provide such services to, and enter into such transactions, with the Issuer, the Guarantors and their respective affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

None of the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents or any director, officer, employee, agent or affiliate or any such person makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Copies of each Pricing Supplement will be available from the Issuer's registered office and the specified office of the relevant Paying Agent (as defined in the Conditions) set out at the end of this Offering Circular.

CORPORATIONS ACT 2001 OF THE COMMONWEALTH OF AUSTRALIA

This Offering Circular has not been, and will not be, and no prospectus or other disclosure document in relation to the Programme or the Notes has been or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia and this Offering Circular is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 of the Commonwealth of Australia (the "**Corporations Act**"). It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any person who is a "retail client" as defined in section 761G of the Corporations Act. This Offering Circular is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia. Neither the Issuer nor any of the Guarantors are licensed to provide financial product advice in respect of the Notes or the Guarantee. Cooling-off rights do not apply to the acquisition of the Notes.

NO REGISTRATION UNDER U.S. SECURITIES ACT

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S). Bearer Notes are subject to U.S. tax law requirements and may not at any time be offered, sold or delivered within the United States or its possessions or to a United States person (as defined in the Code), except in certain transactions permitted by U.S. Treasury Regulations. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "*Subscription and Sale*".

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

U.S. RESTRICTIONS ON BEARER NOTES

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions

permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder.

MiFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (an "**EU distributor**") should take into consideration the target market assessment; however, an EU distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under the EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. The Issuer makes no representation or warranty as to any manufacturer's or EU distributor's compliance with the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes in the United Kingdom ("**UK**") and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules. The Issuer makes no representation or warranty as to any manufacturer's or UK distributor's compliance with the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail

investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic UK law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic UK law by virtue of the EUWA.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

In connection with Section 309B(1) of the Securities and Futures Act 2001 of Singapore (as amended or modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations**"), the Issuer has determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA) that, unless otherwise stated in the applicable Pricing Supplement, all Notes are classified as "prescribed capital markets products" (as defined in the CMP Regulations) and "Excluded Investment Products" (as defined in Monetary Authority of Singapore Notice SFA 04-N12: Notice on the Sale of Investment Products and Monetary Authority of Singapore Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme, each such offering, a "**CMI Offering**", including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer and the Guarantors, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the Guarantors, the CMI or the relevant group company.

Prospective investors associated with the Issuer, the Guarantors or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantors, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the combined financial information of the Funding Group (as defined below) for the relevant periods included in this Offering Circular has been derived from:

(a) the audited combined financial statements of the Funding Group as at and for the financial year ended 30 June 2022 including audited comparative financial information for the financial year ended 30 June 2021 (the "**Full Year Financial Statements**"); and

(b) the reviewed combined interim financial statements of the Funding Group as at and for the half year ended 31 December 2022 including reviewed comparative interim financial information for the half year ended 31 December 2021 (the "**Half Year Financial Statements**").

The Full Year Financial Statements and the Half Year Financial Statements have been prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("**AASB**") and also comply with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The Full Year Financial Statements were audited by Ernst & Young and the Half Year Financial Statements were reviewed by Ernst & Young, in each case in accordance with the International Standards on Auditing ("**ISA**") as issued by the International Auditing and Assurance Standards Board ("**IAASB**").

The Half Year Financial Statements (which are unaudited interim financial statements) included in this Offering Circular, or from which financial information set out in this Offering Circular is derived, have not been audited by Ernst & Young. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them. See also "*Risk Factors – Risks related to Notes generally – Risk relating to the unaudited interim financial statements*" for further information.

The Full Year Financial Statements and Half Year Financial Statements are different from the Issuer's statutory consolidated financial statements, which are prepared and lodged by the Issuer with ASX in accordance with its reporting obligations under the Corporations Act.

The Funding Group's combined financial statements differ from the Issuer's statutory consolidated financial statements in that they do not consolidate Ramsay Santé and its subsidiaries, and instead account for the Funding Group's investment in Ramsay Santé as an investment[1]. The Issuer considers that the Funding Group's combined financial statements provide more relevant information for an assessment of an investment in the Notes because:

- Ramsay Santé is a separately listed entity which is financed and operated separately from the Funding Group under the management of a separate board of directors with duties to manage Ramsay Santé in the interests of Ramsay Santé rather than the Funding Group.

- The Funding Group does not have access to the cashflows or assets of Ramsay Santé except to the extent of dividends or other distributions paid on its shares, nor is the Funding Group liable for Ramsay Santé's debts (and vice versa).

- In particular, the Funding Group does not guarantee or provide similar rights of recourse in respect of Ramsay Santé's debt and Ramsay Santé does not guarantee or provide similar rights of recourse in respect of the Funding Group's debt.

INFORMATION ON WEBSITES

As a company whose shares are quoted on the Australian securities exchange operated by ASX Limited ("**ASX**"), the Issuer is required to make continuing disclosures under the relevant listing rules of the ASX. These may be viewed at https://www2.asx.com.au. Further information on the Issuer may be found at www.ramsayhealth.com. Access to such websites is subject to the terms and conditions governing the same.

[1] Ramsay Sime Darby is also not part of the Funding Group because it is not a Subsidiary of the Issuer, but is equity accounted in the combined financial information of the Funding Group and in the Issuer's statutory consolidated financial statements.

The above websites and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any relevant Pricing Supplement and none of the Issuer, the Guarantors, the Arrangers or the Dealers accept any responsibility whatsoever as to whether any information contained in such websites, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment by an investor to purchase or deal in the Notes.

CERTAIN DEFINITIONS

All references in this Offering Circular to:

- "**U.S. dollars**" and "**U.S.$**" are to the lawful currency of the United States of America;
- "**sterling**", "**GBP**" or "**£**" are to the lawful currency of the UK;
- "**Australian dollars**", "**AUD**" and "**A$**" are to the lawful currency of the Commonwealth of Australia;
- "**euro**", "**EUR**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- "**Funding Group**" means the Issuer and its Subsidiaries for the time being (excluding Excluded Subsidiaries);
- "**Ramsay Consolidated Group**" means the Issuer and its Subsidiaries for the time being (including the Excluded Subsidiaries);
- "**Ramsay Santé**" means Ramsay Generale de Santé;
- "**Subsidiary**" of an entity means another entity which (i) is the subsidiary of the first entity within the meaning of the Corporations Act; or (ii) is part of the consolidated group constituted by the first entity and the entities that the first entity is required to include in the consolidated financial statements it prepares, or would be if the first entity was required to prepare consolidated financial statements;
- "**Excluded Subsidiary**" means Ramsay Santé and its Subsidiaries for the time being, and such other Subsidiaries as the Issuer may from time to time after the date of this Offering Circular specify by notice to the Trustee in accordance with the Conditions;
- "**FY21**" and "**FY22**" refer to the financial year ended 30 June 2021 and the financial year ended 30 June 2022, respectively; and
- "**HY22**" and "**HY23**" refer to the six months ended 31 December 2021 and the six months ended 31 December 2022, respectively.

Rounding adjustments have been made in calculating some of the financial information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements including, without limitation, words and expressions such as expect, believe, plan, intend, estimate, project, anticipate, may, will, would, could or similar words or statements, in particular, in the section entitled "*Description of the Issuer's Business*" in this Offering Circular in relation to (including but not limited to) future events, the Issuer, the Guarantors, their prospects, their expected financial condition, their business strategies, the future developments of the Issuer and the Guarantors' operations and industry and the future development of the general domestic, regional and global economy.

These statements are based on assumptions regarding the Issuer's and the Guarantors' present and future business strategy and the environment in which it expects to operate in the future. These matters and the Issuer's and the Guarantors' future results could differ materially from those expressed or implied by these forward-looking statements and, although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters. These risks, uncertainties and factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include the factors referred to in the section entitled "*Risk Factors*" and elsewhere in this Offering Circular.

Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements.

In this Offering Circular, statements of, or references to, intentions of the Issuer or those of any of the directors of any of them are made as at the date of this Offering Circular. Any such intentions may change in light of future developments.

Neither the Arrangers nor the Dealers have verified any such statements, nor do they make any representations, express or implied, with respect to such statements.

Each of the Issuer, the Arrangers and the Dealers expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in any Issuer's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer or any of its respective subsidiaries or directors.

AUSTRALIAN EXCHANGE CONTROL RESTRICTIONS

The Autonomous Sanctions Regulations 2011 made under the Autonomous Sanctions Act 2011 (Cth) of Australia ("**Sanctions Regulations**"), Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) of Australia, Charter of the United Nations (Dealing with Assets) Regulations 2008 made under the Charter of the United Nations Act 1945 (Cth) and other Australian legislation and regulations control the import and export of capital and remittance of payments involving non-residents of Australia. The Issuer is not restricted from receiving funds into or transferring funds from Australia to the credit of non-residents of Australia, but in certain cases the Issuer is required to:

(a) withhold Australian taxes;

(b) lodge a report of the details of a transaction; or

(c) obtain approval under federal legislation or regulations from Australian federal ministers, the Australian Department of Foreign Affairs and Trade or other regulatory authorities if a transaction involves payments to, or transactions or dealings with, certain proscribed or listed

persons or entities, or otherwise involve a proscribed connection with certain countries (including, for example, Sanctions Regulations, regulations dealing with terrorism and regulations concerning dealings with certain former governments).

The foregoing summary is based upon exchange control laws and regulations in effect on the date of this Offering Circular and does not take into account possible changes in such laws, regulations and interpretations.

NON-IFRS MEASURES

In addition to the financial information presented in accordance with IFRS contained in this Offering Circular, certain alternative performance measures have been included in this Offering Circular. These measures include:

- Total Net Leverage Ratio – Net Debt / EBITDA; and
- Interest Coverage Ratio – EBITDA/Net Interest.

The Issuer's management believes that these non-IFRS financial measures provide useful supplemental measures to examine the Issuer's operating and financial performance and position, and considers these metrics in measuring the Issuer's operating and financial performance and position.

These measures, however, have limitations as analytical tools and should not be considered in isolation or as a substitute for any corresponding measure of financial performance or position determined in accordance with IFRS, or as a measure of a company's profitability, liquidity or financial position.

In particular, these non-IFRS financial measures do not have standard meanings prescribed by IFRS and, as presented, may not be comparable to similar measures presented by other companies. The Issuer believes that the inclusion of these measures in this Offering Circular is appropriate in order to provide additional information to investors about its operating and financial performance and position.

INDUSTRY DATA

Unless otherwise indicated, all sources for industry data and statistics are estimates or forecasts contained in or derived from internal or industry sources we believed to be reliable. Such data has not been independently verified, and we, the Arrangers, the Dealers, the Agents and the Trustee make no representation as to the accuracy or completeness of such data or any assumptions relied upon therein.

Industry data used throughout this Offering Circular was obtained from independent experts, independent industry publications and other publicly available information.

Industry data and statistics are inherently predictive and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that:

(a) the markets are defined differently;

(b) the underlying information was gathered by different methods; and

(c) different assumptions were applied in compiling the data.

Market statistics included in this Offering Circular should be viewed with caution, and no representation or warranty is given by any person as for their accuracy.

STABILISATION

In connection with the issue of any tranche of notes (other than in circumstances where such action could reasonably be expected to affect the price of Notes or other securities traded in Australia or on a financial market (as defined in the Corporations Act) operated in Australia), the Dealer or Dealers (if any) named as the stabilisation manager(s) (or persons acting on behalf of any stabilisation manager(s)) in the applicable Pricing Supplement may, outside Australia and on financial markets operated outside Australia, over-allot notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilisation manager(s) (or persons acting on behalf of any stabilisation manager(s)) in accordance with all applicable laws and rules.

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DOCUMENTS INCORPORATED BY REFERENCE

The following shall be incorporated in, and form part of, this Offering Circular: all supplements (other than any Pricing Supplements) or amendments to this Offering Circular issued by the Issuer from time to time, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular unless otherwise stated.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer, the website of the SGX-ST at www.sgx.com and/or from the specified office of the Paying Agent (as defined in the Conditions) as set out at the end of this Offering Circular. See "*General Information – Documents Available*" for further information.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Conditions, in which event a new offering circular or a supplement to the Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Ramsay Health Care Limited (ACN 001 288 768).
Legal Entity Identifier ("LEI") of the Issuer:	549300QBX122KF2JPI10.
Initial Guarantors:	*Australian Guarantors:* Adelaide Clinic Holdings Pty Limited (ACN 007 988 758) Affinity Health (FP) Pty Limited (ACN 106 723 228) Affinity Health Pty Limited (ACN 106 722 347) AH Holdings Health Care Pty Limited (ACN 115 549 230) AHH Holdings Health Care Pty Limited (ACN 115 549 169) Alpha Healthcare Pty Limited (ACN 000 727 882) Alpha Pacific Hospitals Pty Limited (ACN 002 907 799) Alpha Westmead Private Hospital Pty Limited (ACN 083 874 597) AME Hospitals Pty Limited (ACN 054 813 991) as trustee for the AME Trust AME Hospitals Pty Limited (ACN 054 813 991) as trustee for the AME Trading Trust AME Properties Pty Limited (ACN 008 897 783) as trustee for the AME Property Trust APL Hospital Holdings Pty Limited (ACN 009 637 781) Armidale Hospital Pty Limited (ACN 106 723 200) Attadale Hospital Property Pty Limited (ACN 008 756 894) Australian Hospital Care (Masada) Pty Limited (ACN 005 014 460) as trustee for the Masada Private Hospital Unit Trust

Australian Hospital Care (MPH) Pty Limited (ACN 076 204 012)

Australian Hospital Care (MSH) Pty Limited (ACN 005 489 752) as trustee for The Australian Hospitals Unit Trust

Australian Hospital Care (Pindara) Pty Limited (ACN 005 288 095) as trustee for the Pindara Private Hospital Unit Trust

Australian Hospital Care (The Avenue) Pty Limited (ACN 072 759 338)

Australian Hospital Care 1988 Pty Limited (ACN 006 967 193)

Australian Hospital Care Pty Limited (ACN 072 273 931)

Australian Medical Enterprises Pty Limited (ACN 053 639 160)

Benchmark – Beleura Pty Limited (ACN 006 511 084) as trustee for the Beleura Hospital Unit Trust

Benchmark – Peninsula Pty Limited (ACN 006 918 163) as trustee for the Peninsula Hospital Unit Trust

Benchmark – Surrey Pty Limited (ACN 006 216 048)

Benchmark Healthcare Holdings Pty Limited (ACN 084 168 276)

Benchmark Healthcare Pty Limited (ACN 058 174 619)

Bowral Management Company Pty Limited (ACN 064 402 393)

C&P Hospitals Holdings Pty Limited (ACN 106 722 570)

Caboolture Hospital Pty Limited (ACN 106 723 219)

Donvale Private Hospital Pty Limited (ACN 005 390 750) as trustee for the Donvale Private Hospital Unit Trust

Glenferrie Private Hospital Pty Limited (ACN 108 506 896)

Glengarry Hospital Property Pty Limited (ACN 008 804 859)

Hadassah Pty Limited (ACN 050 124 411) as trustee for the Glengarry Hospital Unit Trust No 1

HCA Management Pty Limited (ACN 003 058 606)

HCoA Hospital Holdings (Australia) Pty Limited (ACN 079 097 528)

HCoA Operations (Australia) Pty Limited (ACN 083 035 661)

Health Care Corporation Pty Limited (ACN 000 392 101)

Herglen Pty Limited (ACN 003 310 969)

Hospital Corporation Australia Pty Limited (ACN 000 935 946)

Joondalup Health Campus Finance Pty Limited (ACN 005 755 742)

Joondalup Hospital Pty Limited (ACN 106 723 193)

Linear Medical Pty Limited (ACN 134 586 306)

Mt Wilga Pty Limited (ACN 003 222 080)

New Farm Hospitals Pty Limited (ACN 010 219 628)

Noosa Privatised Hospital Pty Limited (ACN 106 723 380)

North Shore Private Hospital Pty Limited (ACN 059 183 596)

Phiroan Pty Limited (ACN 000 841 056)

Pruinosa Pty Limited (ACN 003 161 699)

Ramsay Aged Care Holdings Pty Limited (ACN 089 411 192)

Ramsay Aged Care Properties Pty Limited (ACN 105 905 780)

Ramsay Centauri Pty Limited (ACN 096 070 156)

Ramsay Health Care (South Australia) Pty Limited (ACN 007 985 408)

Ramsay Health Care (Victoria) Pty Limited (ACN 006 794 681)

Ramsay Health Care Australia Pty Limited (ACN 003 184 889)

Ramsay Health Care Investments Pty Limited (ACN 078 881 473)

Ramsay Hospital Holdings (Queensland) Pty Limited (ACN 065 997 588)

Ramsay Hospital Holdings Pty Limited (ACN 062 117 944)

Ramsay Pharmacy Retail Services Pty Limited (ACN 169 850 131)

Ramsay Professional Services Pty Limited (ACN 000 997 615)

Rannes Pty Limited (ACN 009 642 808) as trustee for the Glengarry Hospital Unit Trust No 2

Relkmet Pty Limited (ACN 009 634 904)

RHC Ancillary Services Pty Limited (ACN 117 371 614)

RHC Developments Pty Limited (ACN 080 139 537)

Sibdeal Pty Limited (ACN 003 573 377)

The Benchmark Hospital Group Pty Limited (ACN 005 437 169) as trustee for the Beleura Holdings Unit Trust

Workright Pty Limited (ACN 074 237 255)

United Kingdom Guarantors:

CareProgress Limited (Company Number 03865854)

Castle Road Homes Limited (Company Number 06244575)

Celtic Resource Management Ltd (Company Number 09476288)

Darlington Neurological Care Centre Limited (Company Number 10532297)

Elysium Care Partnerships Limited (Company Number 06045903)

Elysium Care Partnerships No.2 Limited (Company Number 05442152)

Elysium Healthcare (Acorn Care) Limited (Company Number 03147293)

Elysium Healthcare (All Saints) Limited (Company Number 07807446)

Elysium Healthcare (Ann House) Limited (Company Number 08624668)

Elysium Healthcare (Farndon) Limited (Company Number 05255132)

Elysium Healthcare (Field House) Limited (Company Number 05148271)

Elysium Healthcare (Gregory House) Limited (Company Number 08943865)

Elysium Healthcare (Healthlinc) Limited (Company Number 01440442)

Elysium Healthcare (Lighthouse) Limited (Company Number 05820919)

Elysium Healthcare (Phoenix) Limited (Company Number 04227738)

Elysium Healthcare (St Mary's) Limited (Company Number 05131149)

Elysium Healthcare (Ultimate Care) Limited (Company Number 05715862)

Elysium Healthcare Holdings 1 Limited (Company Number 10481896)

Elysium Healthcare Holdings 2 Limited (Company Number 10419351)

Elysium Healthcare Holdings 3 Limited (Company Number 10419575)

Elysium Healthcare LC Limited (Company Number 10492029)

Elysium Healthcare Limited (Company Number 04063391)

Elysium Healthcare No. 4 Limited (Company Number 03257732)

Elysium Healthcare No. 5 Limited (Company Number 08754501)

Elysium Healthcare No. 6 Limited (Company Number 09221811)

Elysium Healthcare No.2 Limited (Company Number 06244878)

Elysium Healthcare No.3 Limited (Company Number 02989725)

Elysium Healthcare Property 1 Limited (Company Number 05406117)

Elysium Healthcare Property 2 Limited (Company Number 05406155)

Elysium Healthcare Property 3 Limited (Company Number 05613375)

Elysium Healthcare Property 4 Limited (Company Number 05852393)

Elysium Healthcare Property 5 Limited (Company Number 05852377)

Elysium Healthcare Property 6 Limited (Company Number 07467929)

Elysium Healthcare Property 7 Limited (Company Number 06538359)

Elysium Healthcare Property 8 Limited (Company Number 11599382)

Elysium Neurological Services (Adderley) Limited (Company Number 09595914)

Elysium Neurological Services (Badby) Limited (Company Number 05558328)

Elysium Neurological Services Limited (Company Number 08002473)

Exeter Medical Limited (Company Number 05802095)

Focus on Care Recruitment Limited (Company Number 04012937)

Independent British Healthcare (Doncaster) Limited (Company Number 3043168)

Lighthouse Healthcare Group Limited (Company Number 08953187)

Pendarren Court Ltd (Company Number 09577953)

Ramsay Diagnostics UK Limited (Company Number 4464225)

Ramsay Elysium Holdings Limited (Company Number 13773914)

Ramsay Health Care (UK) Limited (Company Number 6043039)

Ramsay Health Care Holdings UK Limited (Company Number 4162803)

Ramsay Health Care UK Finance Limited (Company Number 7740824)

Ramsay Health Care UK Operations Limited (Company Number 1532937)

Ramsay UK Properties Limited (Company Number 6480419)

St George Healthcare Limited (Company Number 03813660)

Stanley House Limited (Company Number 05755615)

The Chimneys Healthcare Partnership Limited (Company Number 09586492)

	The Chimneys Limited (Company Number 10282525) *Luxembourg Guarantors:* Badby Properties (Darlington) S.à r.l. (Company Number B.211.134) Badby Properties (Middlesbrough) S.à r.l. (Company Number B.201.958) Badby Stoke (Care Homes 2) Property S.à r.l. (Company Number B.194.652) Badby Stoke (Care Homes) Property S.à r.l. (Company Number B.194.610) Sunflower Holding S.à r.l. (Company Number B.165.905) Sunflower Property S.à r.l. (Company Number B.165.918) *Guernsey Guarantor:* Elysium Healthcare Group Limited (Company Number 62722)
Guarantors:	The Initial Guarantors together with any Additional Guarantors, but excluding any such Initial Guarantor or Additional Guarantor which has been released from the Guarantee. A list of the current Guarantors, which may change from time to time in accordance with the Trust Deed and the Conditions, is available from the Issuer and/or the Issuing and Paying Agent upon request.
Risk Factors:	There are certain factors that may affect the Issuer's and the Guarantors' ability to fulfil their obligations in respect of Notes issued under the Programme and the Guarantee. These are set out under "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all intended investors, certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Guaranteed Medium Term Note Programme.
Arrangers:	BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc and Merrill Lynch International.
Dealers:	BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Merrill Lynch International and any other Dealers appointed from time to time in accordance with the Programme Agreement.

	The Issuer and the Guarantors may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Dealers**" are to the above named Dealers and all persons appointed as a Dealer in respect of one or more Tranches or the whole Programme (in each case, whose appointment has not been terminated).
Issuing and Paying Agent and Calculation Agent:	The Bank of New York Mellon, London Branch.
Registrar:	The Bank of New York Mellon SA/NV, Dublin Branch.
Transfer Agent:	The Bank of New York Mellon SA/NV, Dublin Branch.
Trustee:	The Bank of New York Mellon, London Branch.
Programme Size:	Up to U.S.$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution/Method of Issue:	Notes may be distributed either by way of private placement or on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of the Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue date. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest, the date from which interest starts to accrue and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the applicable Pricing Supplement.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer(s).
Maturities:	The Notes will have maturities as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) and indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency (as defined in Condition 5.7).

	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issue Price:	The Notes may be issued on a fully-paid basis and at an issue price which may be at par or at a discount to, or premium over, par. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	The Notes may be issued in bearer form and/or registered form, each as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes. Bearer Notes will not be exchangeable for Registered Notes. The Issuer may agree with one or more relevant Dealers that Notes may be issued in a form not contemplated by this Offering Circular, as described in the applicable Pricing Supplement. In addition, in the case of such Notes intended to be listed on the SGX-ST (or admitted to trading or quotation on or by another stock exchange, listing authority or quotation system) and if required by the SGX-ST (or the relevant other stock exchange, listing authority or quotation system), a supplementary Offering Circular will be made available which will also describe the effect of the agreement reached in relation to such Notes.
Clearing Systems:	Clearstream and Euroclear, and in relation to any Tranche of Notes, such other clearing system as may be agreed between the Issuer, the Guarantors, the Trustee, the relevant Paying Agent and the relevant Dealer(s).
Initial Delivery of Notes:	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or Registered Notes may be deposited with a common depositary for Euroclear or Clearstream. Global Notes may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the relevant Paying Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a nominee of a common depositary for such clearing systems.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) and specified in the applicable Pricing Supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified

Currency governed by an agreement incorporating the 2006 ISDA Definitions or 2021 ISDA Interest Rate Derivatives Definitions (as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(c) on such other basis as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) and specified in the applicable Pricing Supplement.

The margin (if any) relating to such floating rate will be agreed between the Issuer, the Guarantors and the relevant Dealer(s) for each Series of Floating Rate Notes and will be specified in the applicable Pricing Supplement.

Other provisions in relation to Floating Rate Notes

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both as may be specified in the applicable Pricing Supplement.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer, the Guarantors and the relevant Dealer(s) and as specified in the applicable Pricing Supplement, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) and specified in the applicable Pricing Supplement.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer, the Guarantors and the relevant Dealer(s) may agree and as specified in the applicable Pricing Supplement.

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s). The terms of any such redemption, including notice periods, any

	relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Pricing Supplement. The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Maturities*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Pricing Supplement save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note will be €100,000 (or, in each case, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances provided in Condition 8), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10(c).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations preferred by law) at least equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding, as set out in Condition 3.
Status of the Guarantee:	The Notes will be unconditionally and (subject to the release of any Guarantor pursuant to the terms of the Trust Deed and in accordance with the Conditions) irrevocably guaranteed, on a joint and several basis. by the Guarantors. The Guarantee will be constituted by the Trust Deed. The payment obligations of the Guarantors under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other

unsecured and unsubordinated indebtedness and monetary obligations of each Guarantor.

Ratings: Notes issued under the Programme may be rated or unrated. Where an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Credit ratings are for distribution only to a person:

(a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act; and

(b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.

Anyone who is not such a person is not entitled to receive the Offering Circular and anyone who receives the Offering Circular must not distribute it to any person who is not entitled to receive it.

Listing and Admission to Trading: Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for permission to deal in, and listing and quotation of, any Notes to be issued pursuant to the Programme which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. If such application is approved, such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST.

There is no assurance that the application to the Official List of the SGX-ST will be approved. The approval in-principle from the SGX-ST, admission to the Official List of the SGX-ST and listing and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantors, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer, the Guarantors and the relevant Dealer in relation to

	the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Use of Proceeds:	The net proceeds from the issue of Notes will be applied by the Issuer for general corporate purposes (including repayment of any indebtedness outstanding from time to time), or as may be specified in the applicable Pricing Supplement.
Governing Law:	The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed will be governed by, and construed in accordance with, English law.
Selling Restrictions:	Subject to the general restriction that the Notes are not an offer to the public, there are restrictions on the offer, sale and transfer of the Notes in Australia, the United States, the EEA, the UK, Japan, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*". Each of the Issuer and the Guarantors is Category 2 for the purposes of Regulation S under the Securities Act, as amended. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**") unless: (a) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") or (b) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect the ability of the Issuer and the Guarantors to fulfil their obligations under Notes issued under the Programme, or the Guarantee thereof, which may in turn result in investors losing the value of their investment. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer believes to be material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuer or a Guarantor to pay interest, principal or other amounts on or in connection with the Notes or the Guarantee thereof may occur for other reasons as a result of the occurrence of events outside the Issuer's and the Guarantors' control which may not have been considered significant risks by the Issuer based on information currently available to them or which they may not currently anticipate. There may also be factors material for the purpose of assessing the market risks associated with an investment in the Notes that are not addressed below. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (and in any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Notes issued under the Programme and the suitability of investing in such Notes in light of their particular circumstances.

Headings and sub-headings are for convenience only and risk factors that appear under a particular heading or sub-heading may also apply to one or more other headings or sub-headings.

*Please refer to "*Description of the Issuer's Business*" for definitions of capitalised terms used but not otherwise defined in this section.*

1.1 Risks Associated with the Funding Group's Business and Investments

1.1.1 Communicable or virulent diseases and pandemics/epidemics

The outbreak of communicable or virulent diseases and pandemics/epidemics, including the outbreak in late 2019 of a novel strain of coronavirus being COVID-19, in countries in which the Funding Group operates may materially and adversely affect its operations. Any such occurrence could also result in government intervention, sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect Australia, the UK and other economies. In the event such outbreaks occur at any of the facilities operated by the Funding Group greater infection control measures will have to be implemented with the possibility of temporary closure of the affected facility and quarantine of all affected healthcare professionals. In addition, occurrences of epidemics and pandemics could also result in negative public opinion of medical institutions. The occurrence or development of any of these events may materially and adversely affect the Funding Group's business, financial condition, results of operations and prospects.

The impacts of COVID-19 for the Funding Group and its business include the following:

- Government intervention in relation to the nature and scale of surgeries, visitor restrictions and limitations on group therapy

- Community restrictions and lockdowns limiting staff, patients and visiting doctors from accessing facilities
- Illness, quarantine, fatigue and mental health impacts to personnel, patients and visiting doctors, including corresponding impacts on absenteeism rates
- Workforce shortages, including due to healthcare as a profession being perceived as less desirable
- In the event that significant numbers of staff need to be quarantined they may need to be supplemented by more expensive staff, including overtime and/or agency staff, and the facilities may not be able to operate at full capacity as a result
- Supply chain disruptions affecting supply of products and services to healthcare facilities
- Higher inflation resulting in increased costs
- Detrimental economic impacts increasing levels of unemployment that could result in declines in private health insurance membership
- Negative public perception of the safety of healthcare facilities could impact the volume of elective surgeries or other treatments as patients may choose to delay some procedures due to the perceived risk of catching the virus while at the facility

There can be no assurance that the Funding Group will not be materially and adversely affected by any of these impacts, any disruption, shortage or delay caused by a resurgence in cases of COVID-19 or other communicable diseases in the countries in which the Funding Group operates.

Communicable or virulent diseases and pandemics/epidemics could also result in protracted volatility in international markets and/or result in a global recession. The foregoing may result in reduced investment and spending and severe unemployment. Any economic downturn may pose significant challenges to the Funding Group's business.

1.1.2 People and workforce

The Funding Group is highly dependent on its doctors, nurses and other healthcare professionals.

People are the Funding Group's most important asset and are key to its ongoing success. It is important that the Funding Group and the businesses in which it invests continue to attract and retain world class talent and provide a safe working environment. The Funding Group's operations may be impacted by a number of potential factors relating to its people and workforce, including the inability to develop and implement strategy, increased costs to the business associated with employee turnover and/or shortages, reputational damage and/or financial penalties due to serious injury to a person as a consequence of failure to maintain a safe workplace, and operational disruption due to strikes or other forms of industrial action.

Personnel

The most significant cost in healthcare operations is labour. In most regions where the Funding Group operates there is a shortage of nurses and other healthcare workers, enhanced competition to recruit and retain staff which also causes additional upward pressure on costs.

Any labour costs larger than anticipated may negatively impact the financial performance and operations of the Funding Group. There can also be no assurance that the Funding Group will be able

to attract, employ and retain highly skilled, qualified and experienced healthcare staff in the future. This risk has recently been exacerbated as a result of nurses and other healthcare workers leaving the profession as a result of fatigue through COVID-19 pandemic. Failure to retain or attract such personnel could have a material adverse impact on the business, reputation, financial performance and position of the Funding Group.

Key management personnel

The successful operation of the Funding Group's business relies on its ability to retain experienced and high-performing key management and operating personnel. The unexpected loss of any key members of management and operating personnel, or the inability on the part of the Funding Group to attract experienced personnel, may adversely affect its ability to develop and implement its business strategies.

The loss of the services of any of the key management personnel could have a material adverse effect on the Funding Group's operations.

Industrial relations

Many of the Funding Group's employees are covered by workplace agreements with various authorities and labour unions, which periodically require renegotiation and renewal. Disputes may arise in the course of such renegotiations which may lead to strikes or other forms of industrial action that could disrupt the Funding Group's operations. Further, any such renegotiation could result in increased labour costs. If any of these events occur, it may have a material adverse effect on the Funding Group.

1.1.3 Clinical quality, brand name and reputation

The delivery of high quality clinical care is fundamental to the success of the Funding Group and the recognition of the "Ramsay" brand name and its reputation in the healthcare industry as a reliable service provider. There are many things that could threaten this objective, including ineffective policies and practices, misconduct and medical malpractice of staff and visiting medical officers or other errors such as medication errors.

The Funding Group may become the subject of, or perceived to be, associated with governmental investigations, claims and litigation, as well as medical malpractice litigation brought by patients and patient complaints which may affect the Funding Group's brand name, reputation and financial position.

Failure to adequately monitor clinical risks could lead to regulatory action against the Funding Group and may have a material and adverse impact on its business, financial condition, results of operations and prospects. Although the Funding Group has regional clinical governance frameworks for the identification and management of a range of clinical risks in place, these frameworks may not be properly implemented or, even if properly implemented, may fail to achieve their objectives.

Poor clinical risk management could lead to, among other things, potential significant medical malpractice incidents or claims, or outbreaks of infection or contamination at a facility. These may result in reputational damage and financial loss due to lost revenue or increased legal and compliance cost in connection with regulatory fines, litigation or settlement payments, as well as potentially impacting the Funding Group's ability to recruit and retain clinicians and employees.

In addition, legal action may be taken against the Funding Group as a result of medical malpractice. Such medical malpractice litigation is typically brought against the patient's doctor and may also seek to include as a defendant the hospital and/or clinic at which treatment was given. The Funding Group treats complex medical conditions, such as cancer, heart and vascular issues and mental health issues, which give rise to a higher degree of risk of medical malpractice litigation. Further, even if the Funding Group is not involved in such medical malpractice litigation, the reputation of the Funding Group's

hospitals and/or clinics may be adversely affected by the Funding Group's association with any doctor involved in medical malpractice litigation.

The Funding Group or its healthcare professionals may also, from time to time, be the subject of complaints from patients. Any such complaint may also result in investigations and/or disciplinary actions by the relevant governing professional body which could in turn result in fines, suspension and/or the revocation of licences. The occurrence of any of the foregoing events may have a material adverse impact on the staff morale, business, financial condition, results of operations and prospects of the Funding Group.

The business of the Funding Group may also be affected by negative publicity resulting from social media reviews, publication of industry findings and research reports and any externally published ratings relating to hospital quality of care performance. Such negative publicity, regardless of its validity, may affect the number of patients visiting the hospitals and clinics owned by the Funding Group and the Funding Group's revenue and profits may, as a result, be adversely affected.

1.1.4 Relationship with doctors/third party administrators

The recommendation of a patient's doctor is often the most significant factor in a patient's choice of healthcare facility in many of the Funding Group's regions. Therefore, doctor engagement and working in partnership with doctors is a key factor in the success of the Funding Group's facilities. There is no guarantee that doctors will continue to refer their patients to the Funding Group's facilities.

As virtually all of the doctors working at the Funding Group's facilities are not employees, they have no obligation to use any of the Funding Group's facilities. These doctors have the choice of where to work, typically basing their decision on whichever location provides the best services in terms of theatres, equipment, nurses and other healthcare workers, beds and suites.

Doctors directly affect the efficiency and quality of service of a healthcare facility through the number and type of patients they treat, the time they take in theatre, their consumption of supplies and their decision on when to discharge patients.

Any loss of doctors may affect associated patient referrals, the demand for the Funding Group's services and reduce the Funding Group's earnings.

In addition to inpatient treatments, the Funding Group's revenue is dependent on the provision of ancillary services, such as diagnostic laboratory services, as well as the provision of outpatient primary care. The Funding Group's inability to increase revenue from inpatient treatments and complex medical treatments that have high revenue intensity, manage inpatient occupancy, or increase revenue from outpatient primary care and ancillary services, may have a material adverse effect on its business, financial condition, results of operations and prospects.

1.1.5 Government policy, legal and regulatory, litigation or disputes

Government policy

The Funding Group operates in the healthcare industry which is subject to extensive laws, regulations, policies and ethical standards (which may vary by jurisdiction) relating to, among other things, the conduct of operations, the licensing and accreditation of facilities and the addition and development of facilities and services.

There are a number of areas in which changes in the policies of governments, including changes already effected in response to the impact of the COVID-19 pandemic, had or may have a material impact on the health sectors in each of the regions in which the Funding Group operates and, more specifically,

the private healthcare sector. Changes which could negatively impact the Funding Group include changes in:

- Policies that would effectively reduce the role of the private sector in a country's health system, including the involvement of the private sector in the provision of healthcare to publicly funded patients

- Negative tariff adjustments which reduce the price the private healthcare sector is paid for providing services to public patients, particularly in regions where the Funding Group provides services predominantly to public patients

- Circumstances or regulations that impact the affordability of private health insurance (particularly in Australia) and the level of private health insurance coverage. These factors could include a deterioration in the economic climate, annual increases in premiums, or the reduction or removal of incentives that encourage people to take out private health insurance. Reduced participation in private health insurance could decrease the demand for the Funding Group's services resulting in decreased revenues. In addition, if the financial sustainability of private health insurance funds is threatened, there is increased pricing pressure on private operators such as the Funding Group

- Patient choice, such as the current legislation in the UK, which allows patients the freedom to choose between private or public health care providers

- Competition laws or government controls on healthcare facility licences, which prevent the Funding Group from growing in the markets in which it currently operates

- Foreign ownership provisions which could affect the markets in which the Funding Group operates or has investments, including prevent expansion in existing or future markets

- The extent to which government-owned and not-for-profit health care facilities may be able to compete with a competitive advantage arising from advantageous tax treatment in certain of the Funding Group markets

- Medical negligence legislation, the common law of negligence and medical indemnity insurance which could expose the Funding Group to increased claims

In addition, the Funding Group may become subject to new, additional or modified regulations which could impact its ability to continue its operations in the same manner or increase its regulatory and compliance obligations. Any new regulatory restrictions or changes in government attitudes or policies in relation to any or all of the existing regulatory areas may have a material adverse effect on the Funding Group.

Legal and regulatory compliance

The Funding Group is subject to national and local laws, rules and regulations in the countries in which it operates, governing, among other things:

- Conduct of operations and investments

- Health and safety of the workforce

- Adequacy of medical care

- Pricing of medical services

- Quality of medical facilities, equipment and services
- Purchase of medications and pharmaceutical drugs
- Procurement of large medical equipment
- Operation of radiotherapy and diagnostic imaging equipment
- Noise pollution, discharge of pollutants to air and water and handling and disposal of bio-medical, radioactive and other hazardous waste
- Qualifications and licensing of medical and support personnel
- Privacy obligations including the confidentiality, maintenance and security issues associated with health-related information and medical records

Compliance with all applicable governmental laws and regulations is costly and may adversely affect the Funding Group's competitive position and results of operations as well as constrain the Funding Group's growth prospects. Any such costs may have a material adverse effect on the business, financial condition, results of operations and prospects of the Funding Group.

The Funding Group is reliant on the expertise and judgment of its directors, management, doctors, third party administrators, staff and advisors, as well as the establishment and maintenance of appropriate systems and procedures (both manual and automated) to ensure ongoing compliance with its legislative and regulatory obligations in each of the jurisdictions in which it operates and has investments.

In the case of actual or alleged non-compliance with legal or regulatory requirements, the Funding Group could also be subject to investigations and administrative or judicial proceedings that may result in substantial penalties, including fines or obligations to pay compensation, or the cancellation, suspension (including from use of its medical equipment), or revocation of authority to conduct its business (including its licenses). Any such investigation or proceeding, whether successful or unsuccessful, could result in substantial costs and diversion of resources and could adversely affect the Funding Group's business, financial condition and performance and prospects and may also give rise to adverse publicity and reputational impacts for the Funding Group. Furthermore, non-compliance may lead to regulatory action requiring the Funding Group to limit or otherwise change its operations, or prohibiting it from engaging in certain activities which could materially adversely affect the Funding Group's business, financial condition and results of operations.

Healthcare facilities are required to be licensed under various legislation in the jurisdictions within which they operate. These licences involve detailed compliance requirements and are generally subject to regular review and are subject to revocation in certain circumstances. Healthcare facilities cannot operate without a valid licence. There is no assurance that the Funding Group will be successful in its applications for any required approvals, licences and permits or be able to renew existing approvals, licences and permits when they lapse as the approval or renewal of any approvals, licences and permits may be at the discretion of the relevant authorities. There is also no assurance that the approved or renewed approvals, licences or permits will be granted in a timely manner or on terms acceptable to the Funding Group. If the Funding Group is unable to secure applicable licences for the operation of its facilities in the future or if any of its existing licences are revoked, it may be required to cease or disrupt its operations in any affected hospital, which in turn could have a material adverse effect on the Funding Group and its ability to operate its business.

The approvals, licences and permits obtained by the Funding Group are subject to conditions stipulated in such approvals, licences and permits and/or in the relevant laws, rules or regulations under which they have been issued, which conditions must be complied with for the duration of such approvals,

licences and permits. Where there is a failure to comply fully with the stipulated conditions, the relevant authorities have the power to revoke the Funding Group's approvals, licences or permits, and in such instances, the Funding Group's business, financial condition, results of operations and prospects may be adversely affected.

The prerequisites to obtaining the relevant approvals, licences and permits in the healthcare services industry may evolve and change over time and new or more stringent policies may be introduced. There is no assurance that the Funding Group will be able to adapt expeditiously to new laws, regulations or policies that may come into effect from time to time. If the Funding Group fails to comply with new policies and regulations, or if such policy changes disrupt the Funding Group's business operations or cause it to incur additional costs, the Funding Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition to licensing requirements, the Funding Group's facilities undergo varying quality accreditation processes. Generally funding is conditional on maintaining the relevant quality/accreditation status. Should a facility or facilities lose such status then funding would be jeopardised.

Litigation or disputes

The Funding Group may be involved in disputes or litigation (including class actions), including disputes with patients, suppliers, funders, doctors, government and regulatory bodies, landlords, franchisees or current or former employees (for example, industrial action, claims relating to unfair dismissal or workplace health and safety claims). Healthcare companies, such as the Funding Group, and particularly those which operate healthcare facilities as part of their business, are exposed to the risk of medical indemnity claims and litigation. Current or former patients may, in the normal course of business, commence or threaten litigation for medical negligence against the Funding Group. Subject to indemnity insurance arrangements, if the Funding Group is involved in any such disputes, litigation or protracted settlement negotiations, this may disrupt the Funding Group's business operations, cause the Funding Group to incur significant legal costs, penalties or settlement costs, divert management's attention away from the daily operations of the business and, irrespective of the outcome of the dispute or litigation, may damage the Funding Group's reputation.

1.1.6 Social, economic or geopolitical instability

The Funding Group operates in 10 countries and has exposure to the political, economic and social conditions in each of these regions. Whilst the Funding Group considers that the regions within which it operates are largely politically stable, there is the risk that this could change at any time and geopolitical tensions may impact cost and availability (including as a result of international sanctions) of supply which may impact the role of the Funding Group in the provision of healthcare. Any deterioration in the political, economic or social conditions in the markets within which the Funding Group operates may lead to reductions in business or reimbursement structures, and therefore reduced cash flows, and the value of investments, which may have an adverse impact on the overall financial performance and position of the Funding Group.

The Funding Group's ability to borrow from banks or raise money via capital markets to meet the financial requirements of the Funding Group is dependent on market conditions, and may be materially and adversely affected by developments in a particular geographic region, industry or economic sector. Financial crises in particular geographic regions, industries or economic sectors could in the future, lead to sharp declines in the currencies, inflation, stock markets and other asset prices in those geographic regions, industries or economic sectors, which in turn threaten affected companies, financial systems and economies, and which may also significantly increase the costs of such borrowing. The Funding Group relies on, amongst other things, bank loans to satisfy its capital requirements and the existing level of indebtedness of the Funding Group may also materially impact its ability to raise additional

financing and/or refinance on competitive terms and its cost of funding may increase in the event of any financial crises.

Geopolitical developments, including ongoing tension between the United States and China as well as the war in Ukraine, or the perception that geopolitical events could occur or escalate, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict the Funding Group's access to capital. These conditions have resulted in higher historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets.

For these or other reasons, the Funding Group may be unable to obtain future financing on favourable terms, or at all, to fund the Funding Group's operations, anticipated capital expenditure and working capital requirements which may have a material and adverse effect on the business, financial condition, results of operations and prospects of the Funding Group.

The ability of the Funding Group's Excluded Subsidiaries to obtain funding is similarly dependent on market conditions. Although the Excluded Subsidiaries are financed independently of the Funding Group, the failure of Excluded Subsidiaries to obtain adequate funding may materially adversely effect the value of and returns from the Funding Group's investment in such Excluded Subsidiaries.

1.1.7 Funders - health insurance funds and government sources

The majority of the Funding Group's revenue in Australia is derived from private health insurers and governments in the provision of its services. In the UK, the majority of the Funding Group's revenue is derived from government sources. Failure to reach satisfactory commercial terms with major insurers, or changes to government funding and/or contractual arrangements, has the potential to impact the financial performance and operations of the Issuer.

Indexation and tenure are the two key items in health fund contract negotiations, however, health funds can also put pressure on healthcare providers to change models of care or reduce length of stay and move treatment to outpatient or day procedures. Most contracts between private healthcare operators and health insurers average three years in length.

The Funding Group has contracts with several governments in Australia to operate Public Private Partnership hospitals, for example the contract to operate Joondalup Health Campus. Failure to renew these agreements would have an adverse impact on the Funding Group's earnings.

The Funding Group is also susceptible to factors adversely affecting private health funds in Australia. A decline in the profitability of health funds, a decline in health fund membership and an inability of health funds to obtain premium increases (because of government regulation or other restrictions) may indirectly impact the financial performance of the Funding Group in Australia through pressure on rates being charged by the hospitals or fewer patients due to declining membership, leading to a reduction in earnings from health insurance funding.

The primary collection risk of the Funding Group's account receivables relates to the failure by healthcare insurers, governments corporate customers and individual patients to pay in a timely manner and in full for the services that the Funding Group has provided. It is possible that healthcare insurers, governments and corporate customers may change their reimbursement policies and coverage plans in the future such that the payment period may be extended or services which the Funding Group provided to patients are no longer covered. If the Funding Group does not receive payment on a timely basis, its results of operations and cash flow may be materially and adversely affected.

1.1.8 Cyber-attacks and other cybersecurity risks and threats

The Funding Group may be subject to cyber-attacks and other cybersecurity risks and threats (including ransomware, phishing and social engineering).

The Funding Group handles and stores personal information digitally and in paper form, including health information, for its customers and employees. With expanding information privacy and security regulations, and an increasingly hostile cyber environment, the Funding Group recognises incidents relating to information privacy and cyber security as an increasing risk. There is no assurance that there will be no future data leakage or improper use of medical and personal information due to technology failures, human error or lapses in the Funding Group's controls over access to such information.

There is a risk that the Funding Group is unable to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that may result in security breaches that disrupt operations or result in the unintended dissemination of sensitive personal information (with potential impacts for individuals including patients or employees) or proprietary or confidential information. The Funding Group may be at risk of possible losses due to reputational harm, fraud, operational disruption or suboptimal patient experience or patient harm due to delays or disruptions to service delivery. Increased costs may also arise as a result of recovery strategies and financial losses including from inability to conduct operations, substantial regulatory fines or penalties, civil liability claims and material adverse effects on its business, financial condition, results of operations, reputation and prospects.

While the Funding Group relies on its own and third party vendor information technology systems to perform key functions critical to its ability to operate, provide care and manage patient admissions and patient data, inventory and fixed assets, billings and accounts payable and procurement as well as general accounting, there is no assurance that any steps that the Funding Group may take to mitigate such risks will be sufficient to prevent the occurrence of such cyber incidents or cover all losses arising from such cyber incidents. The Funding Group's information technology systems (including those provided by third party technology vendors) are vulnerable to damage or interruption from a number of sources, including natural disasters, power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data, cyber-attacks and other breaches of security.

Any damage or interruption to the Funding Group's information systems or those provided by third party technology vendors could adversely affect the Funding Group's service capability, its ability to conduct its business and generate revenue, as well as result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties.

1.1.9 Competition, innovation, acquisitions and developments

Competition

A number of the assumptions underpinning the Funding Group's strategy and management plans involve maintaining, and in most instances, growing, market share. The Funding Group operates in markets with established competitors and no assurance can be given that the actions of existing or future competitors will not have a material adverse effect on the Funding Group's business, including its ability to implement its strategic plans, results of operations or financial condition.

The Funding Group may not be able to successfully compete for patients and doctors with other healthcare facilities and providers across the countries in which it operates. There are other hospitals and clinics that provide services similar to those offered by the Funding Group. If any of the Funding Group's hospitals or clinics fail to live up to stakeholder requirements, standards and expectations

relative to other operators, the Funding Group's ability to attract and retain patients and visiting doctors alike will decline.

The healthcare business is highly competitive, and the Funding Group competes with healthcare facilities operated by governments, private operators, not-for-profit and charitable organisations, and individual practitioners in the countries in which it operates. The Funding Group will also have to compete with any future healthcare business operators that may be located in the regions in which it operates. Some of these competitors may be more established and have better medical facilities and may offer better medical care and services than the Funding Group. In addition, medical facilities owned or managed by government agencies and trusts, which may have access to wider financing options or may be in a better commercial position to negotiate for the purchase of inventory on more favourable terms than private hospitals owned and managed by for-profit interests, such as the Funding Group.

If the Funding Group is unable to attract patients and doctors, to price and offer services competitively or manage its operating costs, the Funding Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Innovation

Innovation is a key component of the Funding Group's strategy. This involves exploring out of hospital opportunities, digital and data strategies as well as investing in facilities (new and existing) and new technologies to ensure that the Funding Group is meeting stakeholder needs now and in the future. If the Funding Group is not able to execute this strategy effectively this could have a number of adverse impacts on the Funding Group, including:

- Limited growth or an inability to maintain earnings
- Reduced competitiveness in terms of service delivery when compared to other healthcare providers
- Difficulty in attracting and retaining employees and visiting doctors
- Inability to fully respond to industry changes
- Redundancy of services and assets

Acquisitions

During 2022, the Funding Group acquired Elysium Healthcare in the UK and a number of hospitals and healthcare services in the regions where the Funding Group operates. Should these facilities not achieve their expected positive contributions to the Funding Group's overall financial performance, the Funding Group may suffer a material negative impact. Elysium continues to be impacted by inflationary cost pressures and the higher use of agency staff, and continues to discuss tariff arrangements with the NHS England. A recovery in earnings for Elysium is dependent on the determination of an increased tariff applicable from 1 April 2023 from NHS England, increased occupancy and a reduction in the use of agency staff as a result of current recruitment initiatives. A failure to realise these factors would result in the deterioration of Elysium's financial outlook in the near-term and may adversely impact its valuation.

The Funding Group's future business strategy includes the potential acquisition of additional hospitals, health services or businesses with relevant adjacencies, including through minority investments, as well as exploring digital strategies and investing in facilities and new technologies to ensure the Funding Group is meeting consumer needs now and in the future. These acquisitions and investments may expose the Funding Group to unanticipated liabilities. The process of integrating acquired operations

into the Funding Group's existing operations may also result in unforeseen operating difficulties and may require significant financial resources that would otherwise be available for the ongoing development or expansion of the Funding Group's existing operations.

The Funding Group's potential to make further acquisitions may be restricted by relevant competition authorities, who are able to block or subject any mergers to conditions after taking certain factors into account, such as the size of the proposed acquisition as well as the competition authorities' interpretation of the relevant market and how a proposed acquisition may alter the competitive environment of that market.

There can also be no guarantee that the Funding Group will identify any future acquisition opportunities or be able to complete future acquisition opportunities on acceptable terms. If the Funding Group is not able to successfully identify opportunities to build, acquire or expand its additional and existing hospitals and healthcare businesses or faces difficulties or delays in the process of developing, acquiring or expanding such operations, the Funding Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Investments, including joint ventures

The Funding Group is a shareholder in a number of joint venture arrangements, with the joint ventures with Crédit Agricole in Ramsay Santé and with Sime Darby in Ramsay Sime Darby Berhad being the most critical joint ventures for the Funding Group's business. These arrangements have been operating successfully since their inception in 2010 and 2013 respectively.

Ramsay Santé is a private healthcare business operating in Continental Europe and is a 52.8% subsidiary of the Funding Group. Ramsay Santé is operationally and financially independent from the Funding Group and has financing arrangements that are ring-fenced with no recourse to the Issuer or the Funding Group (i.e. there are no cross guarantees by or other recourse to Ramsay Santé in respect of Funding Group debt, and no cross guarantees by or other recourse to the Funding Group in respect of Ramsay Santé debt).

Ramsay Sime Darby is a 50:50 joint venture arrangement with Malaysian multinational conglomerate Sime Darby Berhad. Ramsay Sime Darby is operationally and financially independent from the Funding Group and has financing arrangements that are ring-fenced with no recourse to the Issuer or the Funding Group.

In September 2022, Ramsay announced that discussions between Ramsay, Sime Darby Berhad and IHH Healthcare Berhad in relation to a potential sale of Ramsay Sime Darby had concluded without resulting in a binding agreement for the sale of Ramsay Sime Darby. Ramsay continues to receive approaches and expressions of interest in relation to Ramsay Sime Darby from time to time. At the date of this Offering Circular, Ramsay has not made any decision to run a process in relation to Ramsay Sime Darby, but will continue to review its options, as it does with all of its assets.

The debts and liabilities of Ramsay Santé and Ramsay Sime Darby are risk factors affecting the value of and any returns from the Funding Group's investment in those businesses. The Funding Group is defined as the Issuer and its Subsidiaries for the time being, excluding the Excluded Subsidiaries. Ramsay Santé is accounted for as an investment and Ramsay Sime Darby is equity accounted in the combined financial information of the Funding Group. In addition, the businesses of Ramsay Santé and Ramsay Sime Darby are similar to the business of the Funding Group and are affected by similar risk factors to those outlined in relation to the Funding Group elsewhere in this Offering Circular.

The Funding Group may from time to time, as a matter of business strategy, enter into healthcare development projects or grow its portfolio through the formation of joint ventures, strategic alliances, partnerships or other investment structures. Acquisitions that the Funding Group may make, along with

potential joint ventures and other investments, may also expose the Funding Group to additional business and operating risks and uncertainties, including, among other things, the inability of the Funding Group to exert control over strategic decisions made by these companies.

The Funding Group may also face the risk that its joint venture partners are unable or unwilling to fulfil their obligations under the relevant joint venture agreements, including the possibility of the joint venture partners failing to perform because they do not possess adequate experience or the skill sets expected of them. The Funding Group's joint venture partners may also experience financial or other difficulties, which may affect their ability to carry out their contractual obligations, thus resulting in additional costs to the Funding Group.

There is no assurance that such acquisitions, joint ventures, strategic alliances and partnerships will be successful. If the Funding Group is unable to successfully implement its growth strategy or address the risks associated with its acquisitions, joint ventures, strategic alliances and partnerships, or if the Funding Group encounters unforeseen difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or if the Funding Group fails to achieve acquisition synergies, the Funding Group's business, financial performance, financial condition and operating cash flow may be materially and adversely affected.

Developments

Newly developed facilities, or existing facilities that have been expanded and/or upgraded may experience delays in reaching full operational capacity and may not achieve the synergies and other benefits the Funding Group expects from such developments or expansions.

New facility and expansion projects can be subject to long gestation periods and substantial capital expenditures. The Funding Group may not achieve the operating levels that it expects from newly developed or expanded facilities and it may not be able to achieve its targeted returns on investments in, or benefits from, these projects. In addition, the Funding Group's newly developed or expanded facilities may not successfully integrate with its existing hospitals and healthcare businesses.

Developing and operating new or expanded facilities could also be subject to certain additional risks, including:

- Difficulties pertaining to the setting up of new or expanded hospital operations, including risks related to planning, construction (including cost escalations and budget overruns), securing the required approvals, permits and licences, human resources and demand

- Adverse economic conditions, such as high inflation and interest rates, which may have an impact on the Funding Group's ability to achieve its targeted returns on investments or result in a reduction in overall developments or expansions

- Difficulties in the integration of the assets and operations of new or expanded hospitals and healthcare businesses with existing hospitals and healthcare businesses

- The diversion of management's attention away from existing hospitals and healthcare businesses and an interruption of, or a loss of momentum in, the activities of such hospitals and healthcare businesses

- The diversion of doctors and patients from existing hospitals and healthcare businesses and a loss of revenue at such hospitals and healthcare businesses

- The failure to realise expected profitability or growth, synergies and cost savings

- Difficulties arising from coordinating and consolidating corporate and administrative functions, including the integration of internal controls and procedures such as timely financial reporting

- Difficulties in recruiting and retaining doctors, nurses and other healthcare professionals at existing and new hospitals

- Unforeseen legal, regulatory, contractual, labour or other issues

If the Funding Group is unable to manage the growth in its business or is unable to successfully commence operations of, or integrate, newly developed or expanded facilities, the Funding Group's reputation and ability to compete effectively could be impaired, which would have a material and adverse effect on the Funding Group's business or financial condition, results of operations and prospects.

1.1.10 Capital structure

The Funding Group utilises debt finance to partially fund its business and may need to access additional debt finance or capital to fund its operations and growth. If the Funding Group is unable to access capital, or refinance, repay or renew its debt facilities or otherwise obtain further debt finance on favourable terms, it may not be able to meet its growth objectives, which could materially adversely affect its business and financial position.

The Funding Group's ability to achieve and maintain an optimal capital structure may be affected by the potential for constrained capacity to execute strategy, increased costs of funding, reduced availability of funding or a lower credit rating that is likely to lead to an increase in funding costs and/or less funding sources. As a borrower, the Issuer is also exposed to increases in interest rates, which would increase the cost of servicing it's debt finance.

For a description of further risks related to the financing of the Funding Group in connection with geopolitical, economic or social instability, see the risk factor titled "*Social, economic or geopolitical instability*".

1.1.11 Sustainability and climate change

The Funding Group may be exposed to climate change and adaptation risks in the short and long term. These include, but are not limited to, business disruption, loss and damage from physical risks such as extreme weather events and transition risks such as increased regulation and capital and operating costs in transitioning to a low-carbon economy such as requirements to upgrade certain of the Funding Group's facilities.

The Funding Group is committed to sustainability and being resilient to a changing climate through the Ramsay Cares sustainability strategy which includes emission reduction targets and entering into sustainability linked financing arrangements. The potential risks to the Funding Group of not realising its sustainability strategy include reputational damage as a result of any actual or perceived poor environmental performance, leading to an inability to attract employees and capital investment, increased operating costs from being inefficient and exposure to more extreme weather events, as well as missed opportunities in responding to a transition to a low-carbon economy.

The Funding Group's operations utilise certain materials, processes or installations which are regulated pursuant to various environmental laws, including laws relating to health and hygiene, waste disposal, and storage of hazardous materials, or require environmental permits from regulatory authorities. These items include, but are not limited to, medical or infectious waste, incinerators, and harmful chemical solvents and/or by-products. In case of any leakages or environmental damage caused by the Funding Group's operations, it may incur substantial costs for the removal or remediation of such substances in

addition to potential regulatory fines or proceedings. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances. There can be no assurance that potential environmental liabilities do not exist or will not arise in the future.

The presence of contamination or hazardous substances at facilities may require unbudgeted capital expenditure to remedy the issues, which could have a material adverse effect on the Funding Group's business, financial condition, results of operations, and prospects.

1.1.12 Reliance on key suppliers

There are several key suppliers who provide medical supplies, consumables and equipment to the Funding Group. If any of these key suppliers terminated their supply arrangements with the Funding Group there could be a disruption cost to the business. In addition, new supply arrangements may be on less favourable terms and conditions than those presently in place due to a number of reasons including economic and geopolitical factors. The global supply chain for some supplies, consumables and equipment has been materially impacted by the COVID-19 pandemic. If the Funding Group is unable to mitigate the risk of limited availability of required materials, its ability to conduct its operations may be severely disrupted. Similarly, any price increases by suppliers and the inability to access new products or technology could also adversely affect the Funding Group's result of operations.

1.1.13 Application of and change to accounting standards

Accounting standards may change. There is also a risk that interpretations of existing accounting standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. This may affect the reported earnings of the Funding Group and its financial position from time to time. In addition, any such changes or differences in interpretation may make it more difficult for the Funding Group to comply with the financial covenants contained in its debt facilities. The Issuer has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

1.1.14 Other operational risks

The Funding Group is impacted by ongoing industry-wide challenge to provide high quality patient care in a competitive environment and managing its costs.

The Funding Group is also subject to a wide range of operational risks, including the Funding Group's processes, personnel (including executive transitions among key personnel), technology and infrastructure, generally accepted standards of corporate behaviour and external events.

The Funding Group is impacted by the challenges currently facing the healthcare industry. The Funding Group believes that the key ongoing industry-wide challenges are providing high quality patient care in a competitive environment and managing costs.

Furthermore, operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with the Funding Group's processes, personnel (including executive transitions), technology and infrastructure and generally accepted standards of corporate behaviour, or from external events.

Any failure by the Funding Group to effectively manage these challenges may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

1.1.15 Foreign exchange rates

The Funding Group is exposed to foreign exchange rate risk as a consequence of operating and procuring in different countries. The Funding Group is exposed to the risk of losses arising from adverse and/or volatile movements in exchange rates. The effect of exchange rate fluctuations on local operating results could lead to significant fluctuations in the results reported in the Funding Group's financial statements upon the conversion of the Funding Group's results into Australian dollars, the Funding Group's reporting currency.

The currencies in which these transactions are primarily denominated are AUD, EUR and GBP. Approximately 20% of the Funding Group revenues and costs are denominated in currencies other than AUD. Accordingly, the Funding Group is subject to exchange rate movements.

Foreign exchange rate fluctuations could materially and adversely affect the Issuer's reported results due to unhedged positions. If the Funding Group were to suffer substantial losses due to exchange rate volatility, it may adversely affect the Issuer's results of operations and financial condition.

1.1.16 Insurance

Insurance is maintained within ranges of coverage consistent with industry practice. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

The Funding Group may be exposed to, amongst others, damage to property, cyber-attack, class action, medical malpractice or worker injury which may result in claims under the relevant insurance policies. The Funding Group's insurance coverage and indemnities may not cover all damages and losses or may reach the reinsurance threshold. If any claims exceed the insurance coverage taken up by the Funding Group or the claims are not covered by insurance policies taken up by the Funding Group, the Funding Group would have to fund such losses or damages from its internal resources which may have a material adverse impact on the Funding Group's business reputation, operations and profitability financial position and results of operations.

The majority of the Funding Group's Australian business self-insures for workers compensation under a nationally uniform workers' compensation self-insurance arrangement under the Commonwealth Government's Safety Rehabilitation and Compensation Act (the Comcare scheme). There may be an accident or incident at one of the Funding Group's facilities that results in serious injury within this self-insurance arrangement. Excess of loss insurance (reinsurance) is held for any claims that reach or exceed a certain threshold.

The Funding Group requires visiting doctors to take out professional indemnity insurance policies at their own costs. Although the Funding Group has assessed its risks and purchased insurance including, amongst others, cyber, medical malpractice, work injury compensation, public liability, professional indemnity, property, environmental and industrial special risk, there is no assurance that the present insurance coverage will be sufficient to cover all potential liabilities and risks that the Funding Group may face noting some policies have large deductibles. There is also no certainty whether any or all of the relevant insurers will remain solvent and meet their contracted obligations to provide the coverage contracted for.

Should there be adverse developments such as terrorist attacks and other natural or man-made disasters such as earthquakes, floods, fire hazards and other events beyond the Funding Group's control in Australia, the UK or any other regions where it has operations, the Funding Group may not have adequate insurance coverage to cover these liabilities and risks and the Funding Group's business, financial condition, results of operations and prospects may be materially and adversely affected. If the arrangements for insurance are insufficient, including coverage for any claims which exceed aggregate

policy limits, the Funding Group may be required to make substantial payments, which may have a material adverse effect on the Funding Group's business, financial condition, results of operations and prospects.

1.1.17 High Fixed Costs

New hospitals have high start-up and fixed costs. The healthcare service industry is also subject to other high fixed costs such as specialised hospital equipment, resident doctors, ancillary medical and support staff, which are fairly fixed according to the intended capacity of a hospital and do not vary significantly with inpatient admissions. The Funding Group is subject to high fixed costs, therefore any shortfall in revenue levels as a result of external shocks, including economic downturns and other events that result in a disruption in inpatient admissions, could have an adverse impact on financial performance. There can be no assurance that such external shocks will not have an adverse impact on the Funding Group's operations and financial condition. If any external shocks occur that adversely affect the provision of healthcare services in general, the Funding Group may experience decreased revenue but would likely not see an immediate corresponding decrease in its fixed costs, which would have a material and adverse impact on the Issuer's business, operations and financial condition.

In addition, the Funding Group owns and uses sophisticated medical equipment, devices and systems in its hospitals and clinics for the treatment of patients. Such medical equipment needs to be regularly upgraded as innovation can rapidly make existing equipment obsolete. If the equipment is damaged or breaks down, key parts may not be available, thus impairing the Funding Group's ability to provide the relevant services to its patients. Replacement, upgrading or maintenance of equipment may incur significant costs.

The Funding Group's Excluded Subsidiaries and joint ventures are exposed to similar risks in respect of exposure to costs, which affect the Funding Group through its investments in those entities.

1.1.18 IT systems

The Funding Group is reliant on its technical staff and third party vendors, to provide continued technical support and to maintain the integrity of its IT systems.

If the Funding Group's IT systems are not supported or upgraded as needed, the Funding Group may not be able to adequately manage its operational systems which includes but is not limited to clinical systems, medical records, inventory, communications and accounting and finance functions. Further, the proposed expansion of facilities and acquisition of new facilities requires transitions to or from, and the integration of, various information systems which can be complex and incur significant costs. The failure to integrate, implement and maintain sufficiently advanced technological capabilities could result in competitive and cost disadvantages to the Funding Group as compared to its competitors.

If the Funding Group experiences an interruption or a reduction in the performance, reliability or availability of its IT systems from natural or man-made causes (including operator negligence or cyber-attacks), or from disruptions from its local service providers, its operations including its ability to provide services to its patients and/or to manage its IT systems could be adversely impacted.

The Funding Group's Excluded Subsidiaries and joint ventures are exposed to similar risks in respect of IT systems, which affect the Funding Group through its investments in those entities.

Risks relating to the unaudited interim financial statements

Any unaudited interim financial statements of the Funding Group which are set out or, from time to time, incorporated by reference in, this Offering Circular will not have been audited by the auditors of the Issuer. Accordingly, there can be no assurance that, had an audit been conducted in respect of such

financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance on them.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Notes are legal investments for it;

- the Notes can be used as collateral for various types of borrowing; and

- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Reliance on the Guarantee

The Notes are guaranteed pursuant to the guarantee granted by the Guarantors under the Trust Deed. If any or all of the Guarantors' financial condition deteriorate, it is possible that the Issuer may not have access to the resources or liquidity to pay the amounts required under the Notes and the Guarantors, individually or collectively, may not have the financial resources or liquidity to pay the amounts

required under the Guarantee. Consequently, investors in the Notes may suffer direct and materially adverse consequences.

Potential investors should be aware that:

- members of the Funding Group may be added from time to time as Guarantors to ensure that the tests set out in Condition 3.3(a) and Condition 3.3(b) are complied;

- there are certain exceptions as set out in Condition 3.5 where the Issuer and the Guarantors in aggregate are permitted to comprise less than the threshold amount set out in Condition 3.3(a) and Condition 3.3(b) and accordingly a failure to meet those thresholds will not be in breach of Condition 3.3; and

- a Guarantor may also be released in certain circumstances as set out in Condition 3.4 where such release will not cause a breach of Conditions 3.3(a) and Condition 3.3(b).

In addition, investors should note:

- Excluded Subsidiaries and Limited Recourse Subsidiaries are excluded from the calculation of the thresholds set out in Conditions 3.3(a) and 3.3(b);

- in respect of each Luxembourg Guarantor (as defined below), under the terms of the Trust Deed, the maximum liability of each Luxembourg Guarantor is limited so that the amount payable by it shall not exceed the higher of:

    - at the date of the Trust Deed, 90% of its own funds (capitaux propres), as referred to in annex I to the grand-ducal regulation dated 18 December 2015 defining the form and content of the presentation of balance sheet and profit and loss account, and enforcing the Luxembourg law dated 19 December 2002 concerning the trade and companies register and the accounting and annual accounts of undertakings (the "**Grand-Ducal Regulation**"), increased by the amount of Intra-Group Liabilities as reflected in its latest approved annual accounts; or

    - at the date of a demand under the Guarantee, 90% of its own funds (capitaux propres), as referred to in the Grand-Ducal Regulation, increased by the amount of Intra-Group Liabilities, each as reflected in its latest approved annual accounts and other relevant documents available to the Trustee (if any).

  The above limitation shall not apply to any amounts (if any) due by each Luxembourg Guarantor directly or indirectly, made available to it or any of its direct or indirect subsidiaries (i) under the Programme Documents or the Notes or (ii) by way of an intercompany or shareholder funding (in any form whatsoever) directly or indirectly made available to it or any of its direct or indirect subsidiaries by a borrowing under the Programme Documents or the Notes.

  For the purpose of this risk factor, (i) "**Luxembourg Guarantor**" means any Guarantor that is established or incorporated in Luxembourg, (ii) "**Intra-Group Liabilities** " means all liabilities of such Luxembourg Guarantor due to another member of the group of companies to which it belongs, (iii) "**group of companies**" means an economic unity in which legal entities are connected in an organized manner, and (iv) "**Programme Documents**" means the Trust Deed, the Agency Agreement and the Programme Agreement, relating to the Programme, and in each case as amended and/or supplemented and/or modified and/or restated from time to time; and

- in respect of any new Guarantor, the terms of the Guarantee provided by such Guarantor, may include any limitation determined by the Issuer having regard to general statutory limitations, financial assistance, corporate benefit, regulatory approvals, capital maintenance, "earnings stripping", "controlled foreign corporation", fraudulent preference, "thin capitalisation" rules, tax restrictions, retention of title claims and similar matters which may limit or delay the ability of a Guarantor to provide a guarantee or may require that the guarantee be limited as to amount or otherwise.

Risks related to the enforceability of the Guarantee generally

The enforceability of the Guarantee is subject to various limitations including:

- statutes of limitations, laws relating to administration, moratoria, bankruptcy, liquidation, insolvency, receivership, reorganisation, schemes of arrangement and similar laws affecting generally creditors' and counterparties' rights and specific court orders that may be made under such laws;

- defences such as set-off, laches, forbearance, election, abatement or counterclaim, the doctrine of frustration and the doctrine of estoppel and waiver and the fact that guarantees and certain other documents and obligations may be discharged as a matter of law in certain circumstances;

- general law and statutory duties, obligations, prohibitions and limitations affecting the enforceability of, and exercise of rights under, guarantees generally; and

- the Guarantee or a transaction connected with the Guarantee may be voidable at the option of a party, or may be set aside by a court on application by a party, or a party may be entitled to rescind the Guarantee or a security interest and amounts paid or property transferred under it may be recovered by that party in certain circumstances, including:

    - if that party entered into the Guarantee or transaction as a result of a mistake or another party's misrepresentation or as a result of fraud, duress or unreasonable or unconscionable conduct or misleading or deceptive conduct on the part of another party (or of a third person of which another party has actual or constructive knowledge) or as a result of a breach by another party (or of a third person of which another party has actual or constructive knowledge) of any duty owed to that party; or

    - if that party's entry into the Guarantee or a transaction in connection with it constitutes an 'insolvent transaction' or an 'unfair loan' or an 'unreasonable director-related transaction' or a 'creditor defeating disposition' within the meaning of sections 588FC or 588FD or 588FDA or 588FDB respectively of the Corporations Act and the party is subsequently wound up, or in the circumstances specified under the insolvency laws of the jurisdiction in which the relevant Guarantor is organised or carrying on business.

Ranking of claims

The Notes are unsecured obligations of the Issuer and the guarantee of the Notes are unsecured obligations of the Guarantors. Although the Conditions restrict the Issuer and the Guarantors granting security to secure other capital markets indebtedness, there is no restriction on the Issuer or Guarantors granting security to secure other obligations. To the extent such security was granted, the obligations secured thereby would effectively rank ahead of the Notes and the guarantee provided by the Guarantors. To the extent that assets are held by Subsidiaries of the Guarantors other than the Issuer and the Guarantors, those assets would only be available to meet claims of Noteholders after the satisfaction of all liabilities of such subsidiaries and the return of any surplus assets as equity to the holding company of the Subsidiary that is a Guarantor (if any). There is no restriction on the liabilities

that may be incurred by Subsidiaries that are not Guarantors. In particular, Ramsay Santé and its Subsidiaries are not and are not intended to become Guarantors.

Noteholders' ability to enforce certain rights in connection with the Notes may be limited or affected by reforms to Australian insolvency legislation relating to "ipso facto" rights.

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 (the "**Act**") received Royal Assent and was enacted. The Act contains reforms to Australian insolvency laws. Under the Act, any right under a contract, agreement or arrangement (such as a right entitling a creditor to terminate a contract or to accelerate a payment under a contract) arising merely because a company, among other circumstances, is under administration, has appointed a managing controller or is the subject of an application under section 411 of the Australian Corporations Act (i.e. "ipso facto rights"), will not be enforceable during a prescribed moratorium period.

The Act became effective on 1 July 2018 and applies to ipso facto rights arising under contracts, agreements or arrangements entered into at or after that date, subject to certain exclusions. On 21 June 2018, the Australian Government introduced the Corporations Amendment (Stay on Enforcing Certain Rights) Regulations 2018 (the "**Regulations**") which set out the types of contracts that will be excluded from the operation of the stay on the enforcement of ipso facto rights.

The Regulations provide that a contract, agreement or arrangement that is for, or governs securities, financial products, bonds or promissory notes will be exempt from the moratorium. Furthermore, a contract, agreement or arrangement under which a party is or may be liable to subscribe for, or to procure subscribers for, securities, financial products, bonds or promissory notes is also excluded from the stay. Accordingly, it is expected that the Regulations should exclude the Notes and certain other arrangements under the Programme from the stay. However, since their commencement in 2018, the Act and the Regulations have not been the subject of judicial interpretation on this point. If the Regulations are determined not to exclude the Notes or any other arrangements relating to the Programme from their operation under the exclusions mentioned above or any other exclusion under the Regulations, this may render unenforceable in Australia provisions of the Notes or the Programme conditioned solely on the occurrence of events giving rise to ipso facto rights. Investors should seek independent advice on the implications (if any) of these laws and regulations on their investment in the Notes.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest or less interest than expected;
- payment of principal or interest may occur at a different time or in a different currency than expected; and
- they may lose all or a substantial portion of their principal.

Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Dual Currency Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of their Notes could result in such investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes may have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. When the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including the London interbank offered rate ("**LIBOR**") and the euro interbank offered rate ("**EURIBOR**")) have been, and in some cases, continue to be the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms, such as the discontinuation of LIBOR, are already effective whilst others are still to be implemented. These reforms generally may have caused, and may in the future cause, benchmarks to perform differently than in the past, or to cease to be available, and may have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing an affected benchmark.

In Australia, examples of reforms that are already effective include changes to the methodology for calculation of the Australian Bank Bill Swap Rate ("**BBSW**"), and amendments to the Corporations Act made by the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 (Cth) of Australia which, among other things, enables ASIC to make rules relating to the generation and administration of financial benchmarks. On 6 June 2018, ASIC designated BBSW as a "significant financial benchmark" and made the ASIC Financial Benchmark (Administration) Rules 2018 and the ASIC Financial Benchmarks (Compelled) Rules 2018. On 27 June 2019, ASIC granted ASX Benchmarks Pty Limited a licence to administer BBSW.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (a) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (b) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

These reforms (including the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable) could have a material impact on any Notes linked to or referencing a relevant benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements imposed thereunder, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have the following effects:

- discouraging market participants from continuing to administer or contribute to a "benchmark";

- triggering changes in the rules or methodologies used in a "benchmark"; or
- leading to the discontinuation of a "benchmark".

Any of the above changes or any other consequential changes as a result of international or national reforms or initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon a "benchmark".

The Conditions provide for certain fallback arrangements in the event that the Reference Rate (as defined in the Conditions) and/or any page on which the Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions), with or without the application of an Adjustment Spread (as defined in the Conditions) and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser (as defined in the Conditions) or the Issuer (subject to receipt by the Trustee and the Issuing and Paying Agent of a certificate signed by two authorised signatories of the Issuer and acting in good faith and in a commercially reasonable manner). An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Reference Rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing the Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page (as defined in the Conditions). Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under such Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, the UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a "benchmark".

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders (including by way of teleconference or videoconference call) to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolutions, as well as those who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders or Couponholders (as applicable) and without regard to the interests of particular Noteholders, agree to:

- determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee having regard to its rights under the Trust Deed to obtain advice from professional advisers, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, and whether or not it would be so materially prejudicial to do so;

- any modification of any of the provisions of the Trust Deed or the Agency Agreement if in the opinion of the Trustee such modification is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven;

- any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders; or

- the substitution of another company as principal debtor under any Notes in place of the Issuer, or Guarantor, in the circumstances described in Condition 11.3.

The value of the Notes could be adversely affected by a change in law or administrative practice

The Agency Agreement, the Notes and Guarantee in the Trust Deed are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or the administrative practice of any of those laws after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as described in the applicable Pricing Supplement) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are

not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Trustee's actions

In certain circumstances (including the giving of notice to the Issuer and the Guarantors pursuant to Condition 10), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Even if the Noteholders agree to indemnify and/or provide security to and/or pre-fund the Trustee, the time taken to agree the indemnity and/or security and/or pre-funding may impact on when such actions are taken.

The Trustee may decline to take action requested by the Noteholders, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations and to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and each Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over

the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease:

- the Investor's Currency-equivalent yield on the Notes;
- the Investor's Currency-equivalent value of the principal payable on the Notes; and
- the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or a Guarantor to make payments in respect of the Notes or the Guarantee. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantors or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal risk factors may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Notes are legal investments for it;
- the Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks related to clearing systems

Where the Global Notes are lodged for clearance in and/or held by or on behalf of a clearing system, investors will have to rely on the procedures of the relevant clearing system for transfer, payment and communication with the Issuer

Notes (other than uncertificated Registered Notes) may be represented by one or more Global Notes. Such Global Notes may be deposited with a common depositary for one or more clearing systems ("**Common Depositary**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Each clearing system will maintain records of beneficial interests in, or rights in respect of, Global Notes. While the Notes are represented by one or more Global

Notes, investors will be able to transfer their beneficial interests in, or rights in respect of, a Global Note only through the relevant clearing system.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the Common Depositary for distribution to the account holders in the relevant clearing system(s). A person holding a beneficial interest in, or rights in respect of, a Global Note must rely on the applicable rules, regulations and procedures of the relevant Clearing System to receive payments under the relevant Notes. Neither the Issuer nor the Guarantors have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in, or rights in respect of, Global Notes.

A person holding a beneficial interest in, or rights in respect of, the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such persons will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

USE OF PROCEEDS

The net proceeds from the issue of Notes will be applied by the Issuer for general corporate purposes (including repayment of any indebtedness outstanding from time to time), or as may be specified in the applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER'S BUSINESS

Issuer Profile

Ramsay Health Care Limited (ACN 001 288 768) (the "**Issuer"** or "**Ramsay"**) is an Australian public company which is listed on the Australian Securities Exchange and is the ultimate holding company of the Ramsay Health Care group of companies (the **Ramsay Consolidated Group**).

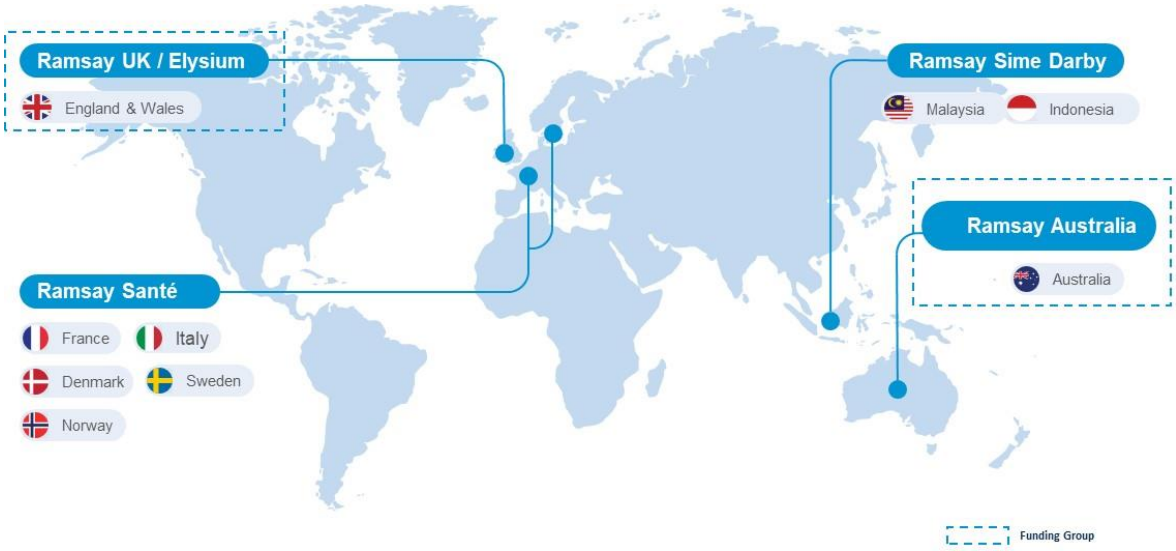
The Issuer's registered office is at Level 18, 126 Phillip Street, Sydney NSW 2000, Australia.

The Issuer's LEI is 549300QBX122KF2JPI10.

The Issuer's business was founded in 1964 by Paul Ramsay AO (1936-2014) and has focused on maintaining the highest standards of quality and safety, being an employer of choice and operating the business based on a culture known as 'The Ramsay Way' and its purpose of 'people caring for people'. The Issuer listed on the Australian Stock Exchange in 1997 and as at the date of this Offering Circular has a market capitalisation of A$14.82bn[2].

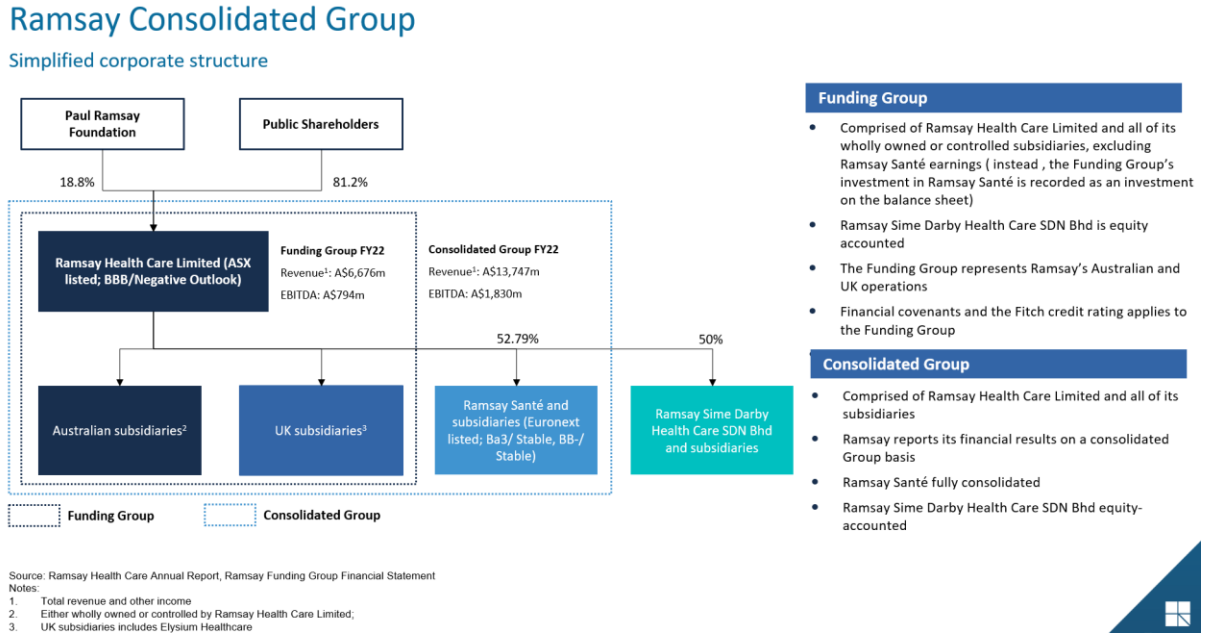
The Issuer's operations in Australia and the United Kingdom comprise the "Funding Group" (as defined on page xi of this Offering Circular under the heading "Certain Definitions"). The credit profile of the Funding Group is used by Fitch Ratings in assessing the Issuer's credit rating. The Funding Group excludes Ramsay Santé, Ramsay's European business, and Ramsay Sime Darby Health Care (**Ramsay Sime Darby**), Ramsay's equity-accounted joint venture, but includes Ramsay Sime Darby's equity accounting contribution in its earnings.

The Ramsay Consolidated Group's global network is illustrated in the diagram below. The Issuer's operations in Australia and the UK which form part of the Funding Group are specifically identified below.



[2] Closing price as at 28 April 2023.

The following diagram depicts in abbreviated form, the separation of the Ramsay Consolidated Group



Overview of the Funding Group

The Funding Group provides quality healthcare through a global network of clinical practice, teaching and research. As at the date of this Offering Circular, the Funding Group's global network, including through its investments in Ramsay Santé and Ramsay Sime Darby, employs over 88,000 people globally and is split across four regions.

Australia

The Funding Group's Australian business has 73 private hospitals and day surgery units in Australia and is Australia's largest private hospital operator. The Australian business includes inpatient and day patient mental health facilities, a range of out of hospital activities as well as the operation of three public hospital facilities (see diagram below). In addition, the Funding Group has established the Ramsay Pharmacy retail franchise network which supports 61 community pharmacies. The Australian business admits more than one million patients annually and employs more than 33,000 people. At 30 June 2022 the business had 8,542 licensed inpatient beds, 10 onsite emergency departments and 457 operating theatres and procedure rooms. Private pay and department of veteran affairs represented 88% of patient admissions and public admissions (including the public hospitals operated by Ramsay) represented 12% of admissions.

UK

The Funding Group's UK business, excluding Elysium Healthcare, has a network of 34 acute hospitals and day procedure centres in England providing a comprehensive range of clinical specialities to private and self-insured patients, as well as patients referred by the National Health Service ("**NHS**"). The UK business cares for over 184,000 patients per year and employs more than 7,000 people. At 30 June 2022 the business had 1,083 beds across its sites. Its split of activity by payor for FY22 was 72% from the NHS and 28% from private payors (both private health insurance and self pay payors). Refer to diagram below for details on activities.

The Funding Group recently acquired Elysium Healthcare, a leading independent operator of long-term medium and low secure hospitals and complex care homes for individuals with mental health conditions. Elysium has 76 operational sites across England and Wales. The business employs approximately 8,000 people. At 30 June 2022 the business had 2,164 available beds across its site with 100% of its activity is for the NHS.

Europe

The Funding Group's investments in Europe (excluding the UK) are conducted by Ramsay Santé (and its subsidiaries), a 52.79% indirectly owned subsidiary of the Issuer which is operated and financed separately from the Funding Group.

Ramsay Santé is the second largest private care provider by volume in Europe. It operates 443 multidisciplinary hospitals and clinics and 130 primary care centres across five countries. In France, Ramsay Santé has a market leading position, with 154 acute care hospitals and clinics. In Denmark, Norway and Sweden, Ramsay Santé operates 225 facilities including primary care units, specialist clinics and hospitals. Ramsay Santé also operates a 93-bed hospital in Italy. Ramsay Santé employs around 36,000 staff and its facilities treated approximately ten million patients in FY22. Ramsay owns 52.79% of Ramsay Santé which is listed on the European financial markets' platform Euronext.

Ramsay Santé is operationally and financially independent from the Funding Group and has financing arrangements that are ring-fenced with no guarantees or similar rights of recourse to the Issuer or the Funding Group. It also has access to equity capital markets.

Information in relation to Ramsay Santé can be found in its reports and announcements available at https://www.ramsaysante.fr/.

Asia

The Funding Group's investments in Asia are conducted by Ramsay Sime Darby, a 50:50 joint venture arrangement with Malaysian multinational conglomerate Sime Darby Berhad which is also operated and financed separately from the Funding Group.

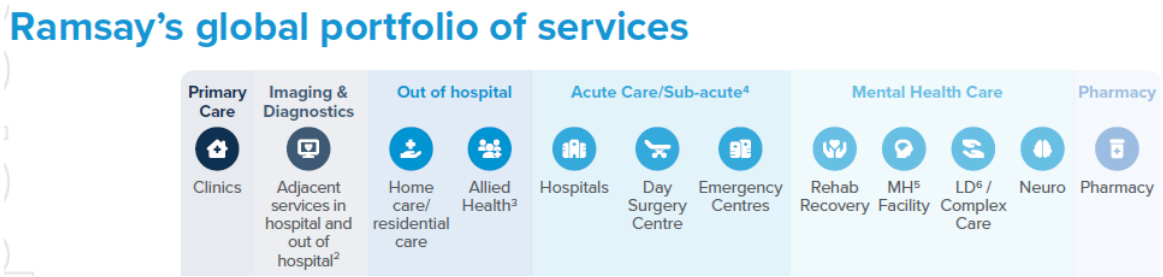
Ramsay Sime Darby operates three hospitals in Indonesia and four hospitals in Malaysia, employing more than 4,000 people.

Ramsay Sime Darby is operationally and financially independent from the Funding Group and has financing arrangements that are ring-fenced with no guarantees or similar rights of recourse to the Issuer or the Funding Group.

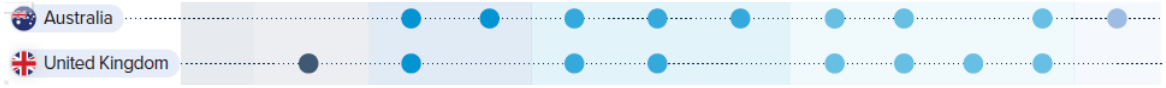
Ramsay Santé (and its subsidiaries) and Ramsay Sime Darby do not form part of the Funding Group.

The Guarantors will solely comprise members of the Funding Group, and Condition 3 (*Guarantee and Status*), Condition 4 (*Negative Pledge*) and Condition 10 (*Events of Default*) will apply solely in relation to, the Funding Group and do not apply in relation to other members of the Ramsay Consolidated Group.

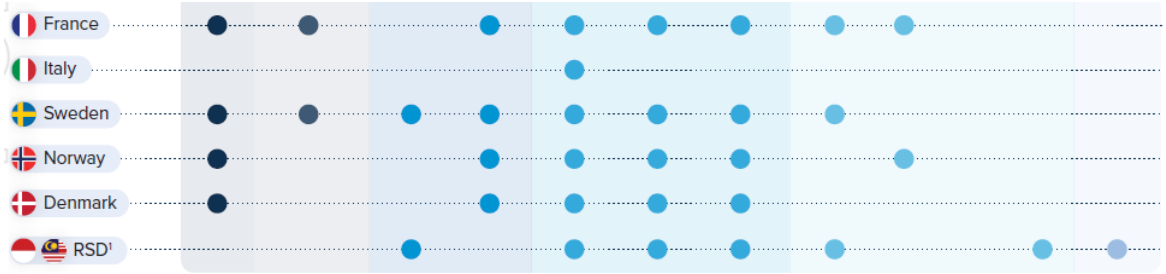
Ramsay's global portfolio of services



Funding Group



Non-Funding Group



1 RSD: Ramsay Sime Darby

2 Includes Pathology

3 Allied Health includes HealthPlus, Psych Clinics

4 Sub-acute care includes Cancer, Gastrointestinal, Rehab

5 MH: Mental Health

6 LD: Learning Disabilities

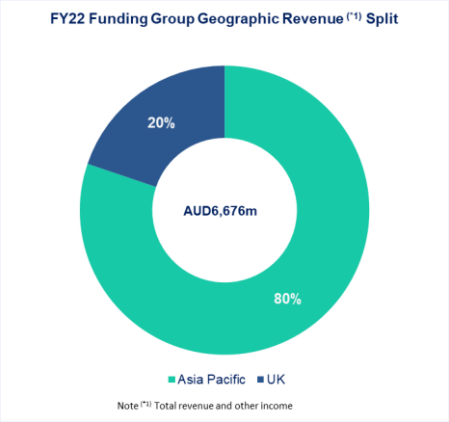
History of Ramsay

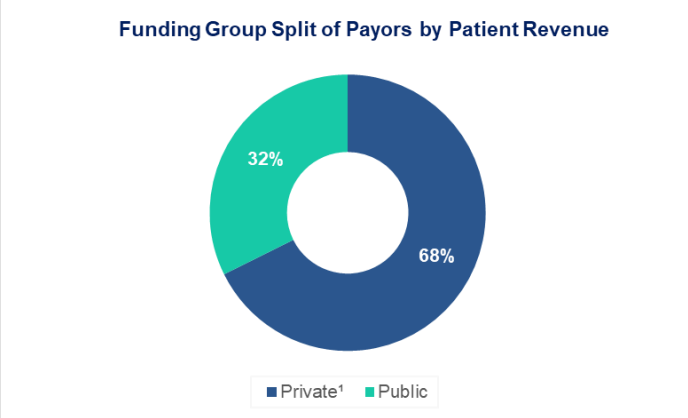
1964	Paul Ramsay, founder and Chairman of Ramsay Health Care, opens Ramsay's first psychiatric hospital in Sydney, Australia.
1978 – 2006	Ramsay diversifies into medical and surgical facilities and expanded its psychiatric sites. Building and acquiring new sites across the country made Ramsay the largest private hospital operator in Australia. In 1997, Ramsay became a public company on the Australian Stock Exchange.
2007	Ramsay acquires a private hospital business in the UK.

2010	Ramsay establishes the Ramsay Santé joint venture in France.
2013	Ramsay establishes the Ramsay Sime Darby joint venture in Asia.
2015	Ramsay's European joint venture, Ramsay Santé acquires Générale de Santé, putting Ramsay in the top five private hospital operators in the world.
2018	Ramsay's European joint venture, Ramsay Santé acquires the Scandinavian healthcare operator Capio AB.
2021	Ramsay Funding Group was assigned a BBB credit rating by Fitch Ratings
2022	Ramsay acquired the UK mental health business Elysium Healthcare. Ramsay's European joint venture, Ramsay Santé acquires GHP Specialty Care in Sweden.

Overview of the Funding Group's revenue

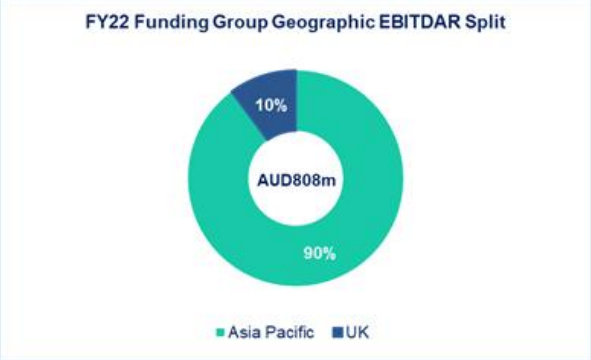
Set out below is an overview of the Funding Group's FY22 revenue split by region and payor.

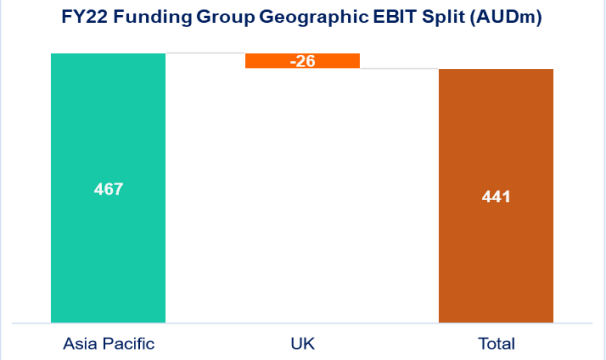


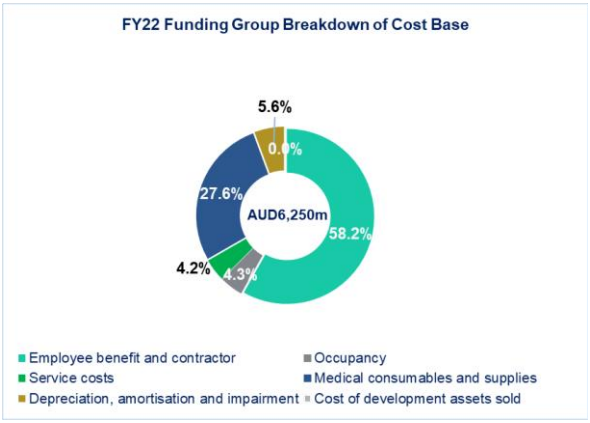


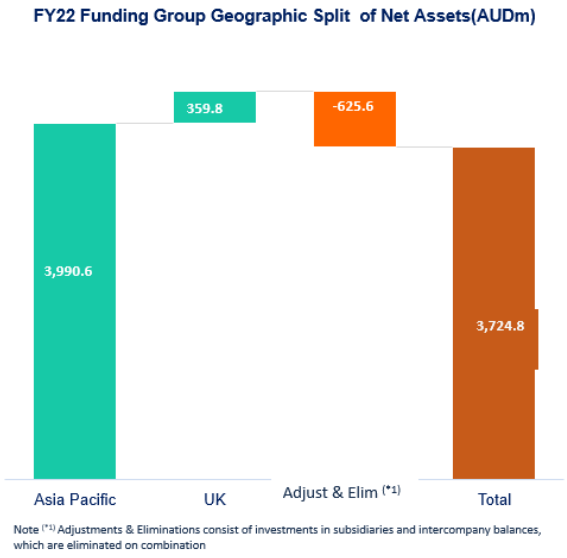
1. Private includes Department of Veteran Affairs in Australia and both self pay and insured in the UK

Set out below is an overview of the Funding Group's FY22 earnings and net assets split by region. Also set out below is a breakdown of the Funding Group's FY22 cost base.

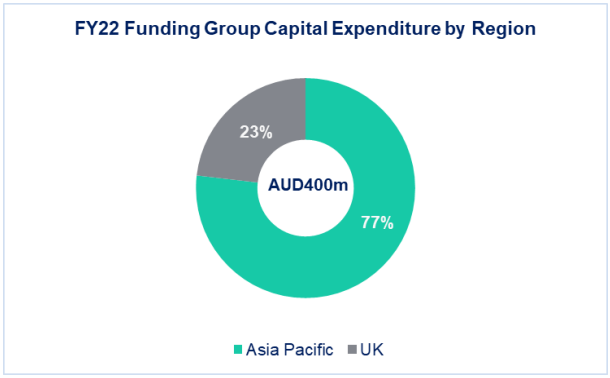


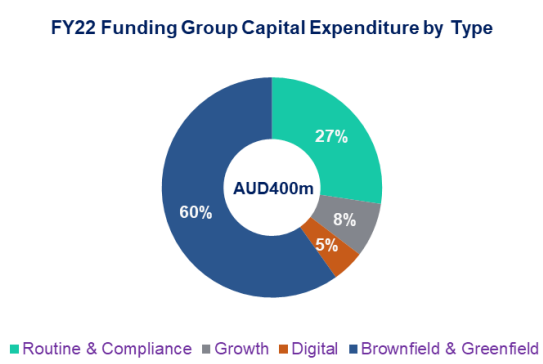


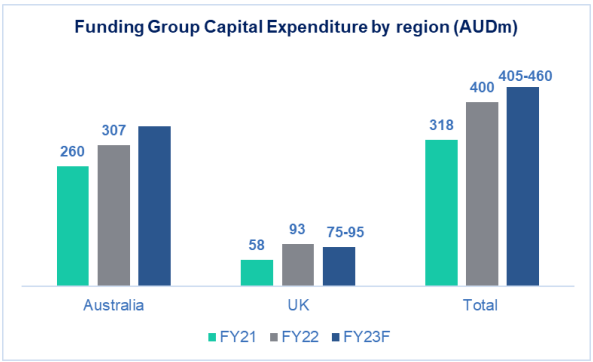




Set out below is an overview of the Funding Group's FY21, FY22 and FY23F capital expenditure by region and type.

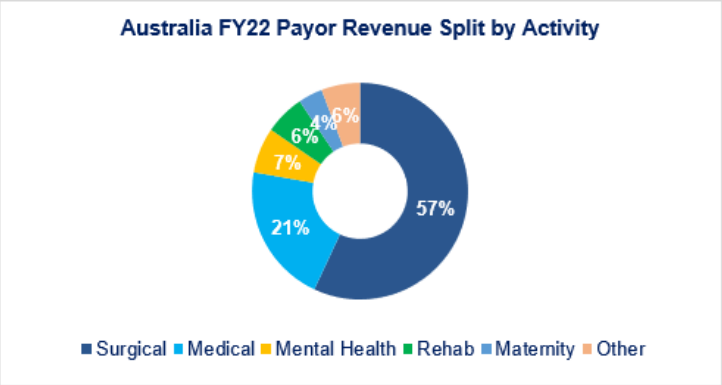






Australia

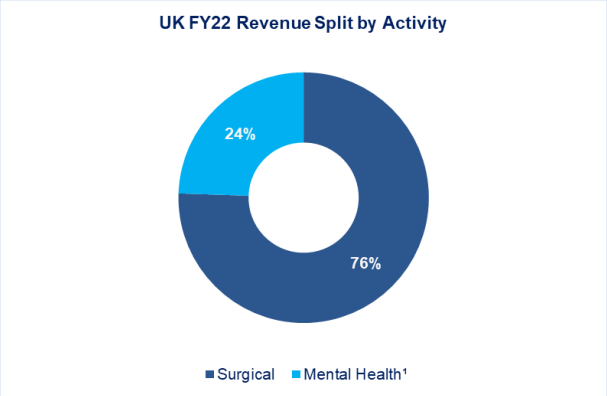
Set out below is an overview of the Funding Group's Australian revenue split by activity for FY22.



For further information on the services offered by the Funding Group's Australian operations, see the section titled "*Ramsay's global portfolio of services*" depicted above.

UK

Set out below is an overview of the Funding Group's UK revenue split by activity for FY22



1. Includes Neuro Rehab

For further information on the services offered by the Funding Group's UK operations, see the section titled "*Ramsay's global portfolio of services*" depicted above.

The Ramsay Way

People are at the heart of Ramsay success. As 'people caring for people' there are three key ways Ramsay approaches its work every day.

- **Ramsay values strong relationships**: Healthy working relationships lead to positive outcomes for all. Ramsay looks out for the people it works with and respects and recognises them. Strong healthy relationships are the foundation of Ramsay's stakeholder loyalty.

- **Ramsay aims to constantly improve**: Ramsay does things the right way. Ramsay enjoys its work and takes pride in its achievements. Ramsay is not afraid to challenge the status quo to find better ways.

- **Ramsay seeks to grow sustainably**: Maintaining sustainable levels of profitability are only part of Ramsay's success. Ramsay prioritises long term success over short term financial gains because it cares about its people, its community and the planet.

Strengths of the Funding Group's global business

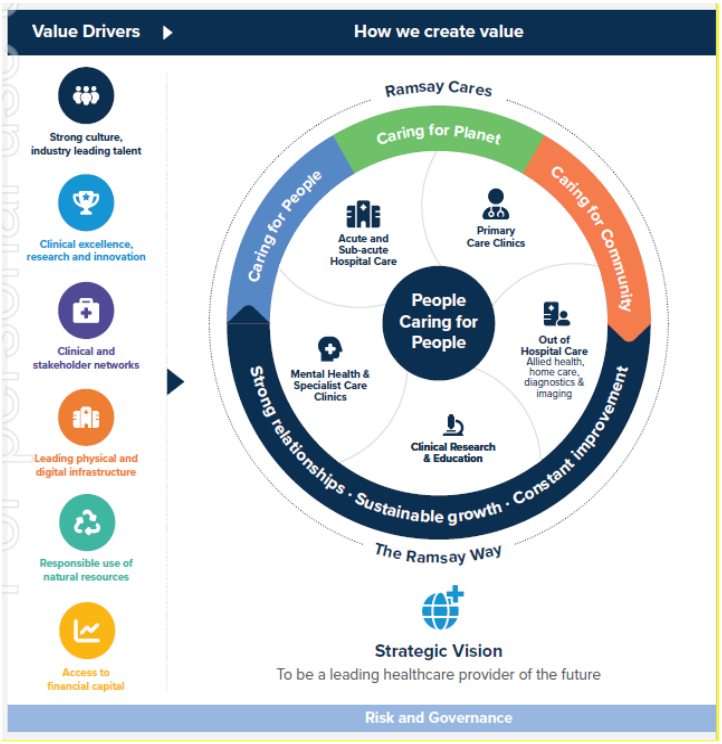
Leading private hospital operator	The Funding Group is the largest private hospital operator in Australia and the largest independent provider of NHS elective services in the UK by revenue. Strength of the Funding Group market position is supported by a portfolio of 183 facilities across Australia and the UK, and a strong reputation with doctors. The Funding Group maintains an excellent record in providing quality patient care and managing clinical risk:
Essential provider of healthcare services to the general population	The Funding Group was integral to the health system (both public and private) providing healthcare solutions to the general population during the COVID-19 pandemic and relieving the pressure on public health systems. The Funding Group had the capacity to provide significant support to public healthcare systems in their response to the COVID-19 pandemic. As a result, both Australian and UK governments acted to ensure Ramsay's viability by underwriting its cost base during the COVID-19 pandemic. The Funding Group's UK operations continue to receive more NHS referrals than any other independent sector group and treated the highest volume of NHS patients through the COVID-19 pandemic.
Favourable trends within the healthcare sectors	The Australian and UK health sectors benefit from stable government and private sector funding, and both favourable demographic and socioeconomic trends. Favourable demographic trends include an ageing population (population aged 65 years and above) and population growth. The COVID-19 pandemic led to a significant deferral of elective surgeries in both Australia and the UK. The Funding Group was well positioned to leverage demand from surgical backlogs and latent demand for non-surgical services.
High barriers to entry	The establishment of private hospitals requires significant capital investment. Deep operational expertise is also required to ramp up, establish strong reputations and relationships with doctors, and deliver strong patient outcomes. The Funding Group's large scale of global healthcare operations has allowed it to achieve economies of scale, best practice, cost leadership, speed to market

	and innovation, which in turn allows it to negotiate better payment rates with insurers and significant discounts on hospital supplies and services. Government authorisation (i.e. licensing) is required to open and operate a private hospital in the regions where the Funding Group operates. Approval is required for developments/redevelopments, expansion and introduction of new services. The Funding Group's Australian operations have an extensive hospital footprint that is difficult to replicate:
Strong and established relationships with referring doctors, private health insurers, governments and regulators	Track record of success in attracting quality medical specialists to the Funding Group's hospitals underpinned by: GP Liaison workforce who actively work with specialists, introductions to the GP community through education, in practice events and recognised leadership in teaching and research with an emphasis on undergraduate and postgraduate training of medical staff within major tertiary hospitals. The Funding Group executives maintain appropriate relationships with each insurer, to ensure multiple perspectives and avenues are nurtured for when insights and escalations are required. In Australia, the Funding Group has excellent relationships and active engagement with state and federal licensing bodies, policy makers and legislators. In the UK, the Funding Group enjoys strong relationships with key stakeholders in the NHS at multiple levels; including through Integrated Care Boards (ICBs) (which from 1 July 2022 have replaced Clinical Commissioning Groups (CCGs)) and NHS Trust hospitals.
High quality revenue stream underpinned by regulated Private Health Insurers and Government	A large component of the Funding Group's revenue in Australia is derived from Private Health Insurers, constituting 81% of gross patient and admission related revenue in FY22. The credit quality of these health insurers is considered high as they are governed by the Australian Prudential Regulatory Authority. The majority of the Funding Group's revenue in the UK is derived from government sources. In FY22, 72% of gross patient and admission related revenue was derived from public insurance. Public insurance, is the publicly funded national healthcare system of the four constituent countries of the UK.
Strong financial profile	In the first half of 2020, the Issuer raised A$1,500m from the equity markets (consisting of A$1,200m through an institutional placement and A$300m through a share purchase plan) to enhance the Funding Group's financial flexibility and support future growth opportunities. As of 31 December 2022, the Funding Group had available liquidity in the form of cash and undrawn debt facilities of A$763m and Net Debt (excluding Convertible Adjustable Rate Equity Securities) of A$2,615.9m. In accordance with the compliance certificates issued to bank lenders, Net Debt / EBITDA was 3.54x and Interest Coverage Ratio was 10.27x at 31 December 2022. Funding Group has an investment grade credit rating assigned by Fitch of BBB. The Funding Group has strong cash realisation (defined as net cash flow from operating activities divided by the sum of net profit after tax and depreciation and amortisation expenses, pre-AASB16) given modest working capital requirements.

Highly experienced management team	Highly experienced management team led by Craig McNally who joined Ramsay in 1988 and was appointed Managing Director and Chief Executive Officer of the Issuer in July 2017. The existing management team has a strong track record of pursuing and executing growth opportunities including brownfield expansions, acquisitions, and new business strategy development in Australia and the UK.

How the Funding Group creates value

The Funding Group creates value by investing in and leveraging its key drivers to create a convenient, integrated, efficient and sustainable healthcare services platform delivering quality healthcare experiences and outcomes for patients; an attractive, industry leading environment for its employees and clinicians; and a supportive and effective service for payors. At the centre of everything Ramsay does is its purpose of people caring for people.



Operating environment

Overview

The healthcare services sector experienced pressure during the COVID-19 pandemic due to government imposed restrictive guidelines around the patient pathway and resultant impact of the COVID-19 pandemic in the community on the availability of the workforce, doctors and patients impeding a recovery in volumes and productivity.

The impact of the COVID-19 pandemic on the healthcare industry has continued for longer than other industries due to infection control restrictions in the healthcare environment which have impacted the speed of recovery. However management expects operating results to continue to improve as the environment normalises and the business advances in its ability to manage the disruption caused by the COVID-19 pandemic, and the workforce adjusts to living with the COVID-19 virus. The Funding

Group, including through its investments in Ramsay Santé, partnership and relationships with the governments in each of its markets have developed over the last few years. The Issuer believes there will be meaningful opportunities for the private sector to partner with governments in the future. Given the Funding Group's global health care capabilities (including through its investments in Ramsay Santé and Ramsay Sime Darby) and proven reliability as a private sector operator, the Funding Group is uniquely qualified to be a core healthcare partner.

During FY22 the Funding Group continued to make its facilities and clinical capabilities available to support public health systems in the regions in which it operates, to assist in the response to further outbreaks of the COVID-19 virus. In return, governments contributed to the overall viability of the private hospital sector through contractual or legislative support.

All countries in which the Funding Group operates have universal public health coverage. In recent times however, public health authorities are facing inflationary healthcare costs and supply pressures, which has challenged hospital margins and reduced their capacity to meet demand. Waiting times to access elective surgery in public facilities in Australia and the UK have reached record numbers.

Private health providers are now more often being sourced by public health authorities to extend their capacity to meet this growing demand; and patients are more willing to access private health insurance or self-fund their healthcare as an alternative and faster access to elective care.

In FY22, 81% of the Funding Group's income was sourced from either government or Private Health Insurance ("**PHI**") payors. This included government subsidies to maintain capacity during periods where there were surgical restrictions imposed by governments as a result of the pandemic. In the UK, services provided to the NHS are provided under "authorised" contracts that stipulate the scope of services that can be provided and the nationally set fee that was obtained. In Australia, the majority of income is sourced from PHIs. Ramsay has individually negotiated contracts with each of the major insurers or in some cases groups of insurers.

The Funding Group's ability to extend services along the healthcare pathway to become a longitudinal healthcare provider is therefore strongly influenced by the funding that can be obtained from the relevant payors.

In most countries, expansion of services along the healthcare service pathway is most likely to occur in the areas where the Funding Group can assist the government to deliver a greater volume and/or range of services. A change in funding models from many governments towards capitation[3] and bundle payments[4] is an opportunity for private providers to deliver more services more efficiently. Offering more services along the entire healthcare pathway increases the likelihood of becoming the patient's healthcare provider of choice (i.e.. being with them for their journey).

Globalising best practice, and adopting service models from one region to another, will be dependant on local funding models and how/if new care models can be integrated into existing/new funding models.

The Issuer believes the outlook for the Funding Group remains strong. The Funding Group's world class hospital network combined with its outstanding people and clinicians give the Issuer confidence that the business is well placed to take advantage of the positive long-term dynamics driving the healthcare industry.

[3] Capitation funding healthcare providers are paid a fixed amount of money per enrolled patient per unit of time, whether or not that person seeks care.
[4] Bundle Payment healthcare providers are paid a fixed amount per episode of care to provide all of the services a patient would receive per episode over a set period of time for a certain diagnosis.

Key trends

External trends play a critical role in the Funding Group's ability to create long term value for all stakeholders. These factors are key inputs into the development of the Funding Group's vision and strategy and will shape its long-term legacy.

Trend	Description
WORKFORCE	Healthcare industry globally continues to be impacted by staff shortages and rising labour costs. Initiatives implemented are gradually reducing vacancies across the regions Recruitment and retention of employees remains a key focus
COST MANAGEMENT AND RECOVERY	New agreements with key private payors beginning to reflect recent higher cost environment Focus remains on improving productivity, efficiencies and procurement benefits to mitigate cost pressures
CHANGING PATIENT AND DOCTOR EXPECTATIONS	Patients seeking greater convenience and a consumer-centric experience Doctors seek to broaden pathway participation and enable 'top of role' opportunities
TECHNOLOGY CHANGE	Digitisation of healthcare enabling convenient and continuous care. Lower cost care options enabled by digitisation Digitisation driving the growth in wellness and prevention tools and businesses creating increased competition Data enabling enhanced care coordination and clinical management
EMERGENCE OF NEW COMPETITORS	Entry of new digitally-enabled lower cost competitors
CLINICAL INNOVATION	Earlier diagnosis as a result of improved screening/diagnostic techniques Lower cost interventional activity Clinical innovation enabling migration of care to lower acuity settings
INCREASED PAYOR SOPHISTICATION	Reimbursement increasingly focused on value - cost and clinical outcomes

Trend	Description
AND PRESSURE ON GOVERNMENT FUNDING	Increasing sophistication in negotiations and leveraging of data in contract design Increasing demand for healthcare services due to the ageing demographic combined with the long lasting impact of COVID-19 on the system will place pressure on government funding sources
CLIMATE CHANGE	Climate change and extreme weather events have the potential to increase demand for services eg respiratory problems, certain cancers May demand significant changes and investment in the Funding Group's facilities to adapt to local climate issues and reduce the Funding Group's environmental footprint

Strategy

The Issuer believes that the Funding Group is uniquely positioned to take advantage of the key trends facing the industry, building on its global platform, enviable culture and strategic relationships to become a leading healthcare provider of the future.

"Ramsay 2030" is the Issuer's strategy for growth and transformation. Designed to deliver healthcare services to more patients, more often, in more settings, the Ramsay 2030 strategy presents a common vision to drive growth, excellence and connectivity across all parts of the business.

Built on four important pillars, the Issuer's strategic objectives and ambitions are:

Pillar 1. Growing, modernising and leveraging its world class hospital network.

The Issuer's objectives are to advance its market leadership and increase market share by leading the way in key growth speciality areas. Brownfield and greenfield investments are to reflect future models of delivery and support integrated, patient-centred care.

Pillar 2. Moving purposefully into new and adjacent services.

By enhancing its offering across the longitudinal patient pathway, the Issuer aims to create a best-in-class, digitally enabled, patient-centred ecosystem. The Issuer's total value proposition will be a differentiator within the healthcare sector.

Pillar 3. Operational excellence to deliver value for all stakeholders.

The Issuer's objective is to deliver better value at lower cost, without compromising clinical excellence or patient experience. Through continuous improvement and leveraging the Issuer's global scale across the supply chain, optimisation of the cost base is priority.

Pillar 4. Strong organisational foundations to underpin the Issuer's achievements

The Issuer's unique culture and recognition as an employer of choice results in the ability to attract and retain leading talent in healthcare.

A well-developed digital strategy will support transformation and growth within the healthcare setting. The digital journey of every patient underpins investment decisions, with data and insights driving actions and outcomes.

The Issuer's commitment to clinical excellence, superior clinical quality, leadership, and innovation, including research and education, offers a unique value proposition to doctors, patients, and payers.

Together, these pillars support the objectives and ambitions of Ramsay 2030 and the Vision, Mission and Purpose of the Funding Group (including through its investments in Ramsay Santé and Ramsay Sime Darby).

The Ramsay 2030 strategy is owned by the Ramsay Board, Managing Director & CEO all of whom take responsibility for setting and reviewing strategic priorities and objectives, and monitoring execution of the strategy. The Global Executive Committee ensures regional strategies support and sustain the Ramsay 2030 strategy.

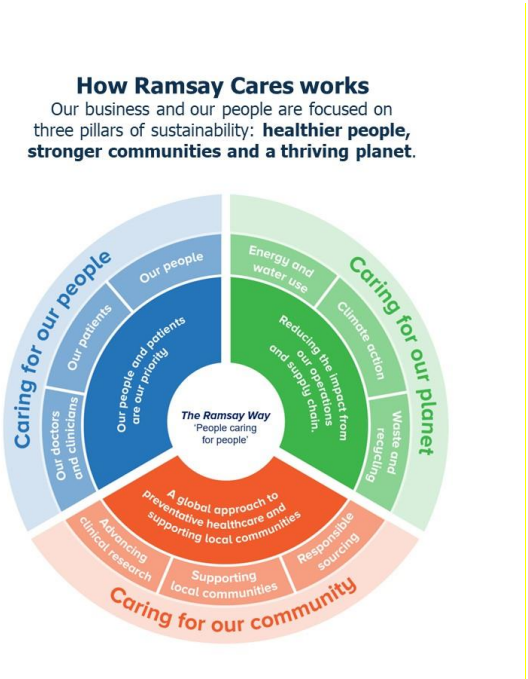
Near term focus areas and notable priorities within the Issuer's strategy include:

- Brownfield and greenfield developments for existing and new facilities, across all existing regions.
- Strategic growth in four key therapeutic areas – aligning our pathways of practice for cancer, cardiology, orthopaedics and mental health.
- Growing, partnering or acquiring diagnostic and imaging services to support growth in hospital adjacencies and generate referrals across the ecosystem, where it makes sense within the existing regions.

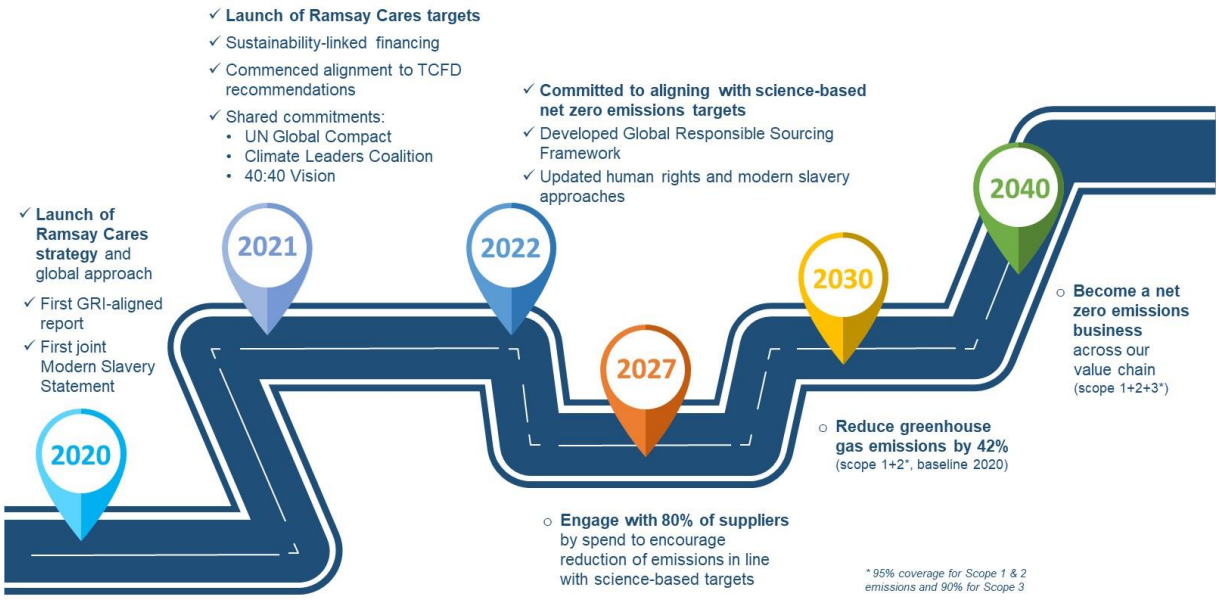
- Expansion of day surgeries within Australia.
- Developing partnerships for growth, in the first instance working with global suppliers/vendors to grow our capability and efficiency.
- Digital and data transformation – including an Australian and global strategy to build capability.
- Clinical excellence.
- Industry leading talent – leadership and workforce initiatives and change readiness for people.

Sustainability - Ramsay Cares

Ramsay Cares has three sustainability pillars:



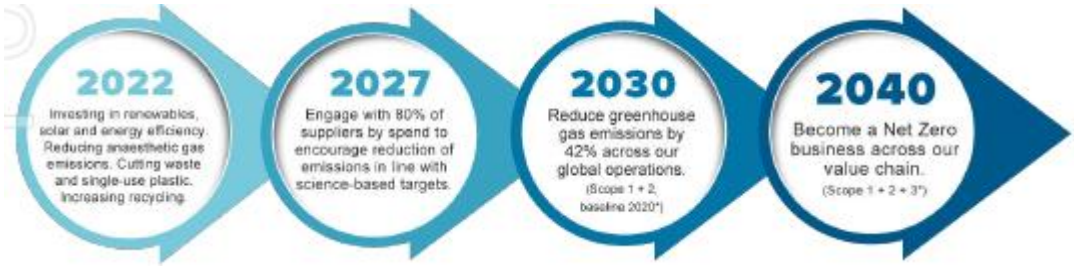
The Ramsay Cares sustainability strategy unites Ramsay's global businesses in a shared vision for sustainability. Ramsay Cares focuses on fostering healthier people, stronger communities and a thriving planet. It reaffirms that Ramsay is here to have a positive impact for current and future generations.



All figures expressed in the graphic above are current as at 30 June 2022.

Net Zero by 2040

In 2022, the Issuer was proud to announce a group-wide commitment to achieving net zero greenhouse gas emissions by 2040. The Issuer's science-based targets reflect the commitments of the countries in which the Funding Group operates (including through its investments in Ramsay Santé and Ramsay Sime Darby) and support the United Nations Sustainable Development Goals. The Issuer will commence a validation process for these targets with the Science Based Targets initiative.



What does it mean?

The Issuer's road to net zero is part of its long-term Ramsay Cares sustainability strategy, which was developed in consultation with its people and partners. A key pillar of that strategy is Caring for our Planet. A healthy planet is essential for healthy communities; being environmentally sustainable is also key to the resilience and success of the Funding Group's business. To achieve net zero emissions by 2040, the Issuer is proactively changing many facets of how the Funding Group (including through its investments in Ramsay Santé and Ramsay Sime Darby) operates, the resources it uses and its supplier relationships.

The Issuer’s net zero strategies include:

- switching to renewable energy sources;
- maximising energy efficiency;
- cutting waste and boosting recycling;
- reducing anaesthetic gas emissions;
- embedding sustainable design in new facilities and upgrades; and
- engaging with suppliers to reduce supply chain emissions.

Each business in the Funding Group (including the Funding Group’s investments in Ramsay Santé and Ramsay Sime Darby) is responsible for implementing the strategy and improving the Issuer’s sustainability performance. The Group Sustainability Officer and Global Sustainability Committee provide support and guidance to the Global Executive, which includes representatives of Ramsay Santé and Ramsay Sime Darby, as well as the Global Risk Management Committee, on the Issuer’s approach and progress towards its goals.

Why is it important?

Being sustainable is a priority for the Funding Group’s people, patients, doctors and business success. Being sustainable allows the Issuer to build a resilient business that adapts to climate-related risks and takes advantage of opportunities from the transition to a low carbon economy.

By working together for healthier people, stronger communities and a thriving planet, the Issuer aims to make a positive and meaningful difference for current and future generations.

Awards for sustainable financing

The Issuer's whole-of business approach to sustainability won a strong vote of confidence from the banking and capital markets industry.

The Issuer's landmark A$1.5 billion sustainability-linked loan (SLL) won two significant awards — 'Sustainable Deal of the Year' from the Asia Pacific Loan Market Association and 'ESG Loan of the Year' from the highly-regarded International Financing Review Asia magazine.

At the time of completion, the Issuer's SLL was the first of its kind issued by an Australian healthcare company and the largest corporate syndicated SLL in the Asia-Pacific.

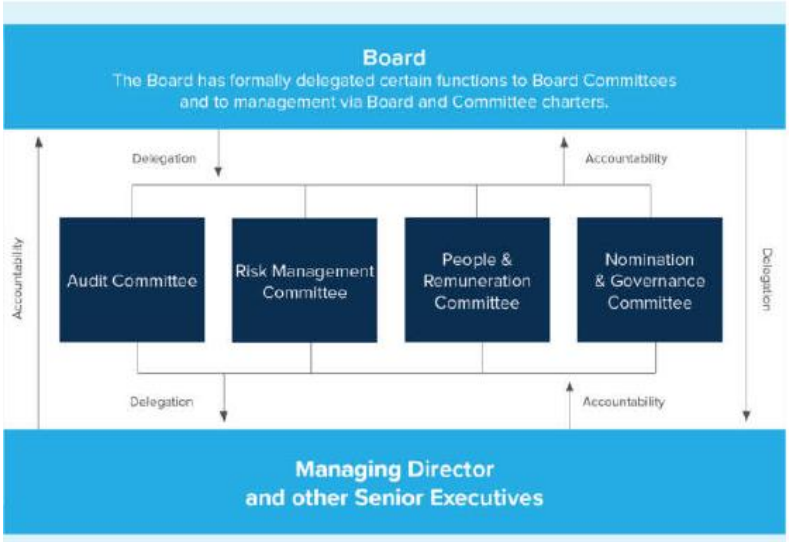
MANAGEMENT OF THE ISSUER

The Issuer's governance systems are designed to meet the requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules.

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

The Issuer's governance framework is designed to ensure that it is effectively managed, that its legal and regulatory obligations are met and that its culture of personal and corporate integrity — the Ramsay Way — is reinforced. The Ramsay Way philosophy is 'People Caring for People'. The Issuer remains committed to maintaining these principles across all aspects of its business, honouring the architect of The Ramsay Way, the late Mr Paul Ramsay AO.

The Issuer's Board regularly reviews its corporate governance policies and processes to ensure they are appropriate to meet governance standards and regulatory requirements. The roles of the Issuer's Board and the Committees are set out in the Charters, available on the Issuer's website at https://www.ramsayhealth.com/en/about/corporate-governance/.



Board of Directors

The Issuer's current Board is set out below.

Michael Siddle Chairman Appointed 27/05/14 (*Appointed as a Director 26/5/75*)	Mr Michael Siddle was appointed as Chairman of the Issuer on 27 May 2014, having been Deputy Chairman for 17 years and a founding Director. He has built up significant knowledge of the business and the private hospital industry, after starting with the Issuer in 1968. Mr Siddle has extensive experience in the management of private hospitals and has been integrally involved in Ramsay's successful expansion through construction, mergers and acquisitions.

	Mr Siddle is also a Director of the Paul Ramsay Foundation[5]. Committee memberships: People & Remuneration Committee (Member) Nomination & Governance Committee (Member) Independence status: Non-independent[6]
CRAIG MCNALLY CEO & Managing Director *Appointed 03/07/17*	Mr Craig McNally was appointed Managing Director and Chief Executive Officer of the Issuer on 3 July 2017, after serving seven years with Ramsay as Chief Operating Officer and 22 years prior to this in various roles including Head of Global Strategy and European Operations. Mr McNally is also the Chairman of Ramsay Santé. Mr McNally is one of Ramsay's longest serving Executives, having commenced with the Issuer in 1988. He has worked across operational, strategic and financial roles during his tenure. For the last two decades, Mr McNally has been responsible for the development and implementation of Ramsay's growth strategy including brownfield expansions, international market assessments, mergers and acquisitions and new business strategies. He has been at the forefront of all the major acquisitions and deals completed by Ramsay. His unique ability to assess the opportunities and risks associated with new business ventures and to evaluate their 'strategic fit', as well as his sound judgement and insight, has ensured the Issuer's successful growth both domestically and internationally. Mr McNally has been a key leader in the development of The Ramsay Way culture and, in particular, developing leadership capability within the global organisation.
ALISON DEANS MA MBA GAICD Non-Executive Director *Appointed 15/11/18*	Alison 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 the Issuer in November 2018. She is also Chair of Cochlear Limited and a Non-Executive Director of Calix Limited and Deputy Pty Ltd. She is also on the Investment Committee of MainSequence Ventures.

[5] As at the date of this Offering Circular, Paul Ramsay Holdings Pty Limited (PRH), which is a subsidiary of Paul Ramsay Foundation Limited (PRF), is the Issuer'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.

[6] The Board determines the independence status of each director on an annual basis. In doing so, the Board considers matters described in the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (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. 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 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 and is currently a Senior Advisor with the firm. 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)

Calix Limited (appointed March 2023)

Westpac Banking Corporation (Resigned December 2020)

Committee memberships:

People & Remuneration Committee (Chair)

Nomination & Governance Committee (Member)

Independence status:

Independent

JAMES MCMURDO BSC (ECONOMICS), ACA
Non-Executive Director
Appointed 10/09/19

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 his time 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 qualified chartered accountant (England and Wales).

Committee memberships:

Audit Committee (Member)

Independence status:

	Independent
KAREN PENROSE B.COM (UNSW) CPA FAICD Non-Executive Director *Appointed 1/3/20*	Ms Karen Penrose has had an extensive executive career in leadership and CFO roles, mainly in financial services. She is well-versed in financial management, customer outcomes and operating in a rapidly changing regulatory environment which stems from 20 years in banking with Commonwealth Bank and HSBC and eight years as a listed-company CFO. Ms Penrose has been a full-time director since 2014 and is an experienced committee chair of audit and risk. In addition to being a Non-Executive Director of the Issuer, Ms Penrose also serves as a Director of Bank of Queensland, Cochlear and Estia Health. Ms Penrose is a member of Chief Executive Women and on the Board of Marshall Investments Pty Limited and Rugby Australia Limited. In the past three years, Ms Penrose has served as a Director of the following listed companies: Bank of Queensland (Appointed November 2015) Cochlear Limited (Appointed July 2022) Estia Health Limited (Appointed October 2018) Ramsay Santé (Appointed February 2021) Spark Infrastructure Group (Resigned May 2020) Vicinity Centres (Resigned September 2022) Committee memberships: Audit Committee (Chair) Risk Management Committee (Member) Independence status: Independent
STEVEN SARGENT BBUS FAICD FTSE Non-Executive Director *Appointed 25/11/21*	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 (Resigned August 2022)

Committee memberships:

Risk Management Committee (Chair)

Independence status:

Independent

CLAUDIA SÜSSMUTH DYCKERHOFF PHD
Non-Executive Director
Appointed 30/10/18

Dr Claudia Süssmuth Dyckerhoff PhD joined the Board of the Issuer in October 2018, bringing expertise in market growth strategies, business development and operational performance improvement in hospitals.

Dr Süssmuth Dyckerhoff has extensive global experience in hospitals and health care across Europe, Asia, and the USA. She joined McKinsey & Company in Switzerland in 1995 and was transferred to the USA focusing on supporting health care companies, including pharmaceutical/medical device companies, payor, provider and health systems in Europe and the USA. In 2006, Dr Süssmuth Dyckerhoff transferred to China, was elected Senior Partner in 2010 and supported health care companies as well as governments across Asia. She also led McKinsey's Asia-wide Health Systems and Services Sector. In 2016, when she was nominated to the Board of Hoffmann-La Roche, she stepped down from her role as Senior Partner and took on an external advisor role. Dr Süssmuth Dyckerhoff also supports start-ups in the health care area; she joined the board of the Health Tech company HUMA in April 2021 and the board of QuEST Global in November 2020.

Dr Süssmuth Dyckerhoff studied Business Administration at the University of St Gallen, Switzerland as well as at ESADE, Barcelona where she graduated with an MBA/CEMS Master. She also holds a PhD in Business Administration from the University of St Gallen/University of Michigan Ann Arbor.

In the past three years, Dr Süssmuth Dyckerhoff has served as a Director of the following listed companies:

Hoffmann La Roche (Appointed March 2016)

Clariant AG (Appointed April 2016)

Prudential plc (appointed January 2023)

Committee memberships:

Risk Management Committee (Member)

Independence status:

Independent

DAVID THODEY AO
Non-Executive Director
(Appointed 28/11/17) and Lead Independent Director (*Appointed 1/03/20*)

Mr David Thodey AO is a business leader with an executive career in the technology and telecommunications industries, garnering more than 30 years' experience creating brand and shareholder value.

In addition to being a Non-Executive Director and Lead Independent Director of the Issuer, Mr Thodey is currently Chair of Xero Limited (a small business accounting software company).

Mr Thodey was previously CEO of Telstra, Australia's leading telecommunications and information services company, Chair of Australia's national scientific research agency, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and, prior to that, CEO of IBM ANZ.

Mr Thodey holds a Bachelor of Arts in Anthropology and English from Victoria University, Wellington, New Zealand; he attended the Kellogg School of Management postgraduate General Management Program at Northwestern University in Chicago, USA, and was awarded an Honorary Doctorate in Science and Technology from Deakin University in 2016, as well as an Honorary Doctorate of Business from University of Technology Sydney in 2018. Mr Thodey is also a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE) and the Australian Institute of Company Directors (AICD).

Mr Thodey was awarded an Order of Australia in 2017 for his service to business and the promotion of ethical leadership and workplace diversity.

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

Xero Limited (Appointed June 2019)

Vodafone Group Plc (Resigned July 2020)

Tyro Payments Limited (Resigned March 2023)

Mr Thodey is the Lead Independent Director and is a member of the following Committees:

Nomination & Governance Committee (Chair)

Audit Committee (Member)

People & Remuneration Committee (Member)

Independence Status:

Independent

Company Secretary

HENRIETTA ROWE B.ECON (SOC SCI) (HONS), LLB (HONS), FGIA, MAICD Group General Counsel & Company Secretary *Appointed 25/06/19*	Ms Rowe was appointed Group General Counsel & Company Secretary on 25 June 2019 and is responsible for the Ramsay 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 corporate governance, mergers and acquisitions and capital management. Ms Rowe 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 Issuer's Board committees

The Issuer's 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 is required to regularly report to the Issuer's Board on all matters relevant to the Committee's roles and responsibilities.

Name	Board	Audit Committee	Risk Management Committee	People & Remuneration Committee	Nomination & Governance Committee
Michael Siddle	Chair	-	-	Member	Member
Craig McNally	Member	-	-	-	-
Alison Deans	Member	-	-	Chair	Member
James McMurdo	Member	Member	-	-	-
Karen Penrose	Member	Chair	Member	-	-
Steven Sargent	Member	-	Chair	-	-
Claudia Süssmuth Dyckerhoff	Member	-	Member	-	-
David Thodey	Member	Member	-	Member	Chair

The Issuer's Board and Board Committee membership

The principal functions and role of each committee are set out below.

Audit Committee

The Issuer's Board has established an Audit Committee to assist it with overseeing:

- financial and other periodic corporate reporting of the Ramsay Consolidated Group;
- the relationship with the external auditor; and
- the relationship with the internal auditor.

The Committee must consist of:

- only Non-Executive directors;
- a majority of independent directors;
- an independent director as chair, who is not Chairman of the Board; and
- a minimum of three members of the Board.

At least one member of the Committee must also be a member of the Issuer's Risk Management Committee and vice-versa to facilitate the flow of relevant information between the two Committees.

It is intended that all members of the Committee should be financially literate and have familiarity with financial management and the members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Ramsay Consolidated Group operates to be able to discharge the Committee's mandate effectively. Where practicable, one member of the Committee will be a qualified accountant or other finance professional with relevant financial and/or accounting expertise.

Financial and other periodic corporate reporting

The responsibilities of the Committee in relation to financial reporting are as follows:

- Review the Ramsay Consolidated Group's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Ramsay Consolidated Group, as a basis for recommendation to and adoption by the Board.
- Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Ramsay Consolidated Group's financial reports, including significant changes in the selection or application of accounting principles.
- Review significant accounting, tax and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- Review drafts of the CEO and CFO declarations which are to be provided to the Board relating to the Ramsay Consolidated Group's full year and half year financial statements.
- Review other sections of the Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information.

- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.

- Review the Ramsay Consolidated Group's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes. This includes reviewing the process to verify the integrity of any periodic corporate report the Issuer releases to the market that is not audited or reviewed by the external auditor.

- Review any proposed payment of a dividend to shareholders.

Internal Control

The responsibilities of the Committee in relation to internal control are as follows:

- Consider the effectiveness of the Ramsay Consolidated Group's internal control framework.

- Understand and review the scope of the internal and external auditors' review of internal control over financial reporting, obtain reports on significant findings and recommendations, and monitor management's responses.

External audit

The responsibilities of the Committee in relation to the external audit are as follows:

- Review and make recommendations to the Board in relation to the scope and adequacy of the external audit.

- Review the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditors believe special attention is necessary.

- Review with the external auditor its report regarding significant findings in the conduct of its audit and the adequacy of management's response, and monitor whether any issues are being managed and rectified in an appropriate and timely manner.

- Review the performance, independence and objectivity of the external auditor at least annually.

- Review annually and recommend to the Board, the external auditor's terms of engagement (including the audit plan) and other contractual terms, fees and other compensation to be paid to the external auditor and ensure that any key risk areas for the Ramsay Consolidated Group and financial requirements are incorporated into the audit plan.

- Review the procedures for selection and appointment of the external auditor and for the rotation of external audit engagement partners.

- Recommend to the Board the selection and removal of the external auditor, subject to any shareholder approval.

- Oversee the implementation of the Ramsay Consolidated Group's policy on the engagement of the external auditor to supply non audit services.

- Provide advice to the Board as to whether the Committee is satisfied that the provision of non audit services is compatible with the general standard of independence, and an explanation of why those non audit services do not compromise audit independence, in order for the Board to

be in a position to make the statements required by the Corporations Act 2001 (Cth) to be included in the Ramsay Consolidated Group's Annual Report.

- Meet with the external auditors in the absence of management to hear the views of the auditors on financial management and internal controls. This will include matters relating to the conduct of the audit, including the timeliness of its reporting, any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response.

- Oversee the coordination of the internal and external audit.

Internal audit

The responsibilities of the Committee in relation to the internal audit are as follows:

- Review the scope and adequacy of the internal audit program, and approve the internal audit program and budget for the internal audit function annually.

- Review the outcomes of the internal audit program.

- Evaluate management's responsiveness to the internal auditor's finding and recommendations.

- Review the performance and objectivity of the internal audit function, including whether the internal auditors are adequately resourced.

- Approve the engagement (including fees) for any external services acquired by internal audit.

- Monitor the independence of the internal audit programs from the external auditors and management.

- Review and approve the appointment and dismissal of the head of the internal audit function.

- Meet with the head of the internal audit function in the absence of management to hear the views of the auditor on financial management and internal controls.

Risk Management Committee

The Issuer's Board has established a Risk Management Committee to assist it with the oversight of:

- financial and non-financial risks across the Ramsay Consolidated Group;

- internal controls and systems; and

- processes for monitoring compliance with laws and regulations.

The Committee must consist of:

- only Non-Executive directors;

- a majority of independent directors;

- a chair who is not Chairman of the Board; and

- a minimum of three members of the Board.

At least one member of the Committee must also be a member of the Issuer's Audit Committee and vice-versa to facilitate the flow of relevant information between the two Committees.

Risk management

The responsibilities of the Committee in relation to risk management are as follows:

- Oversee and advise the Board on high-level risk related matters, including risk tolerance in determining strategy, as well as management of key financial and non-financial risks, including new and emerging risks.

- Review and make recommendations to the Board in relation to the risk appetite within which the Board expects management to operate, and whether any changes should be made.

- Review the Ramsay Consolidated Group's risk management framework at least annually and make a recommendation to the Board about whether it continues to be sound and whether the Ramsay Consolidated Group is operating with due regard to the risk appetite set by the Board.

- Oversee management's implementation of the risk management framework, including that management has appropriate processes for identifying, assessing and responding to risks and that those processes are operating effectively.

- Review the trends in the Ramsay Consolidated Group's risk profile and report to the Board on key risks.

- Review and make recommendations to the Board in relation to the risk disclosures in the Ramsay Consolidated Group's periodic reporting documents, including its Impact Report and the operating and financial review in its Annual Report.

Internal control

The responsibilities of the Committee in relation to internal control are as follows:

- Monitor whether management is communicating the importance of internal control and management of risk throughout the organisation and therefore setting up an appropriate 'control culture'.

- Review the adequacy and effectiveness of the Ramsay Consolidated Group's internal control framework in relation to key risks.

- Review any material incidents as a result of the breakdown of the Ramsay Consolidated Group's internal controls (e.g. fraud, patient and staff safety, cyber, etc.).

Compliance

The responsibilities of the Committee in relation to compliance are as follows:

- Review the procedures the Ramsay Consolidated Group has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Ramsay Consolidated Group) and monitor management's response to any instances of non-compliance.

- Review the findings of any examinations by regulatory agencies.

- Consider with management (and, if required the internal auditor and/or external advice) the overall adequacy and effectiveness of the Ramsay Consolidated Group's legal, regulatory and ethical compliance programs.

- Receive information regarding material breaches of the Code of Conduct and Global Anti-Bribery & Corruption Policy and reports of material incidents under the Ramsay Consolidated Group's Whistleblower Policy.

Business continuity

The responsibilities of the Committee in relation to ensuring business continuity are as follows:

- Evaluate the structure and adequacy of the Ramsay Consolidated Group's business continuity plans.

- At least annually, evaluate and make recommendations to the Board in relation to the structure and adequacy of the Ramsay Consolidated Group's insurance program having regard to the Ramsay Consolidated Group's business and the insurable risks associated with its business.

People & Remuneration Committee

The Issuer's Board has established a People and Remuneration Committee to assist it with overseeing:

- the remuneration framework of the Ramsay Consolidated Group; and

- people framework and strategy.

The Committee must consist of:

- only Non-Executive Directors;

- a majority of independent directors;

- an independent director as chair; and

- a minimum of three members of the Board.

Remuneration

The responsibilities of the Committee in respect of remuneration are as follows:

- Review and recommend to the Board employment and remuneration arrangements for the Managing Director & Chief Executive Officer (CEO) and, on recommendation of the CEO, the Group Chief Financial Officer, including contract terms, annual remuneration and participation in the Ramsay Consolidated Group's incentive plans.

- On the recommendation of the CEO, review and approve employment and remuneration arrangements for other members of the senior executive team, including contract terms, annual remuneration and participation in the Ramsay Consolidated Group's incentive plans.

- Conduct reviews of, and monitor the implementation of, the Ramsay Consolidated Group's remuneration framework to confirm it:

- encourages and sustains a culture aligned with the Ramsay Consolidated Group's values;
- supports the Ramsay Consolidated Group's strategic objectives and long-term financial soundness; and
- is aligned with the Ramsay Consolidated Group's risk management framework and risk appetite.

- Approve major changes and developments in the Ramsay Consolidated Group's policies and procedures related to remuneration, recruitment, retention, termination and performance assessment for senior executive team.
- Approve major changes and developments in the remuneration policies, superannuation arrangements and personnel practices and strategies for the Ramsay Consolidated Group.
- Review and recommend to the Board major changes and developments in relation to the Ramsay Consolidated Group's equity based employee incentive plans.
- Oversee the operation of the Ramsay Consolidated Group's equity based employee incentive plans in place from time to time and recommend to the Board whether offers are to be made under any of the Ramsay Consolidated Group's equity based employee incentive plans in respect of a financial year.
- Look to ensure that risk behaviours and outcomes and any other relevant factors are reflected in the executive remuneration outcomes.
- Review remuneration by gender and strategies or changes to address any pay gap.
- Review and recommend to the Board the remuneration arrangements for the Chairman and the Non-Executive Directors of the Board, including fees, travel and other benefits.
- Approve the appointment of remuneration consultants for the purposes of the Corporations Act 2001 (Cth).
- Review and recommend to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report.
- Review and facilitate shareholder and other stakeholder engagement in relation to the Ramsay Consolidated Group's remuneration policies and practices.

People

The responsibilities of the Committee in respect of people management are as follows:

- Review the Ramsay Consolidated Group's workforce strategy including future skills development and productivity, and strategies to strengthen the Ramsay Consolidated Group's workforce.
- Review the effectiveness of the Ramsay Consolidated Group's policies and practices in relation to the attraction, motivation and retention of employees.
- Review the Ramsay Consolidated Group's approach to leadership and talent development including future leader talent pipeline and people development processes.

- Review succession plans for senior executive direct reports to the Managing Director & CEO and identify and recommend to the Board candidates where required.

- Review the Ramsay Consolidated Group's Code of Conduct, and ensure arrangements are in place for dissemination to all employees, including communicating the importance of the Code of Conduct.

- Review strategies to support diversity and inclusion, including reviewing and recommending to the Board measurable objectives for achieving gender diversity in the composition of the Board, senior executive team and workforce generally and assessing the Ramsay Consolidated Group's progress in achieving those objectives.

- Monitor corporate culture and alignment with the Ramsay Consolidated Group's purpose and values, including through review of the Ramsay Consolidated Group's engagement survey results, targets and related initiatives undertaken by management, and make recommendations to the Board.

Remuneration policies and practices

- Executive remuneration and incentive policies and practices must be performance based and aligned with the Ramsay Consolidated Group's purpose, values, strategic objectives and risk appetite.

- Executive remuneration and incentive policies and practices must be designed to:

    - attract and retain skilled executives;

    - motivate executives to pursue the Ramsay Consolidated Group's long term growth and success, without rewarding conduct that is contrary to the Ramsay Consolidated Group's values or risk appetite;

    - demonstrate a clear relationship between the Ramsay Consolidated Group's overall performance and the performance of executives;

    - appropriately incentivise positive risk behaviour and improved patient outcomes, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;

    - allow for proper adjustments to be made, including where risk and compliance failures occur; and

    - ensure any termination benefits are justifiable and appropriate.

- In the discharge of the Committee's responsibilities, no executive should be directly involved in determining their own remuneration.

- The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

- All engagements of, and interaction with, external remuneration consultants must comply with the Ramsay Consolidated Group's protocol for the engagement and utilisation of remuneration consultants.

Nomination & Governance Committee

The Issuer's Board has established a Nomination and Governance Committee to assist it with overseeing:

- nomination processes; and
- governance matters.

The Committee must consist of:

- only Non-Executive Directors;
- a majority of independent directors; and
- a minimum of three members of the Board.

Nomination

The responsibilities of the Committee in respect of nomination are as follows:

- Assist the Board to develop and regularly review its board skills matrix setting out the mix of skills, expertise, experience and diversity that the Board currently has or is looking to achieve in its membership.
- Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman, having 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.
- Review and recommend to the Board the criteria for nomination as a director and the membership of the Board more generally, including:
    - making recommendations for the re-election of Directors, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves; and
    - assisting the Board to identify qualified individuals for nomination to the Board, in accordance with the policy outlined below under the heading 'Selection and appointment of new directors'.
- Review succession plans for the CEO and identify and recommend to the Board candidates for the position of CEO where required, following background checks on these candidates being undertaken.
- Assist the Board in relation to the performance evaluation of the Board, its Committees and individual directors.
- Monitor that processes are in place to support director induction and ongoing education and regularly review the effectiveness of these processes.
- Oversee the regular assessment of, and make recommendations to the Board as to, the independence of each Director and associated disclosures.

- Annually review and report to the Board on the relative proportions of women and men on the Board, in senior executive positions, and across the whole workforce.

Governance

The responsibilities of the Committee in respect of governance are as follows:

- Consider with management the Ramsay Consolidated Group's main corporate governance policies and practices, as well as the extent to which they support the Ramsay Consolidated Group's values and culture.

- Review and make recommendations to the Board on corporate governance matters, including proposed changes to existing structures or practices, as may be requested by the Board.

- Review and recommend to the Board for approval the Ramsay Consolidated Group's annual Corporate Governance Statement.

- Report to the Board periodically with respect to significant developments in the law and practice of corporate governance.

- Oversee approach to company-secretarial supported Board operations such as annual Board calendars and meeting agendas to ensure they continue to facilitate Board effectiveness.

- Review and recommend to the Board for approval any proposed consultancy arrangements with a director, senior executive or a related party of a director or senior executive.

Selection and appointment of new directors

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness and promote Board diversity having regard to:
    - the Board skills matrix; and
    - the existing composition of the Board;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and independence.

The procedure to be followed includes:

- Detailed background information in relation to a potential candidate should be provided to all Directors.

- A detailed description of the role should be prepared.

- The identification of potential Director candidates may be assisted by the use of external search organisations as appropriate.

- Appropriate checks should be undertaken in relation to all potential candidates. This process may be assisted by the use of external organisations as appropriate.

- An offer of a Board appointment must be made by the Chairman only after having consulted all Directors, with any recommendations from the Committee having been circulated to all Directors.

- All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

Re-election of directors

Each year, the Committee will review each of the Directors who are seeking re-election in light of their independence, the result of their performance review, the Ramsay Consolidated Group's succession plans and any other factor considered relevant to the Director's contribution to the Board. On the basis of its review, the Committee will make a recommendation to the Board regarding whether to support the Director's re-election.

Corporate Governance Statement

The Corporate Governance Statement for the financial year ended 30 June 2022 outlines the key aspects of the Issuer's corporate governance framework and practices and is available at https://www.ramsayhealth.com/en/about/corporate-governance/.

SELECTED FINANCIAL INFORMATION

The summary combined financial data of the Funding Group as of and for HY23, HY22, FY22 and FY21 set forth below has been derived from, and is qualified in its entirety by reference to, the Full Year Financial Statements and Half Year Financial Statements of the Funding Group, which are attached to this Offering Circular.

The Issuer has also included selected segment financial information which discloses the contribution of each operating segment. The segment information has been derived from the Full Year Financial Statements and Half Year Financial Statements of the Funding Group.

The summary financial data set forth below is not necessarily indicative of the results of the future operations or financial condition of the Funding Group.

The summary financial data set forth below is presented in Australian Dollars ($ or A$) unless indicated otherwise.

The Full Year Financial Statements and Half Year Financial Statements of the Funding Group have been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

You should read the following financial information together with the information in the sections of this Offering Circular titled "Presentation of Financial Information", "Risk Factors", "Description of the Issuer's and the Guarantor's Business" and "Index to Financial Statements and Financial Results" and the Full Year Financial Statements and Half Year Financial Statements and the related notes of the Funding Group incorporated by reference in this Offering Circular. In particular, it should be noted that the Full Year Financial Statements and Half Year Financial Statements do not constitute, and are different to, the Issuer's statutory consolidated financial statements, which are available at https://www.ramsayhealth.com/en/investors/results-and-reports/ – see the section of this Offering Circular titled "Presentation of Financial Information".

Combined Income Statement

	Half-year ended 31 December		Year ended 30 June	
	2022	**2021**	**2022**	**2021**
	A$m	**A$m**	**A$m**	**A$m**
Revenue from contracts with customers	3,750.7	3,248.0	6,665.2	6,464.9
Interest income	0.2	-	-	4.0
Other income - income from sale of development assets	1.5	-	1.8	20.4
Other income - net profit on disposal of non-current assets	-	-	8.6	-
Total revenue and other income	**3,752.4**	**3,248.0**	**6,675.6**	**6,489.3**
Employee benefit and contractor costs	(2,077.3)	(1,699.1)	(3,636.5)	(3,288.6)
Occupancy costs	(135.8)	(134.9)	(269.4)	(241.1)
Service costs	(126.5)	(130.7)	(263.5)	(217.7)
Medical consumables and supplies	(910.0)	(873.6)	(1,726.6)	(1,702.0)
Depreciation, amortisation and impairment	(174.4)	(168.2)	(352.6)	(307.5)
Cost of development assets sold	(0.9)	-	(1.4)	(8.5)
Total expenses, excluding finance costs	**(3,424.9)**	**(3,006.5)**	**(6,250.0)**	**(5,765.4)**
Share of profit of joint venture	11.8	8.2	15.5	10.9
Profit before tax and finance costs	**339.3**	**249.7**	**441.1**	**734.8**
Finance costs	(113.6)	(94.4)	(187.9)	(161.0)
Profit before income tax	**225.7**	**155.3**	**253.2**	**573.8**
Income tax	(68.9)	(45.2)	(74.4)	(169.0)
Net profit after tax for the period	**156.8**	**110.1**	**178.8**	**404.8**
Attributable to non-controlling interests	2.1	1.4	2.8	3.7
Attributable to owners of the parent	**154.7**	**108.7**	**176.0**	**401.1**
	156.8	**110.1**	**178.8**	**404.8**
	Cents per Share	**Cents per share**	**Cents per Share**	**Cents per share**
Earnings per share (EPS)				
Basic earnings per share (after CARES dividend)	65.6	45.7	73.3	172.2
Diluted earnings per share (after CARES dividend)	65.5	45.7	73.1	171.6

Combined Statement of Comprehensive Income

	Half-year ended 31 December		Year ended 30 June	
	2022	**2021**	**2022**	**2021**
	A$m	**A$m**	**A$m**	**A$m**
Net profit after tax for the year	**156.8**	**110.1**	**178.8**	**404.8**
Items that will not be reclassified to net profit				
Actuarial loss on defined employee benefit obligation	0.1	-	-	(0.2)
Items that may be subsequently reclassified to net profit				
Cash flow hedges				
Taken to equity	12.7	8.1	40.2	(0.9)
Transferred to Income Statement	(0.9)	1.3	6.0	6.7
Net loss on bank loan designated as a hedge of a net investment	-	-	-	(3.4)
Foreign currency translation	21.0	19.3	(95.2)	3.1
Income tax expense relating to these items	(0.8)	(2.8)	**(14.4)**	(0.8)
Other comprehensive income/(loss), net of tax	**32.1**	**25.9**	**(63.4)**	**4.5**
Total comprehensive income	**188.9**	**136.0**	**115.4**	**409.3**
Attributable to non-controlling interests	2.1	1.4	2.8	3.7
Attributable to owners of the parent	**186.8**	**134.6**	**112.6**	**405.6**
	188.9	**136.0**	**115.4**	**409.3**

Combined Statement of Financial Position

	Half-year ended 31 December		Year ended 30 June	
	2022	2021	2022	2021
	A$m	A$m	A$m	A$m
ASSETS				
Current assets				
Cash and cash equivalents	82.7	57.1	112.9	42.9
Trade and other receivables	940.7	710.2	926.1	745.5
Receivables from related entities	0.3	1.0	0.1	1.0
Inventories	211.7	228.6	208.0	233.3
Derivative financial instruments	14.9	4.6	11.3	-
Income tax receivables	43.0	0.2	35.1	0.3
Prepayments	84.7	65.3	79.1	43.2
Other current assets	11.5	7.7	7.7	1,964.1
	1,389.5	**1,074.7**	**1,380.3**	**3,030.3**
Asset held for sale	2.3	-	-	-
Total current assets	**1,391.8**	**1,074.7**	**1,380.3**	**3,030.3**
Non-current assets				
Other financial assets	30.3	27.6	30.1	14.8
Investments in joint venture	250.0	231.8	238.1	217.5
Other investments	739.1	800.5	731.0	776.4
Property, plant and equipment	3,202.6	2,815.8	3,106.5	2,770.0
Right of use assets	1,501.2	1,121.1	1,502.2	1,123.2
Intangible assets	2,822.0	1,536.0	2,754.1	1,547.3
Deferred tax assets	328.5	292.7	339.9	264.2
Prepayments	10.7	10.9	10.7	10.9
Derivative financial instruments	48.8	4.7	29.6	-
Other non-current receivables	8.3	8.5	7.1	7.8
Total non-current assets	**8,941.5**	**6,849.6**	**8,749.3**	**6,732.1**
TOTAL ASSETS	**10,333.3**	**7,924.3**	**10,129.6**	**9,762.4**
LIABILITIES				
Current liabilities				
Trade and other creditors	1,243.9	1,062.1	1,281.5	1,085.2
Lease liabilities	59.8	59.0	57.1	53.8
Derivative financial instruments	6.1	5.1	-	2.8
Provisions	60.4	77.6	92.3	89.1
Income tax payables	10.1	4.4	21.9	6.1
Total current liabilities	**1,380.3**	**1,208.2**	**1,452.8**	**1,237.0**
Non-current liabilities				
Loans and borrowings	2,698.6	864.9	2,498.2	2,585.8
Lease liabilities	2,219.8	1,847.5	2,208.4	1,835.4
Provisions	122.6	132.3	121.1	121.0
Derivative financial instruments	-	1.8	-	4.3
Other creditors	11.6	10.2	11.7	10.2
Deferred tax liabilities	102.0	7.5	112.6	14.7
Total non-current liabilities	**5,154.6**	**2,864.2**	**4,952.0**	**4,571.4**
TOTAL LIABILITIES	**6,534.9**	**4,072.4**	**6,404.8**	**5,808.4**
NET ASSETS	**3,798.4**	**3,851.9**	**3,724.8**	**3,954.0**
EQUITY				
Issued capital	2,197.6	2,197.6	2,197.6	2,197.6
Treasury shares	(69.4)	(72.7)	(72.4)	(76.7)
Convertible Adjustable Rate Equity Securities (CARES)	252.2	252.2	252.2	252.2
Other reserves	(70.5)	(17.3)	(101.1)	(41.3)
Retained earnings	1,476.6	1,482.2	1,437.8	1,613.7
Parent interests	**3,786.5**	**3,842.0**	**3,714.1**	**3,945.5**
Non-controlling interests	**11.9**	**9.9**	**10.7**	**8.5**
TOTAL EQUITY	**3,798.4**	**3,851.9**	**3,724.8**	**3,954.0**

Combined Statement of Cash Flows

	Half-year ended 31 December		Year ended 30 June	
	2022 A$m	**2021 A$m**	**2022 A$m**	**2021 A$m**
Cash flows from operating activities				
Receipts from customers	3,697.4	3,307.6	6,597.8	6,353.6
Payments to suppliers and employees	(3,253.6)	(2,878.7)	(5,786.2)	(5,376.3)
Income tax paid	(103.2)	(90.9)	(168.1)	(193.9)
Lease finance costs	(65.5)	(62.3)	(129.9)	(120.6)
Other finance costs	(46.2)	(30.4)	(51.7)	(45.4)
Net cash flows from operating activities	**228.9**	**245.3**	**461.9**	**617.4**
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(228.2)	(177.9)	(389.8)	(306.6)
Proceeds from sale of businesses and non-current assets	0.2	-	10.6	25.1
Interest and dividends received	1.3	0.2	3.4	33.0
Business combinations, net of cash received	(66.7)	-	(806.8)	-
Business combination consideration returned from / (held in) escrow	-	1,967.8	1,967.8	(1,951.5)
Acquisition of investments	-	(22.6)	(23.4)	(0.7)
Net cash flows from / (used in) investing activities	**(293.4)**	**1,767.5**	**761.8**	**(2,200.7)**
Cash flows from financing activities				
Dividends paid to equity holders of the parent	(115.9)	(240.2)	(351.9)	(115.3)
Dividends paid to non-controlling interests	(0.9)	-	(0.6)	(1.6)
Repayment of lease principal	(30.3)	(27.7)	(55.6)	(50.6)
Payment of refinancing costs	(1.5)	(0.1)	(0.4)	(12.2)
Proceeds from / (Payments to) related entities	(0.2)	(0.1)	0.9	1.6
Proceeds from borrowings	1,018.8	1,663.0	4,985.7	3,849.8
Repayment of borrowings	(835.1)	(3,393.3)	(5,729.7)	(2,673.5)
Net cash flows (used in)/from financing activities	**34.9**	**(1,998.4)**	**(1,151.6)**	**998.2**
Net increase/(decrease) in cash and cash equivalents	(29.6)	14.4	72.1	(585.1)
Net foreign exchange differences on cash held	(0.6)	(0.2)	(2.1)	0.5
Cash and cash equivalents at beginning of period	112.9	42.9	42.9	627.5
Cash and cash equivalents at end of period	**82.7**	**57.1**	**112.9**	**42.9**

Segment Information

Assets and liabilities by segment

	Asia Pacific A$m	UK A$m	Adjustments & Eliminations A$m[1]	Total A$m
As at 31 December 2022				
Assets & liabilities				
Segment assets	8,129.9	4,902.5	(2,699.1)	10,333.3
Segment liabilities	(4,015.4)	(4,593.0)	2,073.5	(6,534.9)
As at 30 June 2022				
Assets & liabilities				
Segment assets	7,838.1	4,828.8	(2,537.3)	10,129.6
Segment liabilities	(3,847.5)	(4,469.0)	1,911.7	(6,404.8)
As at 30 June 2021				
Assets & liabilities				
Segment assets	7,810.0	3,399.7	(1,447.3)	9,762.4
Segment liabilities	(3,662.3)	(2,967.9)	821.8	(5,808.4)

1 Adjustments and eliminations consist of investments in subsidiaries and intercompany balances, which are eliminated on combination.

Segment revenue reconciliation to Income Statement

	Half-year ended 31 December		Year ended 30 June	
	2022 A$m	2021 A$m	2022 A$m	2021 A$m
Total segment revenue and other income	3,756.6	3,252.2	6,681.2	6,486.2
Inter-segment revenue elimination	(4.4)	(4.2)	(5.6)	(0.9)
Interest income	0.2	-	-	4.0
Total revenue and other income	**3,752.4**	**3,248.0**	**6,675.6**	**6,489.3**

Profit or loss by segment

	Asia Pacific A$m	UK A$m	Total A$m
Half year ended 31 December 2022			
Revenue from contracts with customers	2,840.5	910.2	3,750.7
Other income - income from sale of development assets	1.5	-	1.5
Total revenue and other income before intersegment revenue	2,842.0	910.2	3,752.2
Inter-segment revenue	4.4	-	4.4
Total segment revenue and other income	**2,846.4**	**910.2**	**3,756.6**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**431.4**	**89.1**	**520.5**
Rent[2]	(5.6)	(1.4)	(7.0)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**425.8**	**87.7**	**513.5**
Depreciation, amortisation and impairment	(118.8)	(55.6)	(174.4)
Earnings before interest and tax (EBIT)[4]	**307.0**	**32.1**	**339.1**
Net finance costs			(113.4)
Income tax expense			(68.9)
Net profit after tax			**156.8**
Attributable to non-controlling interests			(2.1)
Net profit attributable to owners of the parent			**154.7**
Half year ended 31 December 2021			
Revenue from contracts with customers	2,735.1	512.9	3,248.0
Total revenue and other income before intersegment revenue	2,735.1	512.9	3,248.0
Inter-segment revenue	4.2	-	4.2
Total segment revenue and other income	**2,739.3**	**512.9**	**3,252.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**414.2**	**10.3**	**424.5**
Rent[2]	(6.2)	(0.4)	(6.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**408.0**	**9.9**	**417.9**
Depreciation, amortisation and impairment	(122.6)	(45.6)	(168.2)
Earnings before interest and tax (EBIT)[4]	**285.4**	**(35.7)**	**249.7**
Net finance costs			(94.4)
Income tax expense			(45.2)
Net profit after tax			**110.1**
Attributable to non-controlling interests			(1.4)
Net profit attributable to owners of the parent			**108.7**
Year ended 30 June 2022			
Revenue from contracts with customers	5,343.7	1,321.5	6,665.2
Other income - income from sale of development assets	1.8	-	1.8
Other income - net profit on disposal of non-current assets	8.6	-	8.6
Total revenue and other income before intersegment revenue	5,354.1	1,321.5	6,675.6
Inter-segment revenue	5.6	-	5.6
Total segment revenue and other income	**5,359.7**	**1,321.5**	**6,681.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**725.5**	**82.0**	**807.5**
Rent[2]	(11.9)	(1.9)	(13.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**713.6**	**80.1**	**793.7**
Depreciation, amortisation and impairment	(246.3)	(106.3)	(352.6)
Earnings before interest and tax (EBIT)[4]	**467.3**	**(26.2)**	**441.1**
Net finance costs			(187.9)
Income tax expense			(74.4)
Net profit after tax			**178.8**

Profit or loss by segment (continued)	Asia Pacific A$m	UK A$m	Total A$m
Year ended 30 June 2021			
Revenue from contracts with customers	5,440.8	1,024.1	6,464.9
Other income - income from sale of development assets	20.4	-	20.4
Total revenue and other income before intersegment revenue	5,461.2	1,024.1	6,485.3
Inter-segment revenue	0.9	-	0.9
Total segment revenue and other income	**5,462.1**	**1,024.1**	**6,486.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**868.4**	**182.5**	**1,050.9**
Rent[2]	(11.4)	(1.2)	(12.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**857.0**	**181.3**	**1,038.3**
Depreciation, amortisation and impairment	(219.1)	(88.4)	(307.5)
Earnings before interest and tax (EBIT)[4]	**637.9**	**92.9**	**730.8**
Net finance costs			(157.0)
Income tax expense			(169.0)
Net profit after tax			**404.8**

1 *"EBITDAR" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation, impairment and rent.*

2 *"Rent" includes rental costs of short term or low value assets together with any related rent costs, including rent related taxes that could not be capitalised as part of lease liabilities.*

3 *"EBITDA" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation and impairment.*

4 *"EBIT" is a non-statutory profit measure and represents profit before interest and tax.*

Loans and borrowings

	Maturity	Dec 2022 A$m
Non-current		
Unsecured bank and other financial institution loans:		
A$ 1,500,000,000 Syndicated Facility Loan[1]	Up to Jul 2026	1,495.1
A$ 600,000,000 Syndicated Facility Loan[2]	Dec 2024	513.2
€ 300,000,000 Syndicated Facility Loan[3]	Oct 2024	471.3
A$ Bi-lateral Facilities[4]	Up to Nov 2024	219.0
Total loans and borrowings		**2,698.6**

1 Sustainability linked syndicated revolving bank debt facility with equal tranches which mature over 3 years, 4 years and 5 years.

2 Syndicated revolving bank debt facility. Facility was downsized in December 2022 from A$600 million to A$513.75 million and maturity was extended from December 2023 to December 2024.

3 Syndicated revolving bank debt facility.

4 Bi-lateral revolving bank debt facilities.

Fair values

The fair values of the Group's interest bearing loans and borrowings are determined by using the discounted cash flow method with discount rates that reflect market interest rates, specific country risk factors, individual creditworthiness of the counterparties and the other risk characteristics associated with the underlying debts.

Unless disclosed below, the carrying amount of the Group's current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. At reporting date, the market interest rates vary from 1.104% to 1.793% (2021: 0.060% to 0.0803%) for Australia.

The fair value of the interest bearing loans and borrowings was estimated using the level 2 method valuation technique in which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable. Set out in the table below is a comparison by carrying amounts and fair value of the Group's interest bearing loans and borrowings.

	Year ended 30 June			
	2022		2021	
	Carrying Amount A$m	Fair Value A$m	Carrying Amount A$m	Fair Value A$m
Bank loans	2,498.2	2,510.6	2,585.8	2,626.9

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 16 of the Full Year Financial Statements.

Assets pledged as security

No assets have been pledged as security for the loans and borrowings.

FORM OF THE NOTES

1. Initial Issue of Notes

Global Notes may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or registration of a Global Note in the name of any nominee for Euroclear and Clearstream and delivery of such Global Note to the Common Depositary, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with or delivered to the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with or delivered to any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

Each Bearer Note, Receipt, Talon and Coupon issued by the Issuer with a maturity of more than one year will bear the following legend:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that any holder who is a U.S. Person, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, Receipts, Talons or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal in respect of Bearer Notes, Receipts, Talons or Coupons.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. Exchange

3.1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange:

(a) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

3.2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 in part for Definitive Notes:

(a) if the Permanent Global Note is held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(b) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Registered Global Notes

If the Pricing Supplement states that the Notes are to be represented by a Registered Global Note on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Registered Global Note pursuant to Condition 2.2 may only be made in part:

(a) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) if principal in respect of any Notes is not paid when due; or

(c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(a), the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Bearer Global Note may surrender such Bearer Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Bearer Global Note, or the part thereof to be exchanged, the Issuer will (a) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (b) in the case of a Bearer Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, "Definitive Notes" means, in relation to any Bearer Global Note, the definitive Bearer Notes for which such Bearer Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Bearer Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"Exchange Date" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4. Amendment to Conditions

The Temporary Global Notes, and Permanent Global Notes and Registered Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Bearer Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Bearer Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Bearer Global Note to or to the order of the Issuing and Paying Agent or such other Paying

Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Bearer Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Bearer Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 5.7).

All payments in respect of Notes represented by a Registered Global Note will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

4.3 Meetings

The holder of a Permanent Global Note or of the Notes represented by a Registered Global Note shall (unless such Permanent Global Note or Registered Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Registered Global Note.)

4.4 Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

4.5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer, the Guarantors or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream or any other clearing system (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Issuing and Paying Agent, for notation.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note.

4.9 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

5. Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes take effect as an Extraordinary Resolution, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (i) accountholders in the clearing system(s) with entitlements to such Global Note and/or, where (ii) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear, Clearstream or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (ii)

above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

6. SGX-ST

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Note(s) representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Note(s) is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (a) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (b) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes (as referred to below) or on the Certificates (as referred to below) relating to such Registered Notes (as referred to below). All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Pricing Supplement and those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a Trust Deed (as amended and/or restated or supplemented from time to time, the **Trust Deed**) dated 3 May 2023 between Ramsay Health Care Limited (ACN 001 288 768) (the **Issuer**), the Initial Guarantors (as defined in the Trust Deed) and The Bank of New York Mellon, London Branch (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below).

The Notes, the Receipts (as referred to below) and the Coupons (as referred to below) have the benefit of a guarantee given by the Initial Guarantors and the Additional Guarantors (as defined in Condition 3, and together, to the extent they have not been released as guarantors in accordance with the terms of the Trust Deed and these Conditions (as defined below), the **Guarantors**) pursuant to and on the terms of the Guarantee (as defined in Condition 3) set out in the Trust Deed.

These terms and conditions (**Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Certificates, Bearer Notes, Registered Notes, Receipts, Coupons and Talons referred to below. An agency agreement (as amended and/or restated or supplemented from time to time, the **Agency Agreement**) dated 3 May 2023 has been entered into in relation to the Notes between the Issuer, the Guarantors, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and calculation agent, The Bank of New York Mellon SA/NV, Dublin Branch as registrar and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Issuing and Paying Agent**, the **Paying Agents** (which expression shall include the Issuing and Paying Agent), the **Registrar**, the **Transfer Agents** (which expression shall include the Registrar) and the **Calculation Agent(s)**. Copies of the Trust Deed and the Agency Agreement are (a) available to the Noteholders upon written request and with satisfactory proof of holding during normal business hours (being 9.00 a.m. to 3.00 p.m., Monday to Friday, except public holidays) from the specified office of the Issuing and Paying Agent (presently at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and the registered office of the Issuer or (b) available electronically via email from the Issuing and Paying Agent.

The Noteholders, the holders of the interest coupons (the **Coupons**) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the **Talons**) (the **Couponholders**) and the holders of the receipts for the payment of instalments of principal (the **Receipts**) (the **Receiptholders**) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, **Tranche** means Notes which are identical in all respects.

Words and expressions defined in the Trust Deed and Agency Agreement, or used in the applicable Pricing Supplement, shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between:

(a) the Trust Deed and the Agency Agreement, the Trust Deed will prevail; and

(b) either the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

1.1 The Notes are issued in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**). Notes are issued in the Specified Denomination(s) shown in the applicable Pricing Supplement.

1.2 The Notes are a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the applicable Pricing Supplement.

1.3 Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

1.4 Registered Notes are represented by registered certificates (**Certificates**) and each Certificate shall represent the entire holding of Registered Notes by the same holder.

1.5 Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the **Register**). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

1.6 In these Conditions, **Noteholder** means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), **holder** (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the applicable Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. NO EXCHANGE OF NOTES AND TRANSFERS OF REGISTERED NOTES

2.1 No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

2.2 Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with prior written notice to the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon prior written request and satisfactory of proof of holdings (free of charge to the Noteholder at the Issuer's expense).

Transfers of interests in the Notes evidenced by the Global Note will be effected in accordance with the rules of the relevant clearing systems.

2.3 Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

2.4 Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2.2 or 2.3 shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6.5) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.4, **business day** means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

2.5 Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the

Transfer Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

2.6 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (a) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (b) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6.4, (c) after any such Note has been called for redemption or (d) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7.2 for Notes).

3. GUARANTEE AND STATUS

3.1 Guarantee

The Guarantors have unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons (the **Guarantee**). The Guarantors' obligations in that respect are contained in the Trust Deed.

3.2 Status of Notes and Guarantee

The Notes and the Receipts and Coupons relating to them constitute direct, general, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and of each Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable statute, law or legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and each Guarantor respectively, present and future.

3.3 Joining of Guarantors

For so long as any Note remains outstanding (as defined in the Trust Deed), the Issuer undertakes, subject to Condition 3.4 and Condition 3.5, to cause sufficient members of the Funding Group to be Guarantors to ensure that, at each Calculation Date, the Issuer and the Guarantors (in each case on an unconsolidated basis and excluding intra-Funding Group items and investments in Subsidiaries of any Funding Group member), will in aggregate comprise not less than:

(a) 85 per cent. of consolidated Adjusted EBITDA of the Funding Group for the 12 month period ending on that Calculation Date; and

(b) 85 per cent. of Adjusted Total Assets of the Funding Group as at that Calculation Date.

3.4 Release of a Guarantor

If a Guarantor:

(a) ceases to be a wholly owned Subsidiary of the Issuer as a result of a share sale (or, in the case of a Trust, a transfer of units) or any other transaction on arm's length terms;

(b) is, or is being, wound up and the only creditors of the Guarantor are other Funding Group members; or

(c) the Issuer gives notice to the Trustee specifying that the Guarantor is to be released from the Guarantee,

that Guarantor will, provided that the requirements of Condition 3.3 are satisfied at the time of the release and will continue to be satisfied immediately following the release, unless otherwise permitted under the exceptions set out in Condition 3.5, and no Event of Default is subsisting as at the time of release or would result from the release, upon and by virtue of that event be deemed to have been irrevocably and unconditionally released and discharged from all of its obligations and liabilities, actual and contingent, present or future, in any capacity, under or in connection with the Trust Deed without the need for the execution or delivery of any other document, or the consent or the taking of any other action by any other person.

3.5 Exceptions

Notwithstanding Condition 3.3, the Issuer will not be in breach of Condition 3.3 by reason of the Issuer and Guarantors in aggregate failing to comprise not less than the threshold amounts referred to in Conditions 3.3(a) and (b) on a Calculation Date:

(i) if, within 120 days after the relevant Calculation Date (as such period may be extended under sub-paragraph (ii) below), the Issuer causes sufficient Funding Group members to become Guarantors such that the Issuer and Guarantors in aggregate comprise not less than the amounts referred to in Conditions 3.3(a) and (b) as if re-calculated on that Calculation Date;

(ii) to the extent financial assistance 'whitewash' resolutions under section 260B of the Corporations Act are required for a Funding Group member to accede as a Guarantor, the Issuer causes sufficient Funding Group members to become Guarantors such that the Issuer and Guarantors in aggregate comprise not less than the threshold amounts referred to in Conditions 3.3(a) and (b) (as if re-calculated as at that Calculation Date) within 30 days after:

(A) the next Annual General Meeting or Extraordinary General Meeting if there is sufficient time to include the resolutions in the notice of the relevant Annual General Meeting or Extraordinary General Meeting; and

(B) otherwise, the next following Annual General Meeting or Extraordinary General Meeting;

(iii) where such failure is due to one or more Subsidiaries of the Issuer not being Guarantors where:

(A) such Subsidiaries are not wholly-owned Subsidiaries of the Issuer;

(B) such Subsidiaries are prohibited or restricted by any applicable law, regulatory condition or (in the case of Subsidiaries incorporated outside Australia) contractual restriction from becoming or performing their obligations as a Guarantor;

(C) the directors or other representatives of such Subsidiaries are prohibited or restricted by law (including any fiduciary duty) from causing such Subsidiaries to become Guarantors;

(D) causing such Subsidiaries to become Guarantors could expose any officer of any member of the Funding Group to a material risk of criminal or civil liability;

(E) such Subsidiaries are incorporated outside Australia and the Issuer determines that the cost (including, without limitation, adverse effects on interest deductibility, registration fees and taxes, income taxes and stamp duty, out-of-pocket expenses and notarial costs) is materially disproportionate to the benefit to the Noteholders of such Subsidiaries becoming Guarantors; or

(F) any combination of the above paragraphs applies in respect of such Subsidiaries.

3.6 The Issuer shall promptly provide written notice to the Trustee and each Paying Agent following the accession or release of any Guarantor as described in Conditions 3.3 and 3.4.

3.7 The Trustee shall not be required to monitor compliance by the Issuer with this Condition 3 and in no circumstances will the Trustee be responsible for any loss caused by any failure to do so.

3.8 The Issuer shall maintain a list of the current Guarantors and shall make such list available for inspection by holders at the registered offices of the Issuer and the specified office of the Trustee.

3.9 In these Conditions:

A$ or **AUD** means the lawful currency of the Commonwealth of Australia;

Additional Guarantor means a Subsidiary of the Issuer which becomes an Additional Guarantor in accordance with Condition 3.3 and the procedures set out in the Trust Deed and shall guarantee the Notes pursuant to the Trust Deed and be deemed to be a Guarantor thereunder in accordance with and within the timeframes specified in the Trust Deed;

Adjusted EBITDA means, for any period, the profit before tax and finance costs of the Funding Group for that period on a combined basis before accounting for:

(a) depreciation and amortisation expense and/or impairment charges of the Funding Group for that period calculated by ignoring the lessee accounting impact of AASB16 (Leases);

and after excluding:

(b) any significant, non-recurring or extraordinary losses or gains of the Funding Group for that period;

(c) unrealised gains and losses on hedging arrangements and derivatives for that period; and

(d) non-cash accounting adjustments and charges during that period,

and:

(e) to the extent not already deducted, after deduction of any rent or amounts in the nature of rent of the Funding Group under any lease arrangements during that period;

(f) to the extent not already included, after inclusion of any dividend or profit distribution paid by any Excluded Subsidiary or person who is not a Funding Group member and which is received by a member of the Funding Group during that period;

(g) to the extent deducted in deriving Adjusted EBITDA, after adding back any transaction costs in relation to any debt or equity raising, acquisition, investment, joint venture, disposal, restructuring initiative or project, in each case, whether or not successful, during that period; and

(h) after adding the LTM EBITDA of any entity, or business acquired during that period as if the acquisition or disposal occurred on the first day of that period),

provided that:

(i) no more than 25 per cent. of Adjusted EBITDA may comprise Adjusted EBITDA contributions from non-wholly owned Subsidiaries (after removing the impact of minority interests); and

(ii) for the purposes of this definition the Funding Group will be taken to exclude any Limited Recourse Subsidiary.

To the extent any amounts are not denominated in A$, such amounts will be converted into A$ in accordance with GAAP;

Adjusted Total Assets means, on any date and for the Funding Group, the total value of all the assets of the Funding Group as at that date on a combined basis as disclosed in the combined financial statements of the Funding Group including directors' asset revaluations of Total Assets as disclosed in, or derived from, the most recent combined statement of financial position (and which, for clarity, will (at the Issuer's option) include the carrying value of any investment which a member of the Funding Group has in any other entity which is not a member of the Funding Group), provided that for the purpose of this definition the Funding Group will be taken to exclude any Limited Recourse Subsidiary;

Calculation Date means each 31 December and 30 June, with the first such date occurring after the date of the Trust Deed;

Excluded Subsidiary means:

(a) Ramsay Generale de Santé;

(b) any Subsidiary of any Excluded Subsidiary from time to time; and

(c) any other Subsidiary of the Issuer notified to the Trustee in writing by the Issuer as an Excluded Subsidiary;

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) receivables sold or discounted (other than any receivables to the extent that are sold on a non-recourse basis or where recourse is limited to customary warranties, indemnities or servicing or like obligations);

(e) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any (and not excluded by any) other paragraph of this definition having the commercial effect of, and required to be accounted for in accordance with GAAP as in force at the date of the Trust Deed, as a borrowing;

(f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the amount or value of any derivative transaction, only the marked to market value(or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other contingent instrument issued by a bank or financial institution; and

(h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above,

but excludes any liability in respect of any lease or hire purchase contract which is recognised as a "lease liability in the "Liabilities" section of the financial statements of the Funding Group;

Funding Group means the Issuer and its Subsidiaries for the time being (other than any Excluded Subsidiaries);

GAAP means generally accepted accounting principles in Australia, including IFRS;

Guarantee means the guarantee referred to in Condition 3.1 and more fully set out in the Trust Deed;

IFRS means International Financial Reporting Standards issued by the International Accounting Standards Board;

Limited Recourse Subsidiary means any wholly owned Subsidiary of the Issuer which:

(a) is neither the Issuer nor a Guarantor; and

(b) has been established (including as a holding company of another Limited Recourse Subsidiary) or acquired, and which has as its purpose, the ownership, development, construction, management, provision of services, securitisation, or operation of any assets or project in respect of which financing arrangements have been, or will be provided, on a limited recourse basis.

The following will not result in a financing arrangement not being provided on a "limited recourse" basis for the purposes of this definition:

(i) any arms' length dealings by a member of the Funding Group with a Limited Recourse Subsidiary;

(ii) any subscription for or provision of equity, quasi or contingent equity or shareholder loans (on any terms) by a member of the Funding Group to a Limited Recourse Subsidiary; and

(iii) a guarantee or guarantee and indemnity, on the basis that recourse under the guarantee is limited to the marketable securities held by a member of the Funding Group, in that Subsidiary.

LTM means, on any date, the last 12 months; and

Subsidiary of an entity means another entity which:

(a) is a subsidiary of the first entity within the meaning of the Corporations Act; or

(b) is part of the consolidated group constituted by the first entity and the entities that the first entity is required to include in the consolidated financial statements it prepares, or would be if the first entity was required to prepare consolidated financial statements.

4. NEGATIVE PLEDGE

4.1 So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or have outstanding any Security Interest (as defined below) (other than a Permitted Security interest) upon, or with respect to, the whole or any part of their present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below) of the Issuer or any Guarantor, unless the Issuer or any Guarantor, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by the Issuer or a Guarantor under the Notes and Coupons are secured by the Security Interest equally and rateable with the Relevant Indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4.2 In this Condition:

Relevant Indebtedness means (a) any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Issuer and a Guarantor which is in the form of, or represented or evidenced by, bonds, notes, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended by the Issuer to be, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market; and (b) any guarantee or indemnity in respect of any such indebtedness;

Permitted Security Interest means in the case of any company which becomes a member of the Funding Group after 3 May 2023, any Security Interest which exists on or over its assets when it becomes a member of the Funding Group and is not created in contemplation of or in connection with it becoming a member of the Funding Group provided that the principal, capital or nominal amount secured by any such Security Interest and outstanding when the relevant company becomes a member of the Funding Group may not be increased except by reason of

any fluctuation in the amount outstanding under, and within the limits and in accordance with the terms of, the facilities which exist and are secured by the relevant Security Interest when it becomes a member of the Funding Group (or any renewal or extension of that facility for the same or a smaller amount) and further provided that (to the extent it continues to secured Relevant Indebtedness and is not otherwise a Permitted Security Interest) it is removed or discharged within 180 days of the entity becoming a member of the Funding Group; and

Security Interest means any mortgage, charge, lien, pledge or other security interest securing any obligation of any person (including any "security interest" as defined in sections 12(1) or 12(2) of the *Personal Property Securities Act 2009* (*Cth*) of Australia), whether or not filed, recorded or otherwise perfected under applicable law but does not include any security interest which is deemed to be a security interest only by virtue of section 12(3) of the *Personal Property Securities Act 2009 (Cth)* of Australia or any similar law of another jurisdiction.

5. INTEREST AND OTHER CALCULATIONS

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5.4.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined by the Calculation Agent in accordance with Condition 5.4. Such Interest Payment Date(s) is/are either shown in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the applicable Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(b) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

(A) Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating either the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. **ISDA** and as amended and updated as at the Issue Date of the first Tranche of Notes or the latest version of the 2021 ISDA Interest Rate Derivatives definitions, as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) as specified in the applicable Pricing Supplement and under which:

I. the Floating Rate Option is as specified in the applicable Pricing Supplement;

II. the Designated Maturity (if applicable) is a period specified in the applicable Pricing Supplement;

III. the relevant Reset Date is the day specified in the applicable Pricing Supplement.

IV. if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Pricing Supplement:

(1) Compounding with Lookback;

(2) Compounding with Observation Period Shift;

(3) Compounding with Lockout; and

(4) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift as specified in the applicable Pricing Supplement.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers, financial centres or other items specified in the relevant confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the applicable Pricing Supplement.

The ISDA Definitions contain provisions for determining the applicable Floating Rate (as defined herein) in the event that the specified Floating Rate is not available.

For these purposes, **Swap Transaction**, **Floating Rate**, **Calculation Agen**t, **Floating Rate Option**, **Designated Maturity**, **Reset Date**, **Overnight Floating Rate Option**, **Overnight Rate Compounding Method**, **Compounding with Lookback**, **Compounding with Observation Period Shift**, **Compounding with Lockout**, **Compounded Index Floating Rate Option**, **Index Method** and **Compounded Index Method with Observation Period Shift** have the meanings given to those terms in the ISDA Definitions.

(B) the definition of **Fallback Observation Day** in the ISDA Definitions shall be deemed deleted in its entirety and replaced with the following: **Fallback Observation Day** means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Interest Payment Date; and

(C) if any of the fallback provisions for determination of a Floating Rate in the event that the specified Floating Rate is not available require the Calculation Agent to make a commercial determination then the Calculation Agent shall seek and act on written instructions from the Issuer as to the determination.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

(A) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

I. the offered quotation; or

II. the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11am Brussels time (in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(B) if the Relevant Screen Page is not available or if, subparagraph (A)I above applies and no such offered quotation appears on the Relevant Screen Page or if subparagraph (A)II above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an independent adviser appointed by it) shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11am (Brussels time) on the Interest Determination Date in question, and notify the Calculation Agent of such offered quotation. If two or more of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as notified to and determined by the Calculation Agent.

If paragraph (B) applies and fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer (or an independent adviser appointed by it) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.am (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at approximately 11am (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer (or an independent adviser appointed by it) it is quoting to leading banks in the Euro-zone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iii) Linear Interpolation

(A) Where Linear Interpolation is specified in the applicable Pricing Supplement as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the applicable Pricing Supplement as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the applicable Pricing

Supplement as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer (or an independent adviser appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

(B) **Applicable Maturity** means: (I) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (II) in relation to ISDA Determination, the Designated Maturity.

(d) Rate of Interest for Other Notes

(i) Zero Coupon Notes

Where a Note the Interest Basis of which is specified in the applicable Pricing Supplement to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6.2(a)).

(ii) Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified in the applicable Pricing Supplement.

(iii) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(iv) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

5.3 Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding

(a) If any Margin is specified in the applicable Pricing Supplement (either (i) generally, or (ii) in relation to one or more Interest Accrual Periods), an adjustment shall be made (without double

counting) to all Rates of Interest, in the case of (i), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (ii), calculated in accordance with Condition 5.2 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(b) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the applicable Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(c) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (ii) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency that is available as legal tender in the country of such currency.

5.4 Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable Pricing Supplement, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

5.5 Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, the Registrar and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, the Issuer shall notify such exchange or other relevant authority as soon as possible after their determination but in no event later than (a) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest

Amount, or (b) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5.2(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

5.6 Benchmark replacement

In addition, notwithstanding the provisions above in this Condition 5, if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Pricing Supplement when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(a) the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in a reasonable manner), no later than ten business days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(b) if the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.6); provided, however, that if subparagraph (b) above applies and the Issuer (acting in a reasonable manner) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin (as defined below) that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this subparagraph (c) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.6);

(d) if the Independent Adviser or the Issuer (acting in a reasonable manner) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, business days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as defined below) (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. At the request of the Issuer, but subject to receipt by the Trustee and the Principal Paying Agent of a certificate signed by two authorised signatories of the Issuer, the Trustee and the Principal Paying Agent shall, at the direction and expense of the Issuer, be obliged to concur with the Issuer and with such determination by the Independent Adviser in using its reasonable endeavours in effecting such consequential amendments to the Trust Deed, Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.6 and the Trustee and the Principal Paying Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and the Principal Paying Agent shall not be obliged so to concur if in the opinion of the Trustee and/or the Principal Paying Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee and/or the Principal Paying Agent in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way. For the avoidance of doubt, Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such related changes, including for the execution of any documents or other steps by the Trustee or the Principal Paying Agent (if required); and

(e) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Trustee, the Principal Paying Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law.

5.7 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(j) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(k) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate;

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in a reasonable manner) is most comparable to the relevant Reference Rate;

Benchmark Event means, in respect of a Reference Rate:

(a) such Reference Rate ceasing be published for a period of at least five business days or ceasing to exist;

(b) a public statement by the administrator of such Reference Rate that it will, by a specified date within the following six months, cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);

(c) a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued;

(d) a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using such Reference Rate.

Business Day means:

(a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (and if the currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); and/or

(b) in the case of euro, a day on which T2 is operating (a **T2 Business Day**); and/or

(c) in the case of a currency and/or one or more Business Centres as specified in the applicable Pricing Supplement, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in each of the Business Centre(s).

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **Calculation Period:**

(a) if **Actual/Actual** or **Actual/Actual – ISDA** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if **Actual/365** (**Fixed**) is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(c) if **Actual/365 (Sterling)** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(d) if **Actual/360** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(e) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if **30E/360** or **Eurobond Basis** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(g) if **30E/360 (ISDA)** is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D_1 is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

(h) if **Actual/Actual-ICMA** is specified in the applicable Pricing Supplement,

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year

where:

Determination Period means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

Determination Date means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s).

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense;

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

Interest Amount means:

(A) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the applicable Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(B) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

Interest Commencement Date means the Issue Date or such other date as may be specified in the applicable Pricing Supplement.

Interest Determination Business Day means, unless otherwise specified hereon, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in London.

Interest Determination Date means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (a) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (b) the day falling two Interest Determination Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (c) the day falling two T2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

Interest Period means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified in the applicable Pricing Supplement.

Interest Period Date means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement.

Rate of Interest means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Pricing Supplement.

Reference Banks means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer and notified in writing to the Calculation Agent or as specified in the applicable Pricing Supplement.

Reference Rate means the rate specified as such in the applicable Pricing Supplement.

Relevant Nominating Body means, in respect of a reference rate:

(A) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the reference rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (III) a group of the aforementioned central banks or other supervisory authorities, or (IV) the Financial Stability Board or any part thereof;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement (or any successor or replacement page, section, caption, column or other part of a particular information service).

Specified Currency means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

T2 means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system.

5.8 Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. REDEMPTION, PURCHASE AND OPTIONS

6.1 Redemption by Instalments and Final Redemption

(a) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the

applicable Pricing Supplement. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(b) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided in the applicable Pricing Supplement, is its principal amount) or, in the case of a Note falling within paragraph (a) above, its final Instalment Amount.

6.2 Early Redemption

(a) *Zero Coupon Notes*

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6.3, Condition 6.4, Condition 6.5 or Condition 6.7 or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the applicable Pricing Supplement.

(ii) Subject to the provisions of subparagraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the applicable Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6.3, Condition 6.4, Condition 6.5 or Condition 6.7 or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in subparagraph (ii) above, except that such subparagraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this subparagraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5.1.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the applicable Pricing Supplement.

(b) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (a) above), upon redemption of such Note pursuant to Condition 6.3, Condition 6.4, Condition 6.5 or Condition 6.7 or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the applicable Pricing Supplement.

6.3 Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6.2 above) (together with interest accrued to the date fixed for redemption), if the Issuer has (or, if the Guarantee under the Trust Deed were called, the Guarantors) have confirmed to the Trustee by giving the certificate described below immediately before the giving of such notice that:

(a) it has or will become obliged to pay Additional Amounts (as defined in Condition 8) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (Taxation)) or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer (or the Guarantors, as the case may be) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantors, as the case may be) would be obliged to pay such Additional Amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6.3, the Issuer shall deliver to the Trustee a certificate signed by two officers of the Issuer (or the Guarantors, as the case may be) stating that the obligation referred to in (a) above cannot be avoided by the Issuer (or the Guarantors, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept (and shall not be liable to any person for so accepting) such certificate as sufficient evidence of the satisfaction of the condition precedents set out in (a) and (b) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

6.4 Redemption at the Option of the Issuer

(a) If Call Option is specified in the applicable Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the applicable Pricing Supplement (which may be the Early Redemption Amount (as described in Condition 6.2 above)), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Pricing Supplement.

(b) All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(c) In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may

approve and in such manner as it deems appropriate, taking account of prevailing market practices and subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(d) In addition, the Notes may be redeemed, in whole but not in part, at the Issuer's option, upon giving not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) to the Noteholders if, immediately before giving such notice, the aggregate principal amount of Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(e) Upon the expiry of the notice period pursuant to the Issuer's election to deliver such notice with respect to the terms above, the Issuer will redeem the Notes at their at their Optional Redemption Amount specified in the applicable Pricing Supplement (which may be the Early Redemption Amount (as described in Condition 6.2)), together with interest accrued to the date fixed for redemption.

6.5 Redemption at the Option of Noteholders

(a) If Put Option is specified in the applicable Pricing Supplement, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified in the applicable Pricing Supplement (which may be the Early Redemption Amount (as described in Condition 6.2)), together with interest accrued to the date fixed for redemption.

(b) To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (**Exercise Notice**) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

6.6 Redemption for a Change of Control Put Event

(a) If a Change of Control Put Event (as defined below) is specified as Applicable in the applicable Pricing Supplement and occurs, the holder of any such Note will have the option (a **Change of Control Put Option)** (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6.4) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) all, but not some only, of such holder's Notes on the Change of Control Put Date (as defined below) at the Change of Control Redemption Amount , together with interest accrued to (but excluding) the Change of Control Put Date.

(b) Not later than seven days after becoming aware of the occurrence of a Change of Control Put Event, the Issuer shall notify the Trustee in writing and give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 16 specifying: (i) the nature of the Change of Control Put Event, (ii) the procedure for exercising the Change of Control Put Option, (iii) that a Change of Control Put Notice once given may not be revoked, (iv) the last day of the Change of Control Put Period and (v) the date (the **Change of Control Put Date**) upon which the

Issuer will redeem the Notes in respect of which the Change of Control Put Option is exercised, which date must not be more than 37 days after the date on which the Change of Control Put Event has occurred.

(c) To exercise the Change of Control Put Option:

(i) the holder of a Bearer Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **Change of Control Put Period**) of 30 days after a Change of Control Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**). The Note should be delivered together with all Coupons appertaining thereto maturing after the Change of Control Put Date, failing which the Paying Agent will deduct an amount equal to the face value of any such missing unmatured Coupon from the Change of Control Redemption Amount. Any amount so deducted from the Change of Control Redemption Amount will be paid to the Couponholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 14) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter;

(ii) the Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent; and

(iii) the holder of a Registered Note must deposit the Certificate evidencing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly signed and completed Change of Control Put Notice obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period. Payment in respect of any Certificate so deposited will be made on the Change of Control Put Date by transfer to the bank account specified in the Change of Control Put Notice.

(d) A Change of Control Put Notice, once given, shall be irrevocable, except where prior to the Change of Control Put Date, an Event of Default has occurred and is continuing in which event the relevant Noteholder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Notice and instead to instruct the Trustee to give notice that the relevant Notes the subject of the Change of Control Put Notice are immediately due and payable under Condition 10. The relevant Notes shall then become immediately due and payable if the Trustee declares all of the Notes immediately due and payable in accordance with Condition 10.

(e) The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

(f) The Trustee is under no obligation to ascertain whether a Change of Control Put Event or any event which could lead to the occurrence of or could constitute a Change of Control Put Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or other such event has occurred.

(g) In this Condition 6.6:

ASX means the Australian Securities Exchange conducted by the ASX Limited ABN 98 008 624 691.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Sydney and Melbourne.

A **Change of Control** with respect to any Notes occurs when after the relevant Issue Date:

(i) the shares of the Issuer are delisted from the official list of the ASX and not relisted within ten Business Days due to there being an announcement of an acquisition or merger transaction; or

(ii) a person or group of persons acting in concert acquires, after the relevant Issue Date, beneficial title to at least 50.1 per cent. of the issued voting capital of the Issuer (excluding any part of issued capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital). In this paragraph (ii), **acting in concert** means, a group of persons who, pursuant to a formal agreement, actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain beneficial title to at least 50.1 per cent. of the issued voting capital of the Issuer (excluding any part of issued capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Change of Control Put Event occurs if either:

(i) in anticipation of a Change of Control; or

(ii) during the period commencing on the occurrence of a Change of Control and ending on the date falling 90 days after such Change of Control;

one or more credit ratings assigned to the Notes by Rating Agencies are changed and as a result of such change or changes less than two Rating Agencies rate the Notes Investment Grade, provided that:

(A) where a rating has been changed, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such change resulted, in whole or in part, in anticipation of, or as a result of the occurrence of, the Change of Control;

(B) in the case of an anticipated Change of Control, a Change of Control Put Event will be deemed to have occurred only if and when a Change of Control subsequently occurs and that occurrence takes place within 90 days after the negative change in credit rating; and

(C) if the Notes are only assigned a credit rating by one Rating Agency, a Change of Control Put Event can only occur if that credit rating changes and as a result of that change the relevant Rating Agency does not rate the Notes Investment Grade.

Fitch means Fitch Australia Pty Ltd (ABN 93 081 339 184) and includes any successor to its ratings business

Investment Grade means in relation to the Notes:

(i) BBB- or higher by Fitch (or its equivalent under any successor rating category of Fitch); or

(ii) an equivalent rating to a rating of either BBB- or Baa3, or higher, by any other Rating Agency.

Rating Agencies mean:

(i) Fitch; or

(ii) another international recognised rating agency that provides a rating for the Notes solicited by the Issuer.

6.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the applicable Pricing Supplement.

6.8 Purchases

The Issuer, the Guarantors and their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

6.9 Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantors or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantors in respect of any such Notes shall be discharged.

7. PAYMENTS AND TALONS

7.1 Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is

presented for payment together with the relevant Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7.6(f)) or Coupons (in the case of interest, save as specified in Condition 7.6(f)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank. **Bank** means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

7.2 Registered Notes

(a) Payments of principal (which for the purposes of this Condition 7.2 shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (b) below.

(b) Interest (which for the purpose of this Condition 7.2 shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the **Record Date**). Payments of interest on each Registered Note shall be made in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) So long as any Global Registered Note is held on behalf of Euroclear and/or Clearstream, each payment will be made to the person shown as the holder on the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

7.3 Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

7.4 Payments subject to Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

7.5 Appointment of Agents

(a) The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantors and their respective specified offices are listed in the Agency Agreement. Subject to the terms of the Trust Deed and the Agency Agreement, the Issuing and Paying Agent, the Paying

Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantors and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantors reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed.

(b) In addition, the Issuer and the Guarantors shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7.4.

(c) Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

7.6 Unmatured Coupons and Receipts and unexchanged Talons:

(a) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(b) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or Dual Currency Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(c) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(d) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(e) Where any Bearer Note that provides that the relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(f) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest

Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

7.7 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

7.8 Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, **business day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as **Financial Centres** in the applicable Pricing Supplement and:

(a) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (and if the currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or

(b) (in the case of a payment in euro) which is a T2 Business Day.

8. TAXATION

8.1 All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantors shall pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders and Couponholders after such withholding or deduction of such net amounts as would have been receivable by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in relation to any payment with respect to any Note, Receipt or Coupon:

(a) Other connection

The holder of which is liable for the Taxes imposed in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of the Note, Receipt or Coupon provided that such a holder shall not be regarded as being connected with the Commonwealth of Australia for the reason that such a holder is a resident of the Commonwealth of Australia within the meaning of the Australian Tax Act where, and to the extent that, such tax is payable by reason of Section 128B(2A) of the Australian Tax Act; or

(b) Presentation more than 30 days after the Relevant Date

Presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on presenting it for payment on such 30th day;

(c) Associate

On account of Taxes which are payable by reason of the holder being an Offshore Associate of the Issuer for the purposes of Section 128F of the Australian Tax Act; or

(d) Provision of information

In respect of a payment to, or to a third party on behalf of, a holder, in circumstances where such withholding or deduction would not have been required if the holder or any person acting on his behalf had provided to the Issuer an appropriate tax file number, business number or details of an exemption from providing those numbers; or

(e) Tax exemption

Held by or on behalf of a holder or beneficial owner who could lawfully prevent (but has not so prevented) such deduction or withholding by complying, or procuring that any third party complies with any statutory requirements, by complying with a request by the Issuer to provide information concerning the nationality, residence, identity, tax identification number or address of such holder, or beneficial owner, or by making or procuring that any third party makes a declaration of non-resident or other similar claim for exemption to any Tax authority; or

(f) Presentation

Presented for payment in a Tax Jurisdiction or presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent; or

(g) Tax authority direction

On account of the Issuer, or a third party acting on behalf of the Issuer, receiving a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 (Cth) of Australia or any similar law in relation to any other Taxes; or

(h) Combination

For or on account of any combination of any Taxes referred to in the proceeding Clauses (a) to (g).

8.2 For the purpose of paragraphs (a) to (h) of Condition 8.1, a reference to a holder includes any person on whose account a Note is held or a payment received, or who has any beneficial interest in such Note or payment, and no Additional Amounts shall be paid to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that a beneficiary or settlor of such fiduciary or partnership or beneficial owner would not have

been entitled to such Additional Amounts had such beneficiary, settlor or beneficial owner been the holder of the Note.

8.3 Notwithstanding any other provision in these Conditions, any amounts to be paid by or on behalf of the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a **FATCA Withholding Tax**). Neither the Issuer nor any other person will be required to pay Additional Amounts on account of any FATCA Withholding Tax.

8.4 References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

8.5 Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or in connection with the Notes or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible for providing any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

8.6 As used in these Conditions:

Australian Tax Act means the Income Tax Assessment Act 1936 (Cth) of Australia as amended and replaced.

Offshore Associate means, in respect of a Note, an Associate (within the meaning in section 128F(9) of the Australian Tax Act) of an entity that is either:

(a) a non-resident of Australia (as defined in section 6 of the Australian Tax Act) and the Note or an interest in the Note was not being, or would not be, acquired by the Associate in carrying on a business in Australia at or through a permanent establishment of the Associate in Australia; or

(b) a resident of Australia (as defined in section 6 of the Australian Tax Act) and the Note or an interest in the Note was being, or would be, acquired by the Associate in carrying on a business in a country outside Australia at or through a permanent establishment of the Associate in that country;

and, in either case, is not acquiring the Note in the capacity of a dealer, manager or underwriter in relation to the replacement of the Note or clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

Relevant Date in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier)

the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Tax Jurisdiction means the Commonwealth of Australia, Luxembourg, Guernsey and the United Kingdom (as applicable) or any political subdivision or any authority thereof or therein having power to tax.

8.7 References in these Conditions to:

(a) **principal** shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it,

(b) **interest** shall be deemed to include all Interest Amounts, all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and any other amount in the nature of interest payable in respect of the Notes under these Conditions; and

(c) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

9. PRESCRIPTION

Claims against the Issuer and/or the Guarantors for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. EVENTS OF DEFAULT

If any of the following events (**Events of Default**) occurs and is continuing, the Trustee at its discretion may, provided that in the case of an event described in paragraph (b) below the Trustee shall certify in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders, and if so requested by holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest to the date of payment as provided in the Trust Deed:

(a) Non-Payment

Default is made for more than 14 days (in the case of interest) or seven business days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) Breach of Other Obligations

The Issuer or any Guarantor does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is incapable of

remedy or, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantors by the Trustee; or

(c) Cross Default

(i) any Financial Indebtedness of any member of the Funding Group is not paid when due nor within any originally applicable grace period or (ii) any Financial Indebtedness of any member of the Funding Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or (iii) any commitment for any Financial Indebtedness of any member of the Funding Group is cancelled or suspended by a creditor of any member of the Funding Group as a result of an event of default (however described) or (iv) the Issuer or any Guarantor fails to pay when due or within any applicable grace period any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant Financial Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.$75,000,000 (or its equivalent in any other currency or currencies); or

(d) Enforcement Proceedings

A distress, attachment, execution or other similar legal process in respect of an amount of at least U.S.$75,000,000 (or its equivalent in any other currency or currencies) is enforced against any part of the property, assets or revenues of the Issuer or any Guarantor and is not paid out, discharged or withdrawn within 30 days of the enforcement; or

(e) Security Enforced

Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Guarantor in respect of indebtedness in an amount of at least U.S.$75,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and is enforced (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(f) Insolvency

Any of the Issuer or any Guarantor is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or substantially all of the debts of the Issuer or any Guarantor; or

(g) Winding up

If any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Guarantor, save for the purposes of a solvent reorganisation or restructuring involving members of the Funding Group or a solvent winding up of any Guarantor; or

(h) Administration

An administrative or other receiver, manager, administrator or other similar official is appointed in relation to the whole or a substantial part of the undertaking or assets of the Issuer or a Guarantor other than (i) for the purpose of any solvent reorganisation or restructuring of members of the Funding Group; (ii) for the purpose of a solvent winding up of a Guarantor; or (iii) an appointment which is being disputed by the Issuer or Guarantor (as the case may be) and which is discharged within 30 days; or

(i) Analogous Steps or Procedures

Any analogous procedures or steps are taken in any jurisdiction that may have the same effect as any of the events referred to in paragraphs (d) to (h) (inclusive); or

(j) Cessation of business

If the Issuer or any Guarantor ceases or threatens to cease to carry on the whole or substantially the whole of its business, other than in connection with a reorganisation or restructure involving members of the Funding Group or a solvent winding up of a Guarantor; or

(k) Guarantee

The Guarantee is not in full force and effect; or

(l) Unlawfulness

It is or will become unlawful for the Issuer or any Guarantor to perform or comply with any of their respective material obligations under or in respect of the Notes, the Guarantee or the Trust Deed; or

(m) Unenforceability

The Notes or the Guarantee or the obligations of the Issuer or any Guarantor under the Trust Deed are held to be unenforceable or invalid in a judicial proceeding, or are claimed in writing by either the Issuer or any Guarantor not to be valid and enforceable, or the Notes, the Guarantee or the obligations of the Issuer or any Guarantor under the Trust Deed are denied or disaffirmed in writing by the Issuer or any Guarantor except, in each case, as permitted in accordance with the terms of the Trust Deed,

provided that no event or circumstance set out Conditions 10(f) to (m) above which occurs or arises in respect of a Guarantor shall be an Event of Default where the Issuer is (or but for the occurrence of such event would be) entitled to request the release of such Guarantor under Condition 3.4.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

11.1 Meetings of Noteholders

(a) The Trust Deed each contain provisions for convening meetings (including by way of teleconference or videoconference call) of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or

representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown in the applicable Pricing Supplement, to reduce any such Minimum and/or Maximum, (e) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (f) to vary the currency or currencies of payment or denomination of the Notes, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (h) to modify or cancel the Guarantee, in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) The Trust Deed provides that (a) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes outstanding (a **Written Resolution**) or (b) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes outstanding (an **Electronic Consent**) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, and all Couponholders as the case may be.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

11.2 Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (a) any modification of any of the provisions of the Trust Deed or the Agency Agreement if in the opinion of the Trustee such modification is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders, Couponholders and Receiptholders and, if the Trustee so requires, such modification shall be notified by the Issuer to the Noteholders as soon as practicable.

11.3 Substitution

The Trustee may agree (but is not obliged to), subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or of each Guarantor or its successor in business or any Subsidiary of such Guarantor or its successor in business in place of the Issuer or such Guarantor, or of any previous substituted company, as principal debtor or such Guarantor under the Trust Deed and the Notes.

11.4 Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. ENFORCEMENT

12.1 At any time, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantors as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

12.2 Whenever the Trustee is required or entitled by the terms of the Trust Deed or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction or notice or provide any consent (the **Trustee Powers**), the Noteholders acknowledge and agree that:

(a) the Trustee may, prior to exercising any Trustee Powers, seek directions or instructions from the Noteholders by way of Extraordinary Resolution; and

(b) the Trustee is required or entitled (as the case may be) to exercise such Trustee Powers and each Noteholder acknowledges and consents to the Trustee exercising Trustee Powers as required of it under the Trust Deed or the Agency Agreement or these Conditions.

13. INDEMNIFICATION OF THE TRUSTEE

13.1 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial

standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

13.2 The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or the Guarantors and/or any of the Guarantors' other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantors and/or any of the Guarantors' other Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13.3 The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

14. REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

16. NOTICES

16.1 Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than

a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

16.2 Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16.3 So long as the Notes are represented by a Global Note and such Global Note is held on behalf of Euroclear or Clearstream, or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND JURISDICTION

18.1 Governing Law

The Trust Deed, the Agency Agreement, the Guarantee, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

18.2 Jurisdiction of the courts of England

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Agency Agreement, any Notes, Receipts, Coupons or Talons or the Guarantee under the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee under the Trust Deed (**Proceedings**) may be brought in such courts. Each of the Issuer and the Guarantors have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

18.3 Service of Process

The Issuer and the Guarantors have in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

Pricing Supplement dated [●]

Ramsay Health Care Limited
(ACN 001 288 768 incorporated with limited liability in Australia)

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]

guaranteed inter alia by

[*insert details of Guarantors*]

under the U.S.$[●],000,000,000,000
Guaranteed Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 3 May 2023 [and the supplement to it dated [●]] (the "**Offering Circular**"). Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. [Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 3 May 2023 [and the supplement dated [●]] which are incorporated by reference in the Offering Circular.][7]

[**MiFID II product governance/Professional investors and ECPs only target market** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (an "**EU distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, an EU distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, ("**UK MiFIR**"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**UK distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR**

[7] Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.

Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "**MiFID II**"); or (b) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**Notification Under Section 309B(1)(c) of the Securities and Futures Act 2001** (the "**SFA**") - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*][8]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]

1.	**(i)**	**ISSUER:**	Ramsay Health Care Limited (ACN 001 288 768)
	(ii)	Issuer Legal Entity Identifier (**LEI**):	549300QBX122KF2JPI10

[8] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the Securities and Futures Act. If there is a change as to product classification for the relevant drawdown, from the upfront classification embedded in the programme documentation, then the legend is to be completed and used (if no change as to product classification, then the legend may be deleted in its entirety).

	(iii)	Guarantors:	Each entity named as Guarantors on the signature pages hereto
2.	[(i)]	Series Number:	[●]
	(ii)	[Tranche Number:	[●]][9]
	(iii)	[Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [*insert date*]]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(i)	[Series:]	[●]
	(ii)	[Tranche:	[●]]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(i)	Specified Denominations:	[●][10] [11]
	(ii)	Calculation Amount:[12]	[●]
7.	Trade Date		[●]

[9] If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.

[10] Section 6: Add the following language if the programme allows for issues of securities with a maturity of less than one year and the issuer is not an authorised person permitted to accept deposits or an exempt person under the UK Financial Services and Markets Act 2000. Delete square-bracketed text for issuers incorporated in the UK or within section 418 FSMA. The issue of securities with a maturity of less than one year by such issuers, where the issue proceeds are to be accepted in the United Kingdom, or, in the case of issuers incorporated in the UK or within section 418 FSMA in any country, will be subject to section 19 FSMA unless their denomination is £100,000 or more (or its equivalent in other currencies) and they are only issued to "professionals" within Article 9(2)(a) of the Financial Services and Markets Act (Regulated Activities) Order 2001:

> "Notes [(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)."

Add appropriate provisions to terms and conditions if included.

[11] If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording below which follows the Guidance Note published by ICMA in November 2006 (or its replacement from time to time). "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000."

[12] The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (a) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (b) if there are several Specified Denominations or the circumstances referred to in Note 6 above apply (e.g. Specified Denominations of €100,000 and multiples of €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations). If "Calculation Amount" is to be used in the Pricing Supplement, corresponding references to the Calculation Amount for interest, put and call options and redemption amount calculation purposes should be included in the terms and conditions set out in the base Offering Circular. Note that a Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for paying agents and/or ICSDs who should be consulted if such an amount is proposed.

8.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
9.	Maturity Date:		[insert date for Fixed Rate Notes]/[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]]
10.	Interest Basis:		[●] [per cent. Fixed Rate] [[*specify reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] [Other (*specify*)] (further particulars specified below)
11.	Redemption/Payment Basis:		[Redemption at par] [Dual Currency] [Partly Paid] [Instalment] [Other (*specify*)]
12.	Change of Interest or Redemption/Payment Basis:		*[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]* [Not Applicable]
13.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
14.	(i)	Status of the Notes:	Senior
	(ii)	Status of the Guarantee:	Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i)	Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
(ii)	Interest Payment Date(s):	[●] in each year
(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/RBA Bond Basis/specify other]
(vi)	[Determination Dates:	[●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
(vii)	[Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	[Step-up/Step-down Margin:	[●] per cent. per annum]]
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]

16.	Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i)	Interest Period(s):	[●] [[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(ii)	Specified Interest Payment Dates:	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
(iii)	Interest Period Date:	[Not Applicable]/[●][in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]

(iv)	First Interest Payment Date:	[●]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)][Not Applicable]
(vi)	Additional Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ other (*give details*)]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[●]
(ix)	Screen Rate Determination:	
	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	– Reference Banks:	[●]
	– Financial Centre:	[●]
(x)	ISDA Determination:	[Applicable/Not Applicable]
	– [ISDA Definitions:]	[2006 ISDA Definitions]/[2021 ISDA Interest Rate Derivatives Definitions]
	– Floating Rate Option:	[●] *(If "2021 ISDA Interest Rate Derivatives Definitions" is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Interest Rate Derivatives Definitions))*
	– Designated Maturity:	[●]/[Not Applicable]

(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate (N.B. risk-free rates will only be relevant if "2021 ISDA Interest Rate Derivatives Definitions" is selected as "Applicable"))

– Reset Date: [●]

(In the case of a EURIBOR based option, the first day of the Interest Period)

– Compounding: [Applicable/Not Applicable] [*If not applicable, delete the remaining items of this sub paragraph*]

(If "2006 ISDA Definitions" is "Applicable", select "Not Applicable". If not applicable in respect of the 2021 ISDA Interest Rate Derivatives Definitions, delete the remaining sub-paragraphs of this paragraph)

– [Compounding Method:] [Compounding with Lookback

Lookback: [[*specify*] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Interest Rate Derivative Definitions)]]]

[Compounding with Observation Period Shift

Observation Period Shift: [[*specify*] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Interest Rate Derivative Definitions)]

Observation Period Shift Additional Business Days: [[*specify*]/[Not Applicable]]]

[Compounding with Lockout

Lockout: [[*specify*] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Interest Rate Derivative Definitions)]]

Lockout Period Business Days: [[*specify*]/[Applicable Business Days]]]

(N.B. When setting the applicable number of days with reference to the items above (if applicable), the practicalities of such period should be discussed with the Issuing and Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement. It is anticipated that the Relevant Number

will be no fewer than five such days unless otherwise agreed with the Issuing and Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, in relation to the relevant issuance)

– [Index Provisions:] [Applicable]/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

– [Index Method:] Compounded Index Method with Observation Period Shift

Observation Period Shift: [[*specify*] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Interest Rate Derivative Definitions)]

Observation Period Shift Additional Business Days: [*specify*]/[Not Applicable]]

(N.B. When setting the applicable number of days with reference to the items above (if applicable), the practicalities of such period should be discussed with the Issuing and Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement. It is anticipated that the Relevant Number will be no fewer than five such days unless otherwise agreed with the Issuing and Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement, in relation to the relevant issuance)

(xi) [Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(xii) Margin(s): [+/-][●] per cent. per annum

(xiii) Minimum Rate of Interest: [●] per cent. per annum

(xiv) Maximum Rate of Interest: [●] per cent. per annum

(xv) Day Count Fraction: [●]

(xvi) [Ratings Step-up/Step-down: [Applicable/Not Applicable]

	[Step-up/Step-down Margin:		[●] per cent. per annum]]
	(xvii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
17.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	[Day Count Fraction in relation to Early Redemption Amounts:	[[30/360][Actual/360][Actual/365]][*specify other*]][13]
	(iii)	Any other formula/basis of determining amount payable:	[●]
18.	Dual Currency Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii)	Party, if any, responsible for calculating the principal and/or interest due:	[●]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

[13] Consider applicable day count fraction if not U.S. dollar denominated.

PROVISIONS RELATING TO REDEMPTION

19.	Call Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:[14]	[●] days
20.	Put Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount/specify other/see Appendix
	(iii)	Notice period:	[●] days
21.	Change of Control Put Option/Put Event		[Applicable (see Condition 6.6)/Not Applicable]

[14] Conditions may set the notice period or state that it is to be specified in the Pricing Supplement. Where the notice period is to be specified in the Pricing Supplement, or the Issuer is using the Pricing Supplement to set notice periods which are different to those provided in the Conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its fiscal agent or any trustee.

	(i) Change of Control Redemption Amount(s) of each Note:	[●] per Calculation Amount]
22.	Final Redemption Amount of each Note	[●] per Calculation Amount
23.	Payment Date:	
	(i) Minimum Final Redemption Amount:	[●] per Calculation Amount
	(ii) Maximum Final Redemption Amount:	[●] per Calculation Amount
24.	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice][15] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] **Registered Notes:** [Global Note registered in the name of a nominee of [a common depositary for Euroclear and Clearstream]]

[15] The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denominations of the Notes in paragraph 6 includes language that reflects the circumstances referred to in Note 6 above (for example Specified Denominations of €100,000 and multiples of €1,000).

26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 16(v) relates*]
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
30.	Other terms or special conditions:	[Not Applicable/*give details*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.][16]

[The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantors, the Programme or the Notes.]

The Issuer

EXECUTED by
RAMSAY HEALTH CARE LIMITED
by its attorney under power of attorney:

_____
Signature of Attorney

_____
Name of Attorney (block letters)

The Guarantors

[*Insert Guarantor entities and signature blocks as appropriate*]

[16] Consider including if third party information is provided, for example in relation to an index or its components, an underlying security or the issuer of an underlying security.

PART B– OTHER INFORMATION

1. LISTING

[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on Singapore Exchange Securities Trading Limited with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on Singapore Exchange Securities Trading Limited with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. [RATINGS

Ratings: The Notes to be issued have been rated:

[Fitch: [●]]

[[Other]: [●]]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)]

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the relevant document and anyone who receives the relevant document must not distribute it to any person who is not entitled to receive it.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor[(s)] and their affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]

4. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii)	Common Code:	[●]
(iii)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(iv)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(v)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s)* and *number(s)*]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●]

5. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/give names]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/give names]
(iv)	If non-syndicated, name of Dealer:	[Not Applicable/give name]
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2 [TEFRA C/TEFRA D/TEFRA not applicable]
(vi)	Additional selling restrictions:	[Not Applicable/*give details*]

6. HONG KONG SFC CODE OF CONDUCT

(i)	Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance

		sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
(ii)	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*] / [Not Applicable]
(iii)	Marketing and Investor Targeting Strategy:	[*If different from the programme OC*]

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective investors of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws of Australia and each country of which they are residents or countries of purchase, holding or disposition of the Notes.

Additionally, in view of the number of different jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences to a potential holder, purchaser or seller arising from the acquisitions, holding or disposition of the Notes. Prospective investors must, therefore, inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of the Notes at their place of residence and in the countries of which they are citizens or countries of purchase, holding or disposition of the Notes.

Australian Taxation

*The following is a summary of the taxation treatment under the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia ("**Tax Act**"), at the date of this Offering Circular, of payments of interest (as defined in the Tax Act) on the Notes and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the Notes (including, dealers in securities, custodians or other third parties who hold the Notes on behalf of any absolute beneficial holders of the Notes) nor does it deal with the Australian tax treatment of any Dual Currency Notes; should the Issuer issue Notes of such kind, the Australian tax treatment of those Notes will be addressed in the applicable Pricing Supplement.*

*The taxation summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office (the "**ATO**") generally accepted as at the date of this Offering Circular. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.*

The following is a general guide and should be treated with appropriate caution. Prospective holders of the Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Offshore holders

Interest (which for the purposes of withholding tax is defined in section 128A(1AB) of the Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts, including premiums on redemption or, for a Note issued at a discount, the difference between the amount repaid and the issue price) on debentures and certain other debt interests will be subject to interest withholding tax at a current rate of 10 per cent., where the interest is paid to a non-resident of Australia and not derived in carrying on business at or through an Australian permanent establishment, or to an Australian

resident who derived the interest in carrying on business at or through a permanent establishment outside Australia.

Depending on their terms, the Notes could in some cases be characterised as equity interests for tax purposes and be subject to different rules (e.g. Notes with returns contingent on an Issuer's performance or discretion, or convertible into shares in an Issuer). The Issuer does not intend to issue any Notes that would be characterised as equity interests for tax purposes.

Various exemptions are available from interest withholding tax, including the "public offer" exemption, tax treaty exemptions, and pension fund and sovereign immunity exemptions (each discussed further below).

Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Tax Act ("**IWT**") is available in respect of the Australian Notes under section 128F of the Tax Act if all the following conditions are satisfied:

- the Issuer is a resident of Australia when it issues the Australian Notes;
- the Issuer is a resident of Australia when interest (as defined in section 128A(1AB) of the Tax Act) is paid (see further above);
- the Australian Notes are issued in a manner which satisfies the 'public offer test' as outlined in section 128F of the Tax Act. The 'public offer test' should be satisfied where the Australian Notes (whether in global form or otherwise) are offered for issue:
    - to 10 or more lenders who are carrying on the business of providing finance, or investing or dealing in securities, in the course of operating in the financial market who are not associates of each other for the purposes of section 128F(9) of the Tax Act; or
    - to at least 100 investors who have acquired debentures in the past or are likely to be interested in acquiring debentures; or
    - as a result of being accepted for listing on a stock exchange under an agreement requiring listing; or
    - publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; or
    - to a dealer, manager or underwriter who under an agreement offers to sell the Australian Notes within 30 days by one of the preceding methods;
- The Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Australian Notes or interests in the Australian Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Issuer, except as permitted by section 128F(5) of the Tax Act (see further below); and
- at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Issuer, except as permitted by section 128F(6) of the Tax Act (see further below).

Associates

An "associate" of the Issuer for the purposes of section 128F of the Tax Act refers to entities such as natural persons, companies, trustees and partnerships that by reason of a family or business connection are regarded as associates of a particular entity.

The associate test operates to determine whether an entity is an associate of the Issuer. The associate test also considers whether the potential lenders are themselves associated with each other.

Where the Issuer and lenders are companies, associates of the Issuer/lender will broadly include:

- an entity who (together with its associates) holds a majority voting interest in the Issuer/lender;
- an entity who (together with other entities) sufficiently influences the Issuer/lender;
- an entity who is controlled by the Issuer/lender (and its associates) through a majority voting interest; or
- an entity that is sufficiently influenced by the Issuer/lender (and its associates).

Subsection 318(6) of the Tax Act provides that:

> '*a company is sufficiently influenced by an entity or entities if the company, or its directors, are accustomed or under an obligation (whether formal or informal), or might reasonably be expected, to act in accordance with the directions, instructions or wishes of the entity or entities (whether those directions, instructions or wishes are, or might reasonably be expected to be, communicated directly or through interposed companies, partnerships or trusts*)'.

Where the Issuer/lender is capable of benefiting (whether directly or indirectly) under a trust, associates of the Issuer/lender will include the trustee of such trusts.

Where the Issuer/lender is a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under any of the foregoing then they will be associates for the purposes of section 128F(9) of the Tax Act.

However, for the purposes of sections 128F(5) and (6) of the Tax Act (see the fourth and fifth bullet points in the interest withholding tax section above), "associate" does not include:

- onshore associates (i.e., Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- offshore associates (i.e., Australian resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business through a permanent establishment in Australia), who are acting in the capacity of:
    - in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act; or

- in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

Compliance with section 128F of the Tax Act

The Issuer intends to issue its Notes in a manner that satisfies the requirements of the exemption from IWT as outlined above.

Pursuant to the Programme Agreement entered into between the Dealers and the Issuer, the relevant Dealer must not, as part of the primary distribution of any Tranche of Notes, sell any relevant Notes to any person that the employees of such Dealer directly involved in the sale of the Notes actually know or have reasonable grounds to suspect, or that the Issuer has notified the Dealer, is an offshore associate (see above) of the Issuer.

If any employee of a relevant Dealer effecting the sale, or otherwise directly involved in the sale of the Notes, does not know, or does not have reasonable grounds to suspect, that a person is an offshore associate, then the relevant Dealer is not obliged to make positive inquiries of that person, to confirm that person is not such an offshore associate.

On that basis, no deduction or withholding in respect of Australian IWT should be required to be made from any payment of principal or interest made by the Issuer in respect of the Notes.

Double tax treaties

An exemption from Australian IWT may also be available for holders of the Australian Notes that are resident in a country with which Australia has signed a double tax treaty that exempts the payment of interest from the Australian IWT to that holder.

Some double tax treaties exempt interest from IWT where that interest is derived by:

(a) the governments of the relevant countries and certain governmental authorities and agencies in those countries; and

(b) a "financial institution" resident in the relevant country which is unrelated to and dealing wholly independently with the Issuer. The term "financial institution" refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

Most relevantly Australia's double tax treaty with the United Kingdom, the United States of America, Japan, France, Norway, South Africa, Finland, New Zealand, Switzerland and Germany provide for these exemptions.

The Australian government is progressively amending its other double tax agreements to include similar kinds of interest withholding tax exemptions. The availability of relief under Australia's double tax agreements may be limited by Australia's adoption of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in circumstances where a holder of an Australian Note has an insufficient connection with the relevant jurisdiction. Prospective holders of the Australian Notes should obtain their own independent tax advice as to whether any of the exemptions under the relevant double tax agreements may apply to their particular circumstances.

The Australian Federal Treasury maintains a listing of Australia's double tax treaties which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public at the Federal Treasury's Department website at:

https://treasury.gov.au/tax-treaties/income-tax-treaties/

Pension fund and sovereign immunity exemptions

A payment of interest to a non-resident Noteholder may also be exempt from Australian interest withholding tax if the non-resident Noteholder is:

- a pension or superannuation fund maintained only for foreign residents and the interest arising from the Australian Notes is exempt from income tax in the country in which such pension or superannuation fund is resident; or

- entitled to the benefit of the Australian sovereign immunity exemption in respect of the Australian Notes,

provided the Noteholder (a) holds an ownership interest (direct and indirect) of less than 10 per cent. in the Issuer, and (b) does not otherwise have a certain level of influence over the Issuer's key decision making.

Other tax matters

Under Australian laws as presently in effect:

- *income tax* — offshore holders of the Notes — assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Australian Notes, payments of principal and interest (as defined in section 128A(1AB) of the Tax Act) to a Noteholder, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and

- *gains on disposal of Notes* — offshore holders of the Notes — a Noteholder, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realized during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-resident of Australia to another non-resident of Australia where Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source. The Notes will not constitute taxable Australian property where, broadly, they are not business assets of a permanent establishment in Australia; and

- *deemed interest* — there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Tax Act if the Notes had been held to maturity by a non-resident; and

- *death duties* — no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and

- *stamp duty and other taxes* — no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes subject to the Note issued being 'debt interests' as described below; and

- *other withholding taxes on payments in respect of Notes* — section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (the "**Taxation Administration Act**") imposes a type of withholding tax at the rate of (currently) 47 per cent. on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Notes, then the requirements of section 12-140 do not apply to payments to a Noteholder in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of the Notes in registered form may be subject to a withholding where the Noteholder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- *supply withholding tax* — payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and

- *goods and services tax (GST)* — neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of the Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of Notes, would give rise to any GST liability in Australia; and

- *debt/equity rules* — Division 974 of the Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be "interest" for the purpose of section 128F of the Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of the Notes; and

- *additional withholdings from certain payments to non-residents* — section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Offering Circular are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;

- *garnishee directions by the Commissioner of Taxation* — the Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by holders of the Notes. If the Issuer is served with such a direction, then the Issuer will comply with that direction and will make any deduction required by that direction and will not be required to pay any additional amount to the holder on account of the amount withheld and paid to the Commissioner of Taxation;

- *taxation of foreign exchange gains and losses* — Divisions 775 and 960 of the Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any holders of the Notes who are Australian residents or non-residents that hold the Notes in the course of carrying on business in Australia. Any such Noteholder should consult their professional advisers for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of the Notes; and

- *taxation of financial arrangements* — Division 230 of the Tax Act imposes a regime for the taxation of financial arrangements issued, or held, by Australian residents (or non-residents operating through an Australian permanent establishment) ("**the TOFA regime**"). The TOFA regime as enacted does not contain any measures that would override the exemption from Australian IWT available under section 128F of the Tax Act.

Payments under the Guarantee

The Australian Taxation Office ("**ATO**") has expressed a view that payments by a guarantor in respect of interest on a debt instrument are "in the nature of interest" and therefore interest for the purposes of the Tax Act. The opposing view is that the payments that may be required to be made by the Guarantor would not be interest and therefore would not be subject to Australian IWT in any event. If Australian withholding tax is payable in respect of guarantee payments of interest made by an Australian Guarantor to non-resident holders, such Guarantor must pay additional amounts in accordance with the procedure set out below. If the Notes in respect of which the guarantee payments are made were subject to section 128F of the Tax Act the ATO has ruled that the guarantee payments should also benefit from the exemption.

Interest on bearer securities

Pursuant to section 126 of the Tax Act, payments of interest in respect of Notes may be subject to Australian withholding tax (currently) at a rate of 45 per cent. if the Notes are in bearer form and the Issuer does not provide the names and addresses of the holders of the Notes to the Commissioner of Taxation. The Issuer does not intend to issue any Notes in bearer form.

Payment of additional amounts

If an amount of Australian withholding tax is required to be deducted or withheld by the Issuer (or a Guarantor) from payments of interest in relation to the Notes, then the Issuer or Guarantor (as the case may be) must, subject to certain exceptions set out in Condition 8 of the Notes, pay an additional amount that would result in the holders of the Notes receiving an amount equal to that which they would have received had no such deduction or withholding been made. In such circumstances and subject to the Conditions, the Issuer will have the option to redeem the Notes.

Australian Resident holders

The income received by Australian resident holders and non-residents who hold the Notes in the course of carrying on a business at or through a permanent establishment in Australia in respect of the Notes will be included in the assessable income of those holders for Australian income tax purposes. Australian resident holders and non-residents who hold the Notes in the course of carrying on a business

at or through a permanent establishment in Australia that derive a gain on a sale or redemption of Notes may be subject to Australian tax on such gain.

Such holders of the Notes will generally be required to lodge an Australian income tax return. The timing of assessment of the interest (e.g. a cash receipts or accruals basis) will depend upon the tax status of the particular holder of the Notes, the terms of the Notes and the potential application of the TOFA regime.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. While the Issuer should not be a foreign financial institution for these purposes, the Notes may be held via agents or clearing houses that are such financial institutions. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "*Terms and Conditions – Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The Proposed Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person

established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 3 May 2023 (as amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**"), agreed with the Issuer and the Guarantors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer and the Guarantors have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any further update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Issuer and the Guarantors may also from time to time agree with the relevant Dealer(s) that the Issuer (failing whom the Guarantors) may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

If a jurisdiction requires that the offering be made by a licensed broker dealer and any of the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

In order to facilitate the offering of any Tranche of the Notes, a nominated Dealer participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect, which support the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level higher than that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. Any such activity shall be subject to compliance with all laws and regulations and shall only occur outside Australia and on financial markets operated outside Australia and where such action could not reasonably be expected to affect the price of Notes or other securities traded in Australia or on a financial market operated in Australia. Please see also the section entitled "*Stabilisation"* on page xiv in this Offering Circular for further information.

The Dealers and certain of their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, in the ordinary course of their business activities, the Dealers or their respective affiliates may make or hold (on their own account, on behalf of their clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers, and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantors or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, the Guarantors or of their subsidiaries, including Notes under the Programme, may be entered into at

the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. As a result of such transactions, a Dealer or its affiliates may hold long or short positions relating to the Notes.

Each of the Dealers and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer, the Guarantors or their respective affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Dealer and its affiliates may engage in other transactions with, and perform services for, the Issuer, the Guarantors or their affiliates in the ordinary course of their business. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC, the ASX, or any other stock exchange or trading facility licensed under the Corporations Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives; and

(iv) such action does not require any document to be lodged with ASIC or the ASX.

United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a United States person, except

in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and Treasury regulations promulgated thereunder. The Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Series of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and the Guarantors; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented, and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong

Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of the Notes or possession or distribution of the Offering Circular or any other document, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantors, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee, the Arrangers and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantors, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantors, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their

investor clients may have any Associations with the Issuer, the Guarantors or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantors, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering.

The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 2 May 2023 and the giving of the Guarantee in respect of such Notes under the Programme has been duly authorised by a resolution of the Board of Directors of each Guarantor dated 21 April 2023, 26 April 2023, 27 April 2023 or 28 April 2023.

Listing

Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. The approval in-principle from the SGX-ST, admission to the Official List of the SGX-ST and listing and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantors, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Unlisted Notes may be issued under the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes are exchanged for definitive Notes. In addition, in the event that any of the Global Notes representing such Notes are exchanged for definitive Notes, an announcement of such exchange will be made through the SGX-ST and such announcement shall include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Clearing Systems

Each Series of Bearer Notes will be initially represented by either a Temporary Global Note or a Permanent Global Note that will be deposited on the issue date thereof with a common depositary on behalf of Euroclear and Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Each Series of Registered Notes will be initially represented by interests in a Global Registered Note and deposited on the issue date thereof with a common depositary for, and registered in the name of a nominee of a common depositary for, Euroclear and Clearstream. The appropriate Common Code and the ISIN for each series of Bearer Notes or Registered Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantors and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

No significant or material change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer and the Guarantors since 31 December 2022 and there has been no material adverse change in the financial or trading position or prospects of the Issuer and the Guarantors since 30 June 2022.

Litigation

None of the Issuer nor any of the Guarantors are involved in any material legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer and the Guarantors are aware) which may have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position of each of the Issuer and the Guarantors.

Independent Auditors

The Full Year Financial Statements were audited by Ernst & Young, in accordance with ISA as issued by the IAASB and the Half Year Financial Statements were reviewed by Ernst & Young, in accordance with ISA as issued by the IAASB.

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection at the registered office of the Issuer and, in respect of items (c) to (e) below, at the specified office of the Issuing and Paying Agent:

(a) the Trust Deed, the Agency Agreement, and the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Bearer Notes, the Receipts, the Coupons, the Talons, the Registered Global Notes and the Definitive Registered Notes;

(b) a copy of this Offering Circular; and

(c) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available to a holder of such Note and such holder must produce evidence satisfactory to the Issuer, the Guarantors and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

US Tax Legend for Bearer Notes

Each Bearer Note having a maturity of more than one year, Coupon, Talon and Receipt will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

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The attached Full Year Financial Statements and Half Year Financial Statements do not constitute, and are different to, the Issuer's statutory consolidated financial statements – see the section of the Offering Circular titled "Presentation of Financial Information

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Ramsay Health Care Funding Group

Combined Financial Report 2022

12 months to 30 June 2022

Ramsay Health Care Funding Group
Level 18 126 Phillip Street
Sydney NSW 2000 Australia
Telephone:+61 9220 1000
Facsimile: +61 9220 1001
ramsayhealth.com

Ramsay Health Care

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Building a better working world

Independent auditor's report to the directors of Ramsay Health Care Limited

Opinion

We have audited the combined financial statements of Ramsay Health Care Limited ("the Company") and entities that form the Ramsay Health Care Funding Group ("the Funding Group"), which comprise the combined statement of financial position as at 30 June 2022, the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the year then ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Funding Group as at 30 June 2022 and its combined financial performance and its combined cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and Australian Accounting Standards (AASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the combined financial statements section of our report. We are independent of the Funding Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the combined financial statements in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the combined financial statements of the current period. These matters were addressed in the context of our audit of the combined financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the combined financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the combined financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying combined financial statements.

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Why significant	How our audit addressed the key audit matter

1. Carrying value of goodwill
 	
As disclosed in Note 13 of the financial statements and in accordance with the requirements of the International Financial Reporting Standards and Australian Accounting Standards, the Funding Group performed an annual impairment test of the Asia Pacific and UK cash generating units ("CGUs") to determine whether the recoverable value of these assets exceeded their carrying amount at 30 June 2022.
 	
A value in use model was used to calculate the recoverable amount of each cash generating unit ("CGU").
 	
Significant assumptions used in the impairment testing referred to above are inherently subjective and in times of economic uncertainty caused by the COVID-19 pandemic, the degree of subjectivity is higher than it might otherwise be.
 	
This matter was considered a Key Audit Matter due to the extent of audit effort and judgement required to assess the reasonableness of the forecast cash flows, growth rates, discount rates and terminal growth rates used by the Funding Group in undertaking the impairment review.
	Our audit procedures included the following:
	
	▶ Assessed whether the methodology used by the Funding Group met the requirements of International Financial Reporting Standards and Australian Accounting Standards.
	
	▶ For the value in use models, we:
	
	  ▶ Tested the mathematical accuracy of the value in use models;
	  ▶ Assessed the basis of preparing cash flow forecasts, considering the accuracy of previous forecasts and budgets, current trading performance and the impact of COVID-19;
	  ▶ Assessed the appropriateness of other key assumptions such as the discount and terminal growth rates applied with reference to publicly available information on comparable companies in the industry and markets in which the Funding Group operates; and
	  ▶ Performed sensitivity analysis on the key assumptions including discount rates, terminal growth rates and EBIT forecasts for each of the Funding Group's CGUs and evaluated whether a reasonably possible change in these assumptions could cause the carrying amount of the CGU to exceed its recoverable amount.
	
	We involved valuation specialists in performing these procedures over the value in use models where appropriate.
	
	We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

Why significant	How our audit addressed the key audit matter
2. Provision for insurance As disclosed in Note 15(d) of the financial statement, the provision for insurance covers deductibles arising under insurance policies, including potential uninsured claims. Significant judgement is required in its determination due to the uncertainty in predicting future claims arising from past events. The Funding Group engages a third-party actuary to assess the carrying value at each reporting date. This assessment involves evaluating assumptions in relation to ultimate outcomes on individual claims, claims handling costs and discount rates. This matter was considered a Key Audit Matter due to the level of judgement required to estimate the value of the liability.	Our audit procedures included the following: ▶ Assessed the key assumptions adopted by the actuary and used by the Funding Group to determine the value of the provision. Specifically, we have reviewed the assumptions compared to industry practice, potential known claims and actual historical claims. ▶ Assessed the competence, qualifications, and objectivity of the independent actuary the Funding Group used. ▶ As the appropriateness of these provisions relies on specific claims information, we have reviewed and tested controls over the operating effectiveness of the Funding Group's processes for capturing and recording the data. ▶ Evaluated the adequacy of the disclosures relating to the provision in the financial report, including those made with respect to judgements and estimates. Given the specialist nature of the calculation performed to value the provision, our actuarial specialists were involved in the assessment of the valuation model and key assumptions.

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Information other than the financial statement and auditor's report thereon

Management is responsible for other information accompanying the financial report. There is no other information accompanying the financial report.

Responsibilities of management for the combined financial statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with IFRS and AASBs, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Funding Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funding Group or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Funding Group's financial reporting process.

Auditor's responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funding Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funding Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funding Group to cease to continue as a going concern.

Building a better working world

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Funding Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the combined financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst and Young

Ernst & Young

Virgo

Vida Virgo
Partner
Sydney
27 April 2023

2.

Directors' statement

In accordance with a resolution of the Directors of Ramsay Health Care Limited, we state that:

In the opinion of the Directors:

a. the combined financial statements and notes of the Ramsay Health Care Funding Group
   i. present fairly their financial position as at 30 June 2022 and of their performance for the year ended on that date; and
   ii. comply with Accounting Standards (including the Australian Accounting Interpretations);
b. the combined financial statements and notes also comply with International Financial Reporting Standards as disclosed in the Overview note;
c. there are reasonable grounds to believe that the Funding Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

M.S. SIDDLE

Chairman

Sydney, 27 April 2023

C.R. McNALLY

Managing Director and Chief Executive Officer

3.

Financial Results

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Combined Income Statement

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $m	2021 $m
Revenue from contracts with customers	2.a	6,665.2	6,464.9
Interest income	2.b	-	4.0
Other income – income from sale of development assets	2.b	1.8	20.4
Other income – net profit on disposal of non-current assets	2.b	8.6	-
Total revenue and other income		**6,675.6**	**6,489.3**
Employee benefit and contractor costs	3	(3,636.5)	(3,288.6)
Occupancy costs		(269.4)	(241.1)
Service costs		(263.5)	(217.7)
Medical consumables and supplies		(1,726.6)	(1,702.0)
Depreciation, amortisation and impairment	3	(352.6)	(307.5)
Cost of development asset sold		(1.4)	(8.5)
Total expenses, excluding finance costs		**(6,250.0)**	**(5,765.4)**
Share of profit of joint venture	15.b	15.5	10.9
Profit before tax and finance costs		**441.1**	**734.8**
Finance costs	3	(187.9)	(161.0)
Profit before income tax		**253.2**	**573.8**
Income tax	14	(74.4)	(169.0)
Net profit after tax for the year		**178.8**	**404.8**
Attributable to non-controlling interests		2.8	3.7
Attributable to owners of the parent		**176.0**	**401.1**
		178.8	**404.8**

		Cents	Cents
Earnings per share (EPS)			
Basic earnings per share (after CARES dividend)	5	73.3	172.2
Diluted earnings per share (after CARES dividend)	5	73.1	171.6

The above Combined Income Statement should be read in conjunction with the accompanying notes.

Combined Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	2022 $m	2021 $m
Net profit after tax for the year	**178.8**	**404.8**
Items that will not be reclassified to net profit		
Actuarial loss on defined employee benefit obligation	-	(0.2)
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Taken to equity	40.2	(0.9)
Transferred to Income Statement	6.0	6.7
Net loss on bank loan designated as a hedge of a net investment	-	(3.4)
Foreign currency translation	(95.2)	3.1
Income tax expense relating to these items	(14.4)	(0.8)
Other comprehensive income/(loss), net of tax	**(63.4)**	**4.5**
Total comprehensive income	**115.4**	**409.3**
Attributable to non-controlling interests	2.8	3.7
Attributable to owners of the parent	**112.6**	**405.6**
	115.4	**409.3**

The above Combined Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Combined Statement of Financial Position

AS AT 30 JUNE 2022

	Note	2022 $m	2021 $m
ASSETS			
Current assets			
Cash and cash equivalents	7.a	112.9	42.9
Trade and other receivables	8.a	926.1	745.5
Receivables from related entities	8.a	0.1	1.0
Inventories	8.b	208.0	233.3
Derivative financial instruments	7.d	11.3	-
Income tax receivables	14	35.1	0.3
Prepayments		79.1	43.2
Other current assets	15.a	7.7	1,964.1
Total current assets		**1,380.3**	**3,030.3**
Non-current assets			
Other financial assets		30.1	14.8
Investments in joint venture	15.b	238.1	217.5
Other investments	15.c	731.0	776.4
Property, plant and equipment	10	3,106.5	2,770.0
Right of use assets	11	1,502.2	1,123.2
Intangible assets	12	2,754.1	1,547.3
Deferred tax assets	14	339.9	264.2
Prepayments		10.7	10.9
Derivative financial instruments	7.d	29.6	-
Other non-current receivables	8.a	7.1	7.8
Total non-current assets		**8,749.3**	**6,732.1**
TOTAL ASSETS		**10,129.6**	**9,762.4**
LIABILITIES			
Current liabilities			
Trade and other creditors	8.c	1,281.5	1,085.2
Lease liabilities	7.c	57.1	53.8
Derivative financial instruments	7.d	-	2.8
Provisions	15.d	92.3	89.1
Income tax payables	14	21.9	6.1
Total current liabilities		**1,452.8**	**1,237.0**
Non-current liabilities			
Loans and borrowings	7.b	2,498.2	2,585.8
Lease liabilities	7.c	2,208.4	1,835.4
Provisions	15.d	121.1	121.0
Derivative financial instruments	7.d	-	4.3
Other creditors		11.7	10.2
Deferred tax liabilities	14	112.6	14.7
Total non-current liabilities		**4,952.0**	**4,571.4**
TOTAL LIABILITIES		**6,404.8**	**5,808.4**
NET ASSETS		**3,724.8**	**3,954.0**
EQUITY			
Issued capital	6.a	2,197.6	2,197.6
Treasury shares	6.b	(72.4)	(76.7)
Convertible Adjustable Rate Equity Securities (CARES)	6.c	252.2	252.2
Other reserves		(101.1)	(41.3)
Retained earnings		1,437.8	1,613.7
Parent interests		**3,714.1**	**3,945.5**
Non-controlling interests		**10.7**	**8.5**
TOTAL EQUITY		**3,724.8**	**3,954.0**

The above Combined Statement of Financial Position should be read in conjunction with the accompanying notes.

Combined Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital (Note 6.a)	Treasury Shares (Note 6.b)	CARES (Note 6.c)	Other Reserves	Retained Earnings	Non-controlling Interests	Total
	$m	$m	$m	$m	$m	$m	$m
As at 1 July 2021	**2,197.6**	**(76.7)**	**252.2**	**(41.3)**	**1,613.7**	**8.5**	**3,954.0**
Total Comprehensive Income	-	-	-	(63.4)	176.0	2.8	115.4
Dividends paid	-	-	-	-	(351.9)	(0.6)	(352.5)
Treasury shares vesting to employees	-	4.3	-	(4.3)	-	-	-
Share based payment expense for employees	-	-	-	7.9	-	-	7.9
As at 30 June 2022	**2,197.6**	**(72.4)**	**252.2**	**(101.1)**	**1,437.8**	**10.7**	**3,724.8**
As at 1 July 2020	**2,197.6**	**(78.2)**	**252.2**	**(53.1)**	**1,328.1**	**6.4**	**3,653.0**
Total Comprehensive Income	-	-	-	4.7	400.9	3.7	409.3
Dividends paid	-	-	-	-	(115.3)	(1.6)	(116.9)
Treasury shares vesting to employees	-	1.5	-	(1.5)	-	-	-
Share based payment expense for employees	-	-	-	8.6	-	-	8.6
As at 30 June 2021	**2,197.6**	**(76.7)**	**252.2**	**(41.3)**	**1,613.7**	**8.5**	**3,954.0**

The above Combined Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Combined Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Receipts from customers		6,597.8	6,353.6
Payments to suppliers and employees		(5,786.2)	(5,376.3)
Income tax paid	14	(168.1)	(193.9)
Lease finance costs	3	(129.9)	(120.6)
Other finance costs		(51.7)	(45.4)
Net cash flows from operating activities	7.a	**461.9**	**617.4**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(389.8)	(306.6)
Proceeds from sale of businesses and non-current assets		10.6	25.1
Interest and dividends received		3.4	33.0
Business combinations, net of cash received	9	(806.8)	-
Business combination consideration returned from/(held in) escrow	15.a	1,967.8	(1,951.5)
Acquisition of investments		(23.4)	(0.7)
Net cash flows from/(used in) investing activities		**761.8**	**(2,200.7)**
Cash flows from financing activities			
Dividends paid to equity holders of the parent	4	(351.9)	(115.3)
Dividends paid to non-controlling interests		(0.6)	(1.6)
Repayment of lease principal		(55.6)	(50.6)
Payment of refinancing costs		(0.4)	(12.2)
Proceeds from borrowings with related entities		0.9	1.6
Proceeds from borrowings		4,985.7	3,849.8
Repayment of borrowings		(5,729.7)	(2,673.5)
Net cash flows (used in)/from financing activities		**(1,151.6)**	**998.2**
Net increase/(decrease) in cash and cash equivalents		72.1	(585.1)
Net foreign exchange differences on cash held		(2.1)	0.5
Cash and cash equivalents at beginning of year		42.9	627.5
Cash and cash equivalents at end of year	7.a	**112.9**	**42.9**

The above Combined Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Overview

This section sets out the basis on which the Ramsay Funding Group's financial report is prepared as a whole. Where a significant accounting policy is specific to a note, the policy is described within that note.

The financial report of Ramsay Health Care Limited (**the Company**, or **the Parent**) and entities in the Funding Group (together, **the Funding Group**, or **the Group**) for the year ended 30 June 2022 was authorised for issue on 27 April 2023 in accordance with a resolution of the Directors of Ramsay Health Care Limited.

a Funding Group information

The purpose of these combined financial statements is to provide financial statements prepared on a combined basis, of entities in the Funding Group. The entities in the Funding Group are listed in Note 22. These are the entities that are part of the Syndicated Facility Agreement which is further outlined in Note 7.b.

b Basis of preparation

The combined financial statements aggregate the financial statements of Ramsay Health Care Limited and entities in the Funding Group. The Funding Group includes all controlled entities (wholly owned and partially owned) that are consolidated by Ramsay Health Care Limited, with the exception of Ramsay Santé SA and its controlled entities (**Ramsay Santé Group**). The investment in the Ramsay Santé Group is included at cost within Other Investments at Note 15.c. The financial statements are required to be prepared on this basis in order to present the financial information of the Funding Group for the purposes of the Australian Medium Term Note (**AMTN**) Programme and the Euro Medium Term Note (**EMTN**) Programme.

This financial report:

- has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standard Board (**AASB**) and International Financial Reporting Standards as issued by the International Accounting Standards Board (**IASB**) (collectively referred to as **IFRS**);
- has been prepared on the basis of historical cost, except for derivative financial instruments;
- is presented in Australian Dollars;
- presents reclassified comparative information where necessary to conform to changes in presentation in the current year;
- presents all values as rounded to the nearest hundred thousand dollars, unless otherwise stated.

c New and amended accounting standards and interpretations, effective 1 July 2021

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2021. The nature and effect of these changes are disclosed below.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
AASB 2020-8 Amendments to AASs – Interest Rate Benchmark Reform – Phase 2: Amendments to AASB 4, AASB 7, AASB 9, AASB 16 and AASB 139

The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (**IBOR**) is replaced with an alternative nearly risk-free interest rate (**RFR**).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the combined financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

COVID-19 Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16 Leases
AASB 2021-3 Amendments to AASs – COVID-19 Related Rent Concessions beyond 30 June 2021 – Amendment to AASB 16 Leases

The IASB/AASB amended the conditions of the practical expedient in IFRS 16/AASB 16 that provides relief to lessees from applying the IFRS 16/AASB 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID related rent concession the same way it would account for the change under IFRS 16/AASB 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

This amendment had no material impact on the combined financial statements of the Group.

d Accounting standards and interpretations issued or amended but not yet effective

New and amended standards and interpretations issued by the IASB/AASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. The Group does not early adopt any Australian Accounting Standards and Interpretations issued or amended but are not yet effective.

e Basis of combination

The combined financial statements comprise the financial statements of the Ramsay Health Care Funding Group as at and for the period ended 30 June each year.

Combination of an entity begins when the entity enters the Funding Group and ceases when the entity exits the Funding Group. Assets, liabilities, income and expenses of an entity entering or exiting the Funding Group during the year are included in the Combined Financial Statements from the date they enter the Funding Group until the date they exit the Funding Group.

When necessary, adjustments are made to the financial statements of entities to bring their accounting policies into line with the Funding Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities in the Funding Group are eliminated in full on combination.

f Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management has made a number of judgements, estimates and assumptions concerning the future. The key judgements, estimates and assumptions that are material to the financial statements relate to the following areas:

Note 7.c	Lease liabilities	Page 29
Note 9	Business combinations	Page 37
Note 10	Property, plant and equipment	Page 38
Note 12	Intangible assets	Page 41
Note 13	Impairment testing of goodwill	Page 44
Note 14	Taxes	Page 45
Note 15.d	Provisions	Page 50
Note 17	Share based payment plans	Page 56

g Current versus non-current classification

The Group presents assets and liabilities in the Combined Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period
- Held primarily for trading, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is due to be settled within twelve months after the reporting period
- Held primarily for trading, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

h Foreign currency translation

Both the functional and presentation currency of Ramsay Health Care Limited and its Australian Funding Group entities is Australian dollars (A$). Each entity in the Funding Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the overseas Funding Group entities are: British pounds for the UK entities. As at the reporting date the assets and liabilities of the overseas entities are translated into the presentation currency of Ramsay Health Care Limited at the rate of exchange ruling at the reporting date and the Income Statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Income Statement.

I Results for the Year

This section provides additional information on the Group results for the year, including further detail on results by segment, revenue, expenses, earnings per share and dividends.

1 Segment information

The Managing Director examines the Group's performance and allocates resources from a geographic perspective and has identified two different business units. The segment information discloses the financial performance and total assets and liabilities of each operating business.

Identification of reportable segments

The Funding Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based primarily on the country in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing currencies and differing health care systems in the respective countries. The Funding Group has two reportable operating segments being Asia Pacific and the UK.

Discrete financial information about each of these operating businesses is reported to the Managing Director on at least a monthly basis.

Types of services

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

Accounting policies and inter-segment transactions

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on combination.

The accounting policies used by the Group in reporting segments are the same as those contained throughout the accounts and in prior periods.

Assets and liabilities by segment

	Asia Pacific $m	UK $m	Adjustments & Eliminations $m[1]	Total $m
As at 30 June 2022				
Assets & liabilities				
Segment assets	7,838.1	4,828.8	(2,537.3)	10,129.6
Segment liabilities	(3,847.5)	(4,469.0)	1,911.7	(6,404.8)
As at 30 June 2021				
Assets & liabilities				
Segment assets	7,810.0	3,399.7	(1,447.3)	9,762.4
Segment liabilities	(3,662.3)	(2,967.9)	821.8	(5,808.4)

1 Adjustments and eliminations consist of investments in subsidiaries and intercompany balances, which are eliminated on combination.

Segment revenue reconciliation to Income Statement

	2022 $m	2021 $m
Total segment revenue and other income	6,681.2	6,486.2
Intersegment revenue elimination	(5.6)	(0.9)
Interest income	0.0	4.0
Total revenue and other income	**6,675.6**	**6,489.3**

1 Segment information (Continued)

Profit or loss by segment

	Asia Pacific $m	UK $m	Total $m
Year ended 30 June 2022			
Revenue from contracts with customers	5,343.7	1,321.5	6,665.2
Other income – income from sale of development assets	1.8	-	1.8
Other income – net profit on disposal of non-current assets	8.6	-	8.6
Total revenue and other income before intersegment revenue	5,354.1	1,321.5	6,675.6
Intersegment revenue	5.6	-	5.6
Total segment revenue and other income	**5,359.7**	**1,321.5**	**6,681.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**725.5**	**82.0**	**807.5**
Rent[2]	(11.9)	(1.9)	(13.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**713.6**	**80.1**	**793.7**
Depreciation, amortisation and impairment	(246.3)	(106.3)	(352.6)
Earnings before interest and tax (EBIT)[4]	**467.3**	**(26.2)**	**441.1**
Net finance costs			(187.9)
Income tax expense			(74.4)
Net profit after tax			**178.8**
Year ended 30 June 2021			
Revenue from contracts with customers	5,440.8	1,024.1	6,464.9
Other income – income from sale of development assets	20.4	-	20.4
Total revenue and other income before intersegment revenue	5,461.2	1,024.1	6,485.3
Intersegment revenue	0.9	-	0.9
Total segment revenue and other income	**5,462.1**	**1,024.1**	**6,486.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**868.4**	**182.5**	**1,050.9**
Rent[2]	(11.4)	(1.2)	(12.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**857.0**	**181.3**	**1,038.3**
Depreciation, amortisation and impairment	(219.1)	(88.4)	(307.5)
Earnings before interest and tax (EBIT)[4]	**637.9**	**92.9**	**730.8**
Net finance costs			(157.0)
Income tax expense			(169.0)
Net profit after tax			**404.8**

1 "EBITDAR" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation, impairment and rent.
2 Rent includes rental costs of short term or low value assets together with any related rent costs, including rent related taxes that could not be capitalised as part of lease liabilities.
3 "EBITDA" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation and impairment.
4 "EBIT" is a non-statutory profit measure and represents profit before interest and tax.

2 Revenue and other income

The Group primarily derives revenue from providing health care and related services to both public and private patients in the community.

2.a Revenue from contracts with customers

	2022 $m	2021 $m
Revenue from patients	6,316.4	5,829.6
Revenue from governments under COVID support contracts	138.4	428.6
Rental revenue	46.7	42.4
Revenue from ancillary services	163.7	164.3
Revenue from contracts with customers	**6,665.2**	**6,464.9**

2 Revenue and other income (Continued)

Accounting Policies

Revenue is recognised and measured at the amount of the consideration received or receivable to the extent that the performance obligations under contracts have been satisfied and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

REVENUE FROM PATIENTS

Revenue from patients is recognised on the date on which the services are provided to the patient.

REVENUE FROM GOVERNMENTS UNDER COVID SUPPORT CONTRACTS

Since 2020, specific contracts have been entered into with various government bodies under which Ramsay made available its facilities and services, including equipment and staff, to assist with the respective government's response to the COVID pandemic. Each of the revenue agreements are specific to each government body as follows:

Australia

Agreements with the state governments of NSW, WA, QLD and VIC (each a State) commenced from either 31 March or 1 April 2020. In return for the commitment to maintain full workforce capacity at the facilities, Ramsay has received, and recognised as revenue, net recoverable costs (being recoverable costs less any revenue generated from operations, calculated on an accruals basis). Recoverable costs include direct operating costs, service costs, corporate overhead costs (to the extent related to the provision of service), depreciation associated with pre-existing capital, which is owned, and depreciation associated with lease assets. Interest and debt servicing costs are excluded.

The agreements expire on various dates, depending on each State's requirements. These end dates are (in most cases) 20 or 30 days after the State gives notice but not before: in the case of VIC, the temporary restrictions imposed on private hospitals performing category 3 and non-urgent category 2 surgeries have been lifted; in the case of QLD, the State determines that activation of the Australian Health Sector Emergency Response Plan for Novel Coronavirus 2019 has ceased; and, in the case of NSW, the date notified by the Commonwealth government as being the last date covered by the private hospital financial viability payment under the National Partnership Agreement.

Recoverable costs and revenue amounts are aggregated quarterly with each quarter considered separately. Where the revenue amounts exceed recoverable costs the payment for that quarter is deemed to be zero.

VIC and QLD include a "Pause and Restart" mechanism whereby the State can put the agreement on pause allowing the Operator to return to normal operations and relieves the State of any payment obligations during the pause while allowing the State to restart the contract to provide COVID pandemic support when necessary. The QLD State government agreed to Ramsay's request to put the agreement on hold from 30 June 2020, but it recommenced from 20 December 2021. While the VIC agreement was paused from 31 March 2021, it recommenced from 1 October 2021 through 30 November 2021 and then recommenced again from 1 January 2022 and was in place until 27 February 2022. The NSW agreement does not have a Pause and Restart mechanism and remains on foot.

The original agreement with the State government of WA expired and was replaced with a new agreement with essentially the same terms effective 1 April 2022 with an Initial Term of 12 months, plus a Further Term of 6 months at the discretion of the Department.

UK

A new, volume based agreement with NHS England (**NHSE**) came into effect on 10 January 2022 and expired on 31 March 2022. A volume based agreement was also in place, in the prior period, from 1 January 2021 and expired on 31 March 2021. Ramsay was able to continue providing private patient activity during the relevant periods.

Future events could cause the assumptions on which these revenue accruals are based to change, which could affect the future results of the Group. As the revenue recognised by the Group in accordance with the contracts is variable, revenue has been recognised only to the extent that it is highly probable that a significant revenue reversal of the cumulative amount of revenue will not occur when the uncertainty associated with the variable consideration is resolved.

RENTAL REVENUE

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised in the Income Statement as an integral part of the total rental income.

REVENUE FROM ANCILLARY SERVICES

Income from ancillary services is recognised on the date the services are provided to the customer.

2 Revenue and other income (Continued)

2.b Other income - miscellaneous

	2022 $m	2021 $m
Interest income	-	4.0
Other income – income from sale of development assets	1.8	20.4
Other income – net profit on disposal of non-current assets	8.6	-
	10.4	**24.4**

Accounting Policies

INTEREST INCOME

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

INCOME FROM SALE OF DEVELOPMENT ASSETS

Income from sale of development assets is recognised when the control of the development asset is transferred to the purchaser.

3 Expenses

A breakdown of specific expenses helps users understand the financial performance of the Group.

	Note	2022 $m	2021 $m
(i) Depreciation			
Depreciation – Plant and equipment	10	165.0	150.6
Depreciation – Buildings	10	78.6	65.8
Depreciation – Right of use assets – Leased property	11	80.9	76.3
Depreciation – Right of use assets – Leased plant and equipment	11	2.4	0.4
Total		**326.9**	**293.1**
(ii) Amortisation			
Amortisation – Service concession assets	12	8.2	7.5
Amortisation – Other	12	7.4	6.9
Total		**15.6**	**14.4**
(iii) Impairment			
Impairment – Land and buildings	10	4.1	-
Impairment – Intangible assets	12	6.0	-
Total		**10.1**	**-**
Total depreciation, amortisation and impairment		**352.6**	**307.5**
(iv) Property rental costs (included in occupancy costs)			
Expenses relating to short term leases	7.c	2.7	3.2
Expenses relating to leases of low value assets	7.c	5.8	7.3
Variable lease payments	7.c	0.9	0.9
(v) Employee benefit and contractor costs			
Wages and salaries		3,339.8	3,012.7
Workers' compensation		8.7	18.5
Superannuation		197.9	206.7
Termination benefits		3.2	3.3
Social charges and contributions on wages and salaries		35.2	10.9
Other employment		38.7	24.8
Share-based payments (expenses arising from transactions accounted for as equity-settled share-based payment transactions)		13.0	11.7
Total		**3,636.5**	**3,288.6**
(vi) Finance costs			
Interest expenses		59.2	42.6
Finance charges – Lease liability	7.c	129.9	120.6
		189.1	163.2
Finance costs capitalised		(1.2)	(2.2)
Total		**187.9**	**161.0**

Accounting Policies

FINANCE COSTS

Finance costs include interest, amortisation of discounts or premiums related to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

4 Dividends

Dividends are a portion of Ramsay Group's profit that are paid out to its shareholders, in return for their investment.

	Parent Entity	
	2022 $m	2021 $m
(i) Dividends determined and paid during the year on ordinary shares:		
Current year interim dividend paid		
Franked dividends – ordinary		
(48.5 cents per share) (2021: 48.5 cents per share)	111.0	106.2
Previous year final dividend paid		
Franked dividends – ordinary		
(103.0 cents per share) (2021: 0.0 cents per share)[1]	231.9	-
	342.9	106.2
(ii) Dividends proposed and not recognised as a liability on ordinary shares:		
Current year final dividend proposed		
Franked dividends – ordinary		
(48.5 cents per share) (2021: 103.0 cents per share)	111.0	231.9
(iii) Dividends determined and paid during the year on CARES:		
Current year interim and previous year final dividend paid		
Franked dividends – CARES	9.0	9.1
(iv) Dividends proposed and not recognised as a liability on CARES:		
Current year final dividend proposed		
Franked dividends – CARES	5.3	4.5
(v) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
franking account balance as at the end of the financial year at 30% (2021: 30%)	851.9	839.7
franking credits that will arise from the payment of income tax payable as at the end of the financial year[2]	16.1	14.6
	868.0	854.3
The amount of franking credits available for future reporting periods:		
impact on the franking account of dividends proposed or determined before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	(49.9)	(103.0)
	818.1	751.3

1 *No final dividend determined for FY20.*
2 *As Ramsay Health Care Ltd and its 100% owned Australian subsidiaries have formed a tax consolidated group, effective 1 July 2003, this represents the current tax payable for the Australian group.*

The tax rate at which paid dividends have been franked is 30% (2021: 30%). $116.3 million (2021: $236.4 million) of the proposed dividends will be franked at the rate of 30% (2021: 30%).

5 Earnings per share

Earnings per share is the portion of post-tax profit allocated to each Ramsay ordinary share.

	2022 $m	2021 $m
Net profit for the year	176.0	401.1
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(9.0)	(9.1)
Profit used in calculating basic and diluted (after CARES dividend) earnings per share	167.0	392.0

	2022 Number of Shares (m)	2021 Number of Shares (m)
Weighted average number of ordinary shares used in calculating basic earnings per share	227.8	227.7
Effect of dilution – share rights not yet vested	0.5	0.7
Weighted average number of ordinary shares adjusted for the effect of dilution	228.3	228.4

The share rights granted to Executives but not yet vested, have the potential to dilute basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	2022 Cents per Share	2021 Cents per Share
Earnings per share (EPS)		
Basic earnings per share (after CARES dividend)	73.3	172.2
Diluted earnings per share (after CARES dividend)	73.1	171.6

Calculation of earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the year. The ordinary shares outstanding used in the calculation is that of Ramsay Health Care Limited, which is a listed entity that is included in the Funding Group.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit for the year (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The ordinary shares outstanding used in the calculation is that of Ramsay Health Care Limited, which is a listed entity that is included in the Funding Group.

II Capital – Financing

This section discusses how the Ramsay Group manages funds and maintains capital structure, including bank borrowings, related finance costs and access to capital markets.

How the Funding Group manages its capital – Financing

The Group manages its capital structure with the objective of ensuring it will be able to continue as a going concern as well as maintaining optimal returns to shareholders and benefits for its stakeholders. The Group also aims to maintain a capital structure that is consistent with its targeted credit ratings, ensuring sufficient headroom is available within such ratings to support its growth strategies at an optimised weighted average cost of capital. Prudent liquidity reserves in the form of committed undrawn bank debt facilities or cash are maintained in order to accommodate its expenditures and potential market disruption.

The Group may raise or retire debt, adjust its dividend policy, return capital to shareholders, issue new shares or financial instruments containing characteristics of equity, or sell assets to reduce debt in order to achieve the optimal capital structure.

The Group's capital is comprised of equity plus net debt. Net debt is calculated as interest bearing liabilities plus derivatives relating to debt, less cash assets.

During 2022, dividends of $351.9 million (2021: $115.3 million) were paid. For the year ended 30 June 2022, fully franked ordinary dividends of 97.0c (2021: 151.5c) per share were determined.

The group monitors its capital structure primarily by reference to its debt financial covenants and credit rating gearing metrics. Debt levels under the Group's financial covenants are assessed relative to the cash operating profits (EBITDA[1]) of the Group that are used to service debt. This ratio is calculated as Net Debt/EBITDA[1] and is 3.20x for the year ended 30 June 2022 (2021: 2.84x), however lending facilities within the Group contain calculations and thresholds specific to each facility and borrowing groups having access to such facilities. Escrow funds of $1.96 billion were recorded in the Statement of Financial Position at 30 June 2021 resulting in a higher than normal leverage. A normalised Funding Group Leverage Ratio of 0.66x was calculated for 30 June 2021 after reducing Net Debt by the $1.96 billion cash held in escrow on 30 June 2021. These escrow funds were retrieved in July 2021 and used to repay debt.

The Group has committed senior debt funding with various maturities starting in November 2022 and ending in June 2031 . As such, certain subsidiaries must comply with various financial and other undertakings in particular, the following customary financial undertakings:

- Total Net Leverage Ratio (Net Debt/EBITDA[1])
- Interest Cover Ratio (EBITDA[1]/ Net Interest)
- Minimum Shareholders Funds

The facilities maturing in November 2022 have a tenure of one year and are extended every six months.

The entities in the Funding Group (subject to covenant compliance) are not and have not been in breach of any of the financial and other undertakings of the Senior Debt Facility Agreement.

Details of Capital – Financing are as follows:	Note	2022 $m	2021 $m
Equity	6	3,724.8	3,954.0
Net Debt	7	4,609.9	4,439.2
		8,334.7	8,393.2

[1] EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation pre IFRS 16/AASB 16 Leases.

6 Equity

	Note	2022 $m	2021 $m
Issued capital	6.a	2,197.6	2,197.6
Treasury shares	6.b	(72.4)	(76.7)
Convertible Adjustable Rate Equity Securities (CARES)	6.c	252.2	252.2
Other reserves		(101.1)	(41.3)
Retained earnings		1,437.8	1,613.7
Non-controlling interests		10.7	8.5
		3,724.8	3,954.0

6.a Issued capital

Issued capital represents the amount of consideration received for the ordinary shares issued by Ramsay Health Care Limited (the Company).

Issued and paid up capital

	2022 Number (m)	2022 $m	2021 Number (m)	2021 $m
As at 1 July and 30 June	228.9	2,197.6	228.9	2,197.6

Terms and conditions of issued capital

ORDINARY SHARES

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Accounting Policies

ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.b Treasury shares

Treasury shares are the shares repurchased on the open market, for the share rights issued to employees under the Employee Share Plan.

	2022 $m	2021 $m
1.1 million ordinary shares (30 June 2021: 1.1 million ordinary shares)	72.4	76.7

Nature & Purpose

Treasury shares are shares in the Company held by the Employee Share Plan and are deducted from equity.

6 Equity (Continued)

6.c Convertible Adjustable Rate Equity Securities (CARES)

Convertible Adjustable Rate Equity Securities (CARES) are non-cumulative, redeemable and convertible preference shares in Ramsay Health Care Limited.

Issued and paid up capital

	2022 $m	2021 $m
2.6 million CARES shares fully paid (30 June 2021: 2.6 million CARES shares fully paid)	252.2	252.2

Terms and conditions of CARES

Issuer	Ramsay Health Care Limited
Security	Convertible Adjustable Rate Equity Securities (CARES) which are a non-cumulative, redeemable and convertible preference share in Ramsay.
Face Value	$100 Per CARES.
Dividends	The holder of each CARES is entitled to a preferred, non-cumulative, floating rate dividend equal to: Dividend Entitlement = (Dividend Rate x Face Value x N) / 365 *where*: N is the number of days in the Dividend Period The payment of Dividends is at the Directors' discretion and is subject to there being funds legally available for the payment of Dividends and the restrictions which apply in certain circumstances under the financing arrangements. If declared, the first Dividend will be payable on each CARES in arrears on 20 October 2005 and thereafter on each 20 April and 20 October until CARES are converted or exchanged.
Dividend Rate	The Dividend Rate for each Dividend Period is calculated as: Dividend Rate = (Market Rate + Margin) x (1-T) *where*: The Market Rate is the 180 day Bank Bill Swap Rate applying on the first day of the Dividend Period expressed as a percentage per annum. The Margin for the period to 20 October 2010 was 2.85% per annum. It was determined by the Bookbuild held on 26 April 2005. T is the prevailing Australian corporate tax rate applicable on the Allotment Date. As Ramsay did not convert or exchange by 20 October 2010, the Margin was increased by a one-time step up of 2.00% (200 basis points) per annum.
Step-up	One-time 2.00% (200 basis points) step-up in the Margin at 20 October 2010
Franking	Ramsay expects the Dividends paid on CARES to be fully franked. If a Dividend is not fully franked, the Dividend will be grossed up to compensate for the unfranked component. If, on a Dividend Payment Date, the Australian corporate tax rate differs from the Australian corporate tax rate on the Allotment Date, the Dividend will be adjusted downwards or upwards accordingly.
Conversion or exchange by Ramsay	CARES have no maturity. Ramsay may convert or exchange some or all CARES at its election for shares or $100 in cash for each CARES on 20 October 2010 and each Dividend Payment Date thereafter. Ramsay also has the right to: • convert or exchange CARES after the occurrence of a Regulatory Event; and • convert CARES on the occurrence of a Change in Control Event. Ramsay cannot elect to convert or exchange only some CARES if such conversion or exchange would result in there being less than $50 million in aggregate Face Value of CARES on issue.
Conversion Ratio	The rate at which CARES will convert into Shares will be calculated by reference to the market price of Shares during 20 business days immediately preceding, but not including, the conversion date, less a conversion discount of 2.5%. An adjustment is made to the market price calculation in the case of a Change in Control Event. The Conversion Ratio for each CARES will not be greater than 400 shares.
Ranking	CARES rank equally amongst themselves in all respects and are subordinated to all creditors but rank in priority to Shares.
Participation	Unless CARES are converted into Shares, CARES confer no rights to subscribe for new shares in any fundraisings by Ramsay or to participate in any bonus or rights issues by Ramsay.
Voting Rights	CARES do not carry a right to vote at general meeting of Ramsay except in limited circumstances.

7 Net debt

	Note	2022 $m	2021 $m
Cash and cash equivalents	7.a	112.9	42.9
Lease liabilities – current	7.c	(57.1)	(53.8)
Loans and borrowings – non-current	7.b	(2,498.2)	(2,585.8)
Lease liabilities – non-current	7.c	(2,208.4)	(1,835.4)
Net derivative assets / (liabilities) – debt related	7.d	40.9	(7.1)
		(4,609.9)	**(4,439.2)**

7.a Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash on hand and short-term deposits with a maturity of less than three months. This note presents the amount of cash on hand at year end, together with further reconciliations in relation to the Statement of Cash Flows.

	2022 $m	2021 $m
Cash at bank and on hand	112.9	42.9

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Accounting Policies

CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts and restricted cash.

Reconciliation to Statement of Cash Flows

	2022 $m	2021 $m
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June		
Cash at bank and on hand	112.9	42.9

7 Net debt (Continued)

Reconciliation of net profit after tax to net cash flows from operations

	2022 $m	2021 $m
Net profit after tax for the year	**178.8**	**404.8**
Adjustments for:		
Share of profit of joint venture	(15.5)	(10.9)
Depreciation, amortisation and impairment	352.6	307.5
Interest received	-	(4.0)
Share-based payments	13.0	11.7
Other	17.1	(9.8)
Changes in assets & liabilities:		
Deferred tax	(58.9)	(15.5)
Receivables	(45.7)	(99.7)
Other assets	(5.0)	20.5
Creditors, accruals and other liabilities	20.5	19.6
Provisions	2.7	6.8
Inventories	26.7	(4.1)
Current tax	(24.4)	(9.5)
Net cash flows from operating activities	**461.9**	**617.4**

Reconciliation of liabilities arising from financing activities

	As at 1 July 2021 $m	Cash Flows $m	Foreign Exchange Movement $m	New Leases $m	Business Combinations $m	Disposal/ Termination or Reassessment of Leases $m	Other $m	As at 30 June 2022 $m
Loans and borrowings – current	**-**	(648.3)	(9.3)	-	657.7	-	(0.1)	**-**
Loans and borrowings – non-current	**2,585.8**	(95.7)	(0.9)	-	1.8	-	7.2	**2,498.2**
Lease Liabilities	**1,889.2**	(55.6)	(82.9)	34.4	471.2	9.2	-	**2,265.5**
Total	**4,475.0**	(799.6)	(93.1)	34.4	1,130.7	9.2	7.1	**4,763.7**

	As at 1 July 2020 $m	Cash Flows $m	Foreign Exchange Movement $m	New Leases $m	Disposal/ Termination or Reassessment of Leases $m	Other $m	As at 30 June 2021 $m
Loans and borrowings – non-current	**1,386.4**	1,176.3	29.1	-	-	(6.0)	**2,585.8**
Lease Liabilities	**1,751.3**	(50.6)	32.9	138.5	17.1	-	**1,889.2**
Total	**3,137.7**	1,125.7	62.0	138.5	17.1	(6.0)	**4,475.0**

Disclosure of financing facilities

Refer to Note 7.b.

7 Net debt (Continued)

7.b Loans and borrowings

This note outlines the Group's loans and borrowings, which are predominantly from banks and other financial institutions, with varying maturities.

	Maturity	2022 $m	2021 $m
Non-current			
Unsecured bank and other financial institution loans:			
A$ 1,500,000,000 Syndicated Facility Loan[1]	Up to Jul 2026	1,443.1	1,195.4
A$ 600,000,000 Syndicated Facility Loan[2]	Dec 2023	599.5	716.5
A$ 200,000,000 Bi-lateral Term Loan[3]	Oct 2024	-	199.6
€ 300,000,000 Syndicated Facility Loan[4]	Oct 2024	455.6	474.3
Total loans and borrowings		2,498.2	2,585.8

1 Sustainability linked syndicated revolving bank debt facility with equal tranches which mature over 3 years, 4 years and 5 years.
2 Syndicated revolving bank debt facility. Facility was downsized in November 2021 from A$800 million to A$600 million. The shortfall was replaced by the creation of A$200 million of bi-lateral facilities.
3 Bi-lateral term loan facility and repayable in full on maturity.
4 Syndicated revolving bank debt facility.

RAMSAY AND ITS WHOLLY OWNED SUBSIDIARIES

Ramsay Funding Group prepaid A$200 million in bi lateral term debt facility in November 2021. The covenant package, group guarantees and other common terms and conditions in respect of the debt facilities are governed under a Common Terms Deed Poll (CTDP).

Fair values

The fair values of the Group's interest bearing loans and borrowings are determined by using the discounted cash flow method with discount rates that reflect market interest rates, specific country risk factors, individual creditworthiness of the counterparties and the other risk characteristics associated with the underlying debts.

Unless disclosed below, the carrying amount of the Group's current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. At reporting date, the market interest rates vary from 1.104% to 1.793% (2021: 0.060% to 0.0803%) for Australia.

The fair value of the interest bearing loans and borrowings was estimated using the level 2 method valuation technique in which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable. Set out in the table below is a comparison by carrying amounts and fair value of the Group's Interest bearing loans and borrowings.

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$m	$m	$m	$m
Bank loans	2,498.2	2,510.6	2,585.8	2,626.9

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 16.

Assets pledged as security

No assets have been pledged as security for the loans and borrowings.

Accounting Policies

LOANS AND BORROWINGS

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Losses are recognised in profit or loss when the liabilities are derecognised.

7 Net debt (Continued)

7.c Lease liabilities

The Group has lease contracts for the use of hospitals, office space and various items of equipment and vehicles which it uses in its operations. Leases of hospitals and office space can have lease terms between 5 and 120 years, while vehicles and equipment generally have lease terms between 5 and 10 years.

Generally, the Group is restricted from assigning and subleasing the leased assets. A number of the lease contracts include extensions, termination options and variable lease payments, which are discussed below.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with a low value. The Group applies the 'short term lease' and 'lease of low value assets' recognition exemptions for these leases.

	2022 $m	2021 $m
As at 1 July	**1,889.2**	**1,751.3**
Additions	34.4	138.5
Business combinations	471.2	0.0
Disposals or terminations	(2.1)	(1.4)
Payments	(185.5)	(171.2)
Accretion of interest	129.9	120.6
Reassessment of lease terms	11.3	18.5
Exchange differences	(82.9)	32.9
As at 30 June	**2,265.5**	**1,889.2**

	2022 $m	2021 $m
Current lease liabilities	57.1	53.8
Non-current lease liabilities	2,208.4	1,835.4
Total lease liabilities	**2,265.5**	**1,889.2**

Assets pledged as security

The carrying amounts of assets pledged as security for lease liabilities are set out in the following table:

	2022 $m	2021 $m
Leased assets pledged as security	445.8	-

Cash outflows

The Group had total cash outflows for leases of approximately $194.9 million in 2022 (2021: $182.6 million) - the principal portion of lease payments totalled $55.6 million (2021: $50.6 million), interest payments totalled $129.9 million (2021: $120.6 million) and other payments relating to low-value assets, short term and variable lease payments totalled approximately $9.4 million (included in payments to suppliers and employees) (2021: $11.4 million).

7 Net debt (Continued)

Accounting Policies

All leases are accounted for by recognising a right of use asset and a lease liability except for:
- Leases of low value assets, being those with a cost of $50,000 or less; and
- Leases with a term of 12 months or less.

LEASE LIABILITIES

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

LEASE ASSETS

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the shorter of the useful life of the asset or the term of the lease. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of the lease.

The Group applies the short term lease recognition exemption to its short term lease of equipment, being those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the low-value assets recognition exemption to leases of equipment that are considered to be of low value. Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight line basis over the lease term.

Key Accounting Judgements, Estimates and Assumptions

LEASE TERM

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the options to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.

DISCOUNT RATES

The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate (IBR). The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease.

7 Net debt (Continued)

7.d Derivative financial instruments

A derivative is a financial instrument typically used to manage an underlying risk, using futures, swaps and options. The value change of a derivative is related to changes in a variable, such as interest rate or foreign exchange rate. The Group uses derivatives to manage exposure to foreign exchange and interest rate risk.

	2022 $m	2021 $m
Current assets		
Interest rate and foreign exchange derivative contracts – cash flow hedges	8.9	-
Interest rate and foreign exchange derivative contracts – economic hedges	2.4	-
Non-current assets		
Interest rate and foreign exchange derivative contracts – cash flow hedges	29.6	-
Interest rate and foreign exchange derivative contracts – economic hedges	-	-
	40.9	-
Current liabilities		
Interest rate and foreign exchange derivative contracts – cash flow hedges	-	(2.8)
Non-current liabilities		
Interest rate and foreign exchange derivative contracts – cash flow hedges	-	(4.3)
	-	(7.1)
Net derivative assets/(liabilities)	**40.9**	**(7.1)**

Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

INTEREST RATE SWAPS AND FORWARD FOREIGN EXCHANGE CONTRACTS – CASH FLOW HEDGES

Interest bearing loans in Australian Dollar of the Group currently bear an average variable base interest rate excluding margin of 1.477% (2021: 0.0666%). Interest bearing loans in Euro of the Group currently bear a zero variable base interest rate excluding margin (2021: 0%) pursuant to an interest rate floor within the facility agreements whereby base interest rate (EURIBOR) is deemed to be zero when it is negative.

In order to reduce the variability of the future cash flows in relation to the interest bearing loans, the Group has entered into Australian Dollar interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates. Swaps in place cover approximately 30% (2021: 5%) of the floating principal outstanding.

While the Group also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Interest rate risk

Information regarding interest rate risk exposure is set out in Note 16.

Credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations at maturity of contracts. This arises on derivative financial instruments with unrealised gains. Management constantly monitor the fair value of favourable contracts outstanding with any individual counterparty. Management only deal with prime financial institutions with appropriate credit ratings in order to manage this credit risk.

7 Net debt (Continued)

Fair value of derivative financial instruments

The fair value of the derivative financial instruments was estimated using the level 2 method valuation technique and is summarised in the table above.

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the relevant notes.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during the year.

The notional principal amounts and period of expiry of the interest rate derivatives contracts are as follows:

	2022 $m	2021 $m
0-1 years	100.0	-
1-2 years	210.0	-
2-3 years	300.0	110.0
3-5 years	450.0	-
Over 5 years	-	-
	1,060.0	110.0

The interest rate derivatives require settlement of net interest receivable or payable each 90 or 180 days. They are settled on a net basis. The swaps are measured at fair value and all gains and losses attributed to the hedged risk are taken directly to equity and re-classified to the Income Statement when the interest expense is recognised.

Accounting Policies

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income, and later classified to profit and loss when the hedge item affects profit or loss.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

7 Net debt (Continued)

Accounting Policies

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

CASH FLOW HEDGES

The effective portion of the gain or loss on the hedging instrument is recognised directly in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income Statement as other operating expenses.

The Group uses predominantly interest rate swap contracts as hedges of its exposure to fluctuations in interest rates. There is an economic relationship between the hedged item and the hedging instrument as the term of the interest rate swap matches the terms of the variable rate loan (that is, notional amount, maturity, base rate, payment and reset dates).

The Group only designates the intrinsic value of the interest rate option contracts as hedging instruments. The time value of the interest rate option contracts are recognised in Other Comprehensive Income and accumulated in a separate component of equity under the cost of Hedging Reserve. These deferred costs of hedging are recognised in the profit or loss on a systematic basis over the tenor of the interest rate option contracts.

Amounts recognised as Other Comprehensive Income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as Other Comprehensive Income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Income Statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in Other Comprehensive Income remains in Other Comprehensive Income until the forecast transaction or firm commitment affects profit or loss.

Subsequent measurement

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transaction;
- Reference to the current fair value of another instrument that is substantially the same; or
- A discounted cash flow analysis or other valuation models.

Fair value of derivative financial instruments

The Group measures financial instruments, such as, derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

III Assets and Liabilities – Operating and Investing

This section outlines how the Ramsay Funding Group manages its assets and liabilities to generate profit.

How the Funding Group manages its overall financial position

The Funding Group manages its overall financial position by segregating its balance sheet into two categories; Assets and Liabilities – Operating and Investing and Capital – Financing. Assets and Liabilities – Operating and Investing is managed at both the site and group level while Capital – Financing (refer to section II) is managed centrally.

Details of Assets and Liabilities – Operating and Investing are as follows:

	Note	2022 $m	2021 $m
Working capital	8	(147.3)	(105.4)
Property, plant and equipment	10	3,106.5	2,770.0
Right of use assets	11	1,502.2	1,123.2
Intangible assets	12	2,754.1	1,547.3
Current and deferred tax assets	14	240.5	243.7
Other assets/(liabilities)	15	878.7	2,814.4
		8,334.7	8,393.2

8 Working capital

	Note	2022 $m	2021 $m
Trade and other receivables (current)	8.a	926.2	746.5
Inventories	8.b	208.0	233.3
Trade and other creditors (current)	8.c	(1,281.5)	(1,085.2)
		(147.3)	(105.4)

Consistent with prior periods, the Group actively manages the collection of debtor receipts and creditor and employee payments. This often results in a negative working capital metric and net current liability position. Any surplus or deficit in the working capital is managed through efficient use of the revolving debt facilities and cash balances. The Group had an undrawn facility limit of $450 million as at 30 June 2022.

The change in working capital during the year is mostly as a result of an increase in the trade and other creditors as a result of the acquisition of Elysium and an increase in expenses as a result of increased activity during the year.

8.a Trade and other receivables

Trade and other receivables primarily consists of amounts outstanding from Governments, Health Funds and Self Insured patients for delivering health care and related services.

	2022 $m	2021 $m
Current		
Trade and other receivables	962.6	769.0
Receivables from related entities	0.1	1.0
Allowances for impairment loss	(36.5)	(23.5)
	926.2	**746.5**
Non-current		
Rental property bonds receivable	1.9	1.8
Other loans receivable	5.2	6.0
	7.1	**7.8**
Total	**933.3**	**754.3**

8 Working capital (Continued)

Allowances for impairment loss

An allowance for expected credit loss (ECL) is recognised based on the difference between the contractual cash flows and the expected cash flows. The Group has applied a simplified approach in calculating ECLs by establishing a provision matrix for forward-looking factors specific to the debtors and the economic environment.

Movements in the allowances for impairment loss were as follows:

	2022 $m	2021 $m
As at 1 July	**(23.5)**	**(37.1)**
Charge for the year	(23.3)	-
Exchange differences	0.5	(2.3)
Amounts written off	9.8	(0.2)
Disposal of subsidiary	-	16.1
As at 30 June	**(36.5)**	**(23.5)**

Ageing analysis

At 30 June, the ageing analysis of trade and other receivables is as follows:

	Total $m	Neither past due nor impaired $m	0-30 Days PDNI[1] $m	31-60 Days PDNI[1] $m	61-90 Days PDNI[1] $m	91+ Days PDNI[1] $m	Considered impaired $m
2022	969.8	770.5	65.5	46.4	26.0	24.9	36.5
2021	777.8	662.2	45.9	27.7	11.0	7.5	23.5

1 PDNI – Past due not impaired

Receivables past due but not considered impaired are: $162.8 million (2021: $92.1 million). Payment terms on these amounts have not been re-negotiated as based on the credit history of receivables past due not considered impaired, management believes that these amounts will be fully recovered. This is due to the fact that the Group mainly deals with Government Authorities and creditworthy Health Funds.

Fair value

Due to the short term nature of the current receivables, the carrying value approximates fair value. The carrying values of the discounted non-current receivables approximates their fair values.

Credit risk

The maximum exposure to credit risk for current receivables is their carrying value. Collateral is not held as security. The Group's credit risk is low in relation to trade debtors because the majority of transactions are with the Government and Health Funds. The maximum exposure to credit risk for non-current receivables at the reporting date is the carrying value of these receivables. The majority of the non-current receivables are assessed as low risk.

Foreign exchange & interest rate risk

Details regarding foreign exchange and interest rate risk exposure are disclosed in Note 16.

8 Working capital (Continued)

8.b Inventories

Inventories include medical supplies to be consumed in providing future patient services, and development assets, including medical suites to be sold, that are currently under construction.

	2022 $m	2021 $m
Amount of medical supplies to be consumed in providing future patient services – at cost	159.6	187.8
Development assets to be sold that are currently under construction – at cost	48.4	45.5
Total	**208.0**	**233.3**

Inventory expense

Medical supplies recognised as an expense for the year ended 30 June 2022 totalled $1,726.6 million (2021: $1,702.0 million) for the Group. This expense has been included in the expense category 'medical consumables and supplies' in the Income Statement. The cost of development assets sold which has been recognised as an expense for the year ended 30 June 2022 totalled $1.4 million (2021: $8.5 million) for the Group. This expense has been included in the expense category 'cost of development assets sold' in the Income Statement.

Accounting Policies

Inventories are recorded using the FIFO method and are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

8.c Trade and other creditors

Trade and other creditors consists of amounts owing to employees and suppliers for goods and/or services delivered and customer amounts paid in advance of provision of services.

	2022 $m	2021 $m
Trade creditors	526.5	313.8
Accrued expenses	335.5	345.8
Employee and Director entitlements	411.9	418.2
Other creditors	7.6	7.4
Total	**1,281.5**	**1,085.2**

Fair value

Trade and other creditors amounts are non-interest bearing and are normally settled on 30-60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk exposure are set out in Note 16.

9 Business combinations

Ramsay's growth has been driven, in part, by acquisitions of businesses within the healthcare sector.

Elysium – 2022

On 31 January 2022, Ramsay acquired 100% of the voting shares of the leading UK based mental healthcare provider Elysium Healthcare (**Elysium**) for $1.5 billion, consisting of $0.7 billion of bank loans acquired with the business that were repaid and $0.8 billion paid for in cash. The acquisition was funded through Ramsay's existing debt facilities.

Elysium is a leading independent operator of long-term medium and low secure hospitals and complex care homes for individuals with mental health conditions and has a strong partnership with the UK National Health Service.

Ramsay has recognised amounts for this business combination as outlined below. These amounts have been determined on a provisional basis only.

	$m
Cash and cash equivalents	5.8
Trade and other receivables (current)	82.4
Inventories	0.3
Other current assets	18.0
Property, plant and equipment	254.6
Right of use assets	471.2
Trade and other creditors (current)	(84.4)
Loans and borrowings (current)	(657.7)
Lease liabilities (current and non-current)	(472.8)
Deferred tax liabilities	(111.5)
Other liabilities (current and non-current)	(6.7)
Fair value of identifiable net assets	(500.8)
Goodwill arising	1,313.4
Business combination date fair value of consideration transferred	812.6
The cash outflow as a result of the business combination is as follows:	
Cash paid	(812.6)
Net cash acquired with the subsidiary	5.8
Net cash outflow	(806.8)
Direct costs relating to the business combination – included within service costs	20.0

The goodwill of $1,313.4 million comprises the value of intangible assets that do not qualify for separate recognition as well as synergies expected to be achieved as a result of combining Elysium with the rest of the Group. The acquisition provides a number of strategic benefits consistent with Ramsay's growth strategy. None of the goodwill recognised is expected to be deductible for income tax purposes. Goodwill is allocated entirely to the UK reporting segment in Note 1.

The fair value of the acquired receivables amounts to $82.4 million. The gross contractual amount receivable is $84.3 million.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right of use assets were measured at an amount equal to the lease liabilities and adjusted for prepaid leases and lease incentives.

From the date of acquisition to 30 June 2022, Elysium contributed $284.3 million of revenue and $23.1 million to profit before interest and tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, 1 July 2021, revenue from continuing operations would have been $688.5 million and profit before interest and tax from continuing operations for the Group would have been $58.9 million.

10 Property, plant and equipment

Property, plant and equipment represents the investment by the Group in tangible assets such as land, buildings, hospital fit-outs and medical equipment.

	Land & Buildings $m	Plant & Equipment $m	Assets Under Construction $m	Total $m
30 June 2022				
Cost	2,966.2	2,229.6	398.4	5,594.2
Accumulated depreciation and impairment	(829.8)	(1,657.9)	-	(2,487.7)
	2,136.4	**571.7**	**398.4**	**3,106.5**
Movement:				
As at 1 July 2021	**1,857.0**	**512.8**	**400.2**	**2,770.0**
Additions	76.2	142.3	159.1	377.6
Transferred from assets under construction	124.7	70.5	(195.2)	-
Business combinations	179.3	37.6	37.7	254.6
Reclassification (Note 12)	1.2	(4.9)	-	(3.7)
Depreciation	(78.6)	(165.0)	-	(243.6)
Impairment	(4.1)	-	-	(4.1)
Disposals	(1.7)	(14.1)	(0.3)	(16.1)
Exchange differences	(17.6)	(7.5)	(3.1)	(28.2)
As at 30 June 2022	**2,136.4**	**571.7**	**398.4**	**3,106.5**
30 June 2021				
Cost	2,612.2	2,137.2	400.2	5,149.6
Accumulated depreciation and impairment	(755.2)	(1,624.4)	-	(2,379.6)
	1,857.0	**512.8**	**400.2**	**2,770.0**
Movement:				
As at 1 July 2020	**1,809.1**	**520.5**	**386.9**	**2,716.5**
Additions	17.3	81.0	185.6	283.9
Transferred from assets under construction	92.4	56.7	(149.1)	-
Reclassification (Note 12)	-	3.6	(24.4)	(20.8)
Depreciation	(65.8)	(150.6)	-	(216.4)
Disposals	(0.3)	(1.1)	-	(1.4)
Exchange differences	4.3	2.7	1.2	8.2
As at 30 June 2021	**1,857.0**	**512.8**	**400.2**	**2,770.0**
30 June 2020				
Cost	2,497.1	2,023.2	386.9	4,907.2
Accumulated depreciation and impairment	(688.0)	(1,502.7)	-	(2,190.7)
	1,809.1	**520.5**	**386.9**	**2,716.5**

10 Property, plant and equipment (Continued)

Accounting Policies

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated, consistent with the prior year, on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings and integral plant – 40 to 60 years
- Plant and equipment, other than plant integral to buildings – various periods not exceeding 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

IMPAIRMENT

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the Income Statement in the expense category 'depreciation, amortisation and impairment'.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

DERECOGNITION & DISPOSAL

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognised.

Key Accounting Judgements, Estimates and Assumptions

Useful lives of assets are estimated based on historical experience. The useful life of assets are assessed annually and adjusted where deemed necessary.

11 Right of use assets

A right of use asset represents the Group's, as a lessee, right to use an asset over the life of a lease. See note 7.c for the Group's lease arrangements and related lease liabilities recognised.

	Leased Property $m	Leased Plant & Equipment $m	Total $m
30 June 2022			
Cost	2,438.0	10.6	2,448.6
Accumulated depreciation and impairment	(943.6)	(2.8)	(946.4)
	1,494.4	**7.8**	**1,502.2**
Movement:			
As at 1 July 2021	**1,119.8**	**3.4**	**1,123.2**
Additions	27.6	6.8	34.4
Business combinations	471.2	-	471.2
Depreciation	(80.9)	(2.4)	(83.3)
Reassessment of lease terms	11.3	-	11.3
Disposals or terminations	(1.3)	-	(1.3)
Exchange differences	(53.3)	-	(53.3)
As at 30 June 2022	**1,494.4**	**7.8**	**1,502.2**
30 June 2021			
Cost	2,027.2	4.2	2,031.4
Accumulated depreciation and impairment	(907.4)	(0.8)	(908.2)
	1,119.8	**3.4**	**1,123.2**
Movement:			
As at 1 July 2020	**1,027.4**	**0.6**	**1,028.0**
Additions	134.4	3.2	137.6
Depreciation	(76.3)	(0.4)	(76.7)
Reassessment of lease terms	18.2	0.3	18.5
Disposals or terminations	(0.8)	(0.3)	(1.1)
Exchange differences	16.9	-	16.9
As at 30 June 2021	**1,119.8**	**3.4**	**1,123.2**
30 June 2020			
Cost	1,844.3	1.3	1,845.6
Accumulated depreciation and impairment	(816.9)	(0.7)	(817.6)
	1,027.4	**0.6**	**1,028.0**

Leased assets, where pledged, are used as security for the related lease liabilities. Refer note 7.c.

12 Intangible assets

The Group's investment in intangible assets includes goodwill, service concession assets and on-premise software.

	Goodwill $m	Service Concession Assets $m	Other[1] $m	Total $m
30 June 2022				
Cost	2,690.5	105.1	112.9	2,908.5
Accumulated amortisation and impairment	-	(75.2)	(79.2)	(154.4)
	2,690.5	**29.9**	**33.7**	**2,754.1**
Movement:				
As at 1 July 2021	**1,461.3**	**38.5**	**47.5**	**1,547.3**
Additions	-	0.8	0.5	1.3
Business combinations	1,313.4	-	-	1,313.4
Reclassification (Note 10)	-	(0.7)	4.4	3.7
Amortisation	-	(8.2)	(7.4)	(15.6)
Disposals	-	(0.2)	(4.6)	(4.8)
Impairment	-	-	(6.0)	(6.0)
Exchange differences	(84.2)	(0.3)	(0.7)	(85.2)
As at 30 June 2022	**2,690.5**	**29.9**	**33.7**	**2,754.1**
30 June 2021				
Cost	1,461.3	103.9	120.6	1,685.8
Accumulated amortisation and impairment	-	(65.4)	(73.1)	(138.5)
	1,461.3	**38.5**	**47.5**	**1,547.3**
Movement:				
As at 1 July 2020	**1,454.2**	**45.4**	**17.1**	**1,516.7**
Additions	-	0.6	23.1	23.7
Reclassification (Note 10)	-	-	20.8	20.8
Amortisation	-	(7.5)	(6.9)	(14.4)
Disposals	-	-	(7.1)	(7.1)
Exchange differences	7.1	-	0.5	7.6
As at 30 June 2021	**1,461.3**	**38.5**	**47.5**	**1,547.3**
30 June 2020				
Cost	1,454.2	103.3	79.6	1,637.1
Accumulated amortisation and impairment	-	(57.9)	(62.5)	(120.4)
	1,454.2	**45.4**	**17.1**	**1,516.7**

1 *Mainly on-premise software costs, including both purchased and internally generated software.*

12 Intangible assets (Continued)

Accounting Policies

GOODWILL

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The key factor contributing to the goodwill relates to the synergies existing within the acquired businesses and also expected to be achieved as a result of combining these facilities with the rest of the Group.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is determined to have an indefinite life.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated such that:
- It represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment determined in accordance with *IFRS 8/AASB 8 Operating Segments.*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Impairment losses recognised for goodwill are not subsequently reversed.

SERVICE CONCESSION ASSETS

Service concession assets represent the Group's right to operate hospitals under Service Concession Arrangements. Service concession assets constructed by the Group are recorded at the fair value of consideration received or receivable for the construction services delivered. Service concession assets acquired by the Group are recorded at the fair value of the assets at the date of acquisition. All service concession assets are classified as intangible assets.

To the extent that the Group has an unconditional right to receive cash or other financial assets under the Service Concession Arrangements a financial asset has been recognised. The financial asset is measured at fair value on initial recognition and thereafter at amortised cost using the effective interest rate method. The financial asset will be reflected on initial recognition and thereafter as a 'loan or receivable'.

OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is calculated, consistent with the prior year, on a straight-line basis over the estimated useful life of the assets as follows:
- Service Concession Asset – over the term of the arrangement
- Software - 2 to 10 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill impairment testing. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

12 Intangible assets (Continued)

Accounting Policies

	Service Concession Assets	Software costs
Useful lives	Finite	Finite
Amortisation method used	Amortised over the period of the arrangement	Amortised over the period of expected future benefit from the related project on a straight line basis
Internally generated or acquired	Acquired	Internally generated
Impairment testing	When an indication of impairment exists. The amortisation method is reviewed at each financial year end.	When an indication of impairment exists. The amortisation method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

Key Accounting Judgements, Estimates and Assumptions

Useful lives of assets are estimated based on historical experience and the expected period of future consumption of embodied economic benefits. Useful lives are reviewed annually and adjustments made where deemed necessary.

13 Impairment testing of goodwill

Goodwill arises when the Group acquires a business. It is the portion of the purchase price that is higher than the sum of the fair value of net assets acquired, which represents the synergies expected to arise from the acquisition. Goodwill is impaired when its historical cost exceeds its current recoverable amount.

Description of the cash generating units and other relevant information

Goodwill acquired through business combinations has been allocated in part to individual cash generating units and part to segments as synergies are achieved from the larger Group. Management assess goodwill by aggregating cash generating units to the level of the operating segment for purposes of impairment testing because the goodwill relates to synergies existing within the acquired business and synergies achieved from combining acquired facilities with the rest of the Group. Goodwill is tested for impairment on an annual basis, as a minimum.

Goodwill has been allocated to the Asia Pacific operating segment and the UK operating segment as shown in the table below. The provisional goodwill acquired through acquisition of Elysium Healthcare has not been allocated to operating segments at 30 June 2022.

	Asia Pacific $m	UK $m	Unallocated $m	Total $m
2022	1,181.7	267.4	1,241.3	**2,690.5**
2021	1,181.7	279.6	-	**1,461.3**

Key Accounting Judgements, Estimates and Assumptions

The recoverable amount of the Asia Pacific operating segment and the UK operating segment has been determined based on a value in use calculation using cash flow projections as at 30 June 2022 based on financial estimates approved by senior management and the Board of Directors covering the following financial year. In determining the 2023 (year 1) cash flow projections and subsequent year growth factors, management has factored in the performance of the Group in the current year, including the period impacted by COVID. Management currently forecasts that the Group volume and cost profiles will return to pre-COVID levels in 2023 for all CGUs. A growth factor is then applied to the following 4 years through to the end of the value in use models. Key assumptions used in the value in use calculations are outlined in the table below. Significant assumptions used in the impairment testing are inherently subjective and in times of economic uncertainty, such as that, caused by the COVID pandemic, the degree of subjectivity is higher than it might otherwise be.

	Asia Pacific %	UK %
Terminal growth rate (Year 5+)		
2022	3.0	1.9
2021	3.0	1.9
Pre-tax discount rate		
2022	9.9	10.3
2021	9.7	8.4

Key inputs in value in use calculations are:

- Tax rates have been estimated at 30% for Australian operations, and 25% for overseas operations consistent with the current local tax legislation.
- Discount rates – discount rates reflect management's estimate of the time value and the risks specific to each of the cash generating units that are not already reflected in the cash flows. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each unit, regard has been given to the weighted average cost of capital of the entity as a whole and adjusted for country and business risk specific to the unit.
- Growth rate estimates – they are based on management's internal estimates of long term growth rates for each of the cash generating units.

Management has performed sensitivity testing by CGU and on the aggregated CGUs based on assessing the effect of changes in hospital occupancy rates, health fund rates, wage increases, revenue growth rates and discount rates.

For Asia Pacific and UK, management do not consider that any reasonably likely changes in hospital occupancy rates, health fund rates, wage increases, revenue growth rates and discount rates would result in the carrying value of goodwill exceeding the recoverable amount.

14 Taxes

This note provides an analysis of the income tax expense and deferred tax balances, including a reconciliation of the tax expense recognised, reconciled to the Group's net profit before tax at the Group's applicable tax rate. A deferred tax asset or liability is created when there are temporary differences between the accounting profit and taxable profit, representing a future income tax receivable or payable.

(i) Income tax expense

	2022 $m	2021 $m
The major components of income tax expense are:		
Current income tax		
Current income tax charge	143.8	191.1
Deferred income tax		
Relating to origination and reversal of temporary differences	(58.7)	(16.5)
Adjustments in respect of deferred income tax of previous years	(10.7)	(5.6)
Income tax expense reported in the Combined Income Statement	**74.4**	**169.0**

(ii) Numerical reconciliation between aggregate tax expense recognised in the Combined Income Statement and tax expense calculated per the statutory income tax rate

	2022 $m	2021 $m
A reconciliation between tax expense and the product of the accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before tax	253.2	573.8
At the Parent Entity's statutory income tax rate of 30% (2021: 30%)	76.0	172.1
Expenditure not allowable for income tax purposes	4.0	23.6
Amounts not assessable for income tax purposes	(8.2)	(5.3)
Impact of changes in foreign tax rates on deferred tax balances	(8.1)	(13.3)
Foreign tax rate adjustment due to differences in rates between Australia and Other Countries	15.9	(0.3)
Other	(5.2)	(7.8)
Income tax expense reported in the Combined Income Statement	**74.4**	**169.0**

14 Taxes (Continued)

(iii) Recognised tax assets and liabilities

	2022 Current income tax $m	2022 Deferred income tax $m	2021 Current income tax $m	2021 Deferred income tax $m
As at 1 July	**(5.8)**	**249.5**	**(8.6)**	**231.1**
(Charged)/credited to income	(143.8)	69.4	(191.1)	22.1
(Charged)/credited to equity	-	17.0	-	(5.0)
Payments	168.1	-	193.9	-
Exchange differences	(0.2)	(3.8)	-	1.3
Acquisitions and disposals of subsidiary	(5.1)	(104.8)	-	-
As at 30 June	**13.2**	**227.3**	**(5.8)**	**249.5**

	Statement of Financial Position	
	2022 $m	2021 $m
Amounts recognised in the Statement of Financial Position for Deferred Income Tax at 30 June:		
Deferred tax liabilities		
Inventory	(21.0)	(20.5)
Deferred revenue	(17.3)	(17.4)
Depreciable assets	(85.7)	(17.8)
Other provisions and lease liabilities	(56.0)	(13.3)
Gross deferred tax liabilities	(180.0)	(69.0)
Set-off of deferred tax assets	67.4	54.3
Net deferred tax liabilities	**(112.6)**	**(14.7)**
Deferred tax assets		
Employee provisions	132.6	132.7
Other provisions and lease liabilities	229.0	172.1
Unearned income	10.6	6.6
Losses	35.1	5.0
Derivatives	-	2.1
Gross deferred tax assets	407.3	318.5
Set-off of deferred tax liabilities	(67.4)	(54.3)
Net deferred tax assets	**339.9**	**264.2**

(iv) Tax consolidation

Ramsay Health Care Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group effective 1 July 2003. Ramsay Health Care Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax funding and sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries using a group allocation method on a modified standalone basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

TAX EFFECT ACCOUNTING BY MEMBERS OF THE TAX CONSOLIDATED GROUP

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes using a group allocation method, on a modified standalone basis in accordance with the principles of *IAS 12/AASB 112 Income Taxes*. Allocations under the tax funding agreement are made every six months.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company. There is no difference between the current and deferred tax amounts allocated under the tax funding agreement and the amount subsequently charged to the subsidiary. Therefore, there is no contribution/distribution of the subsidiaries' equity accounts.

TAX LOSSES

At 30 June 2022, there were nil (2021: nil) losses carried forward and therefore no resulting deferred tax asset has been recognised.

14 Taxes (Continued)

Accounting Policies

INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

OTHER TAXES

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Key Accounting Judgements, Estimates and Assumptions

In determining the Group's deferred tax assets and liabilities, management is required to make an estimate about the availability of future taxable profits and cash flows. Changes in circumstances will alter expectations, which may impact the amount of tax losses and temporary differences recognised.

15 Other assets/liabilities (net)

	Note	2022 $m	2021 $m
Prepayments – current and non-current		89.8	54.1
Other assets – current	15.a	7.7	1,964.1
Other financial assets – non-current		30.1	14.8
Investments in joint venture	15.b	238.1	217.5
Other investments	15.c	731.0	776.4
Other receivables – non-current	8.a	7.1	7.8
Provisions – current and non-current	15.d	(213.4)	(210.1)
Other creditors – non-current		(11.7)	(10.2)
		878.7	2,814.4

15.a Other current assets

Other current assets relate to non-trade amounts owned by the Group which are due or receivable within 12 months.

	2022 $m	2021 $m
Business combination amounts held in escrow	-	1,958.1
Other current assets	7.7	6.0
Total	**7.7**	**1,964.1**

The business combination amounts held in escrow, as at 30 June 2021, were governed by the escrow agreement between Ramsay and third parties for the Spire Healthcare Group PLC (**Spire**) acquisition.

The proposed Spire acquisition did not proceed and as a result, the amounts held in escrow of $1,958.1 million at 30 June 2021 were released and used to pay down loans and borrowings of the Group.

15 Other assets/liabilities (net) (Continued)

15.b Investments in joint venture

A joint venture (**JV**) is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Group has a 50% interest in Ramsay Sime Darby Health Care Sdn Bhd (**RSDH**) (Malaysia registered company) and a 50% interest in Ascension Ramsay Global Sourcing Limited (UK registered company).

The Group has a 50% interest in RSDH, a joint venture involved in operating hospitals and day surgery facilities across Malaysia, Indonesia and Hong Kong, and a 50% interest in Ascension Ramsay Global Sourcing Limited. The Group's interest in joint venture is accounted for using the equity method in the combined financial statements.

	2022 $m	2021 $m
As at 1 July	**217.5**	**245.8**
Share of profit of joint venture	15.5	10.9
Dividend income received	-	(24.9)
Foreign currency translation and other equity movements	5.1	(14.3)
As at 30 June	**238.1**	**217.5**

Accounting Policies

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in a joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Income Statement reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Income Statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of joint venture' in the Income Statement.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

15 Other assets/liabilities (net) (Continued)

15.c Other Investments

The details of investments are as follows:

	2022 $m	2021 $m
Ramsay Sante SA	731.0	776.4

	Principal place of business	Country of incorporation	Proportion of ownership 2022	Proportion of ownership 2021
Ramsay Sante SA	France	France	52.80%	52.50%

The Investment in Ramsay Sante SA is held directly by Ramsay Health Care (UK) Limited. The investment was settled in EUR and GBP and carried at historical cost in GBP, which is the functional currency of the direct holding company.

15.d Provisions

A provision is a liability with uncertain timing and amount, but the expected settlement amount can be reliably estimated by the Group. The main provisions held are in relation to insurance, restructuring, legal obligations, unfavourable contracts and employee benefits.

	2022 $m	2021 $m
Current		
Restructuring provision	5.4	-
Insurance provision	18.3	19.3
Legal and compliance provision	60.8	65.7
Other provisions	7.8	4.1
	92.3	**89.1**
Non-current		
Employee and Director entitlements	39.7	42.3
Insurance provision	67.7	71.3
Other provisions	13.7	7.4
	121.1	**121.0**
Total	**213.4**	**210.1**

Movements in provisions

	Restructuring $m	Insurance $m	Legal and Compliance $m	Other Provisions $m	Total $m
As at 1 July 2021	**-**	**90.6**	**65.7**	**11.5**	**167.8**
Business combinations	5.4	-	1.3	-	6.7
Arising during the year	0.5	10.4	32.8	60.3	104.0
Utilised during the year	(0.3)	(7.6)	(34.0)	(50.3)	(92.2)
Unused amounts reversed	-	(7.0)	(4.8)	-	(11.8)
Exchange differences	(0.2)	(0.4)	(0.2)	-	(0.8)
As at 30 June 2022	**5.4**	**86.0**	**60.8**	**21.5**	**173.7**
Current 2022	5.4	18.3	60.8	7.8	92.3
Non-current 2022	-	67.7	-	13.7	81.4
	5.4	**86.0**	**60.8**	**21.5**	**173.7**
Current 2021	-	19.3	65.7	4.1	89.1
Non-current 2021	-	71.3	-	7.4	78.7
	-	**90.6**	**65.7**	**11.5**	**167.8**

15 Other assets/liabilities (net) (Continued)

Nature and timing of provisions

RESTRUCTURING PROVISION

The restructuring provision primarily relates to:

- the restructuring of the Group subsequent to acquisitions. Provisions are made in the year the restructuring plans are drawn up and announced to employees; and
- restructuring of entities with the Group.

INSURANCE PROVISION

Insurance policies are entered into to cover the various insurable risks. These policies have varying levels of deductibles. The medical malpractice provision is made to cover deductibles arising under the Medical Malpractice Insurance policy, including potential uninsured and 'Incurred but not Reported' claims.

EMPLOYEE LEAVE BENEFITS

Wages, salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in 'Trade and other creditors' in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

LEGAL AND COMPLIANCE PROVISION

The legal and compliance provision primarily relates to amounts provided for litigation that is currently in the court process or a matter under review by a relevant authority.

Accounting Policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Key Accounting Judgements, Estimates and Assumptions

The insurance provision is actuarially assessed at each reporting period using a probability of sufficiency between 80% - 95% based on differing exposures to risk. The greatest uncertainty in estimating the provision is the costs that will ultimately be incurred which is estimated using historical claims, market information and other actuarial assessments. Included in the insurance provision is an amount for claiming handling expenses at between 5%-10% of the estimated Ramsay claim cost.

15.e Superannuation commitments

The Group contributes to industry and individual superannuation funds established for the provision of benefits to employees of entities within the economic entity on retirement, death or disability. Benefits provided under these plans are based on contributions for each employee and for retirement are equivalent to accumulated contributions and earnings. All death and disability benefits are insured with various life insurance companies. The entity contributes to the funds at various agreed contribution levels, which are not less than the statutory minimum.

IV Risk Management

This section discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

16 Financial risk management

This note provides a summary of the Group's exposure to key financial risks, including interest rate, foreign currency, credit and liquidity risks, along with the Group's policies and strategies to mitigate these risks. There have been no material changes to our risk management policies since 1 July 2021.

Primary responsibility for identification and control of financial risks rests with the Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, cash and short-term deposits, derivatives, and other financial assets.

The Group manages its exposure to key financial risks, including market risk (interest rate and foreign currency risk), credit risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Group enters into derivative transactions, principally interest rate swap contracts and foreign exchange forward contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Group has entered into Syndicated Facility Agreements with its Banks. The Syndicated Facility Agreements are with prime financial institutions. By entering into Syndicated Facility Agreements with a number of financial institutions in addition to Bilateral Facility Agreements, the Group has reduced its counterparty risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The level of debt is disclosed in Note 7.b.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges:

	2022 $m	2021 $m
Financial Assets		
Cash and cash equivalents	112.9	42.9
Business combination amounts held in escrow	-	1,958.1
	112.9	2,001.0
Financial Liabilities		
Bank Loans	(1,738.2)	(2,290.4)
Net exposure	(1,625.3)	(289.4)

Interest rate derivatives contracts are outlined in Note 7.d, with a net positive fair value of $38.1 million (2021: negative $7.1 million) which are exposed to fair value movements if interest rates change.

16 Financial risk management (Continued)

Interest rate sensitivity

The following sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the end of the reporting period, as specified in the following table, if the interest rates had been higher or lower than the year end rates and all other variables were held constant, the combined entity's post tax profit and Other Comprehensive Income would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2022 $m	2021 $m	2022 $m	2021 $m
AUD				
+100 basis points (2021: +60 basis points)	(8.7)	(3.5)	11.8	1.4
-100 basis points (2021: -60 basis points)	8.7	3.5	(12.2)	(1.1)
GBP				
+100 basis points (2021: +50 basis points)	0.5	2.2	-[1]	-[1]
-100 basis points (2021: -50 basis points)	(0.5)	(2.2)	-[1]	-[1]
EUR				
+20 basis points (2021: +30 basis points)	(0.7)	1.6	-[1]	-[1]
-20 basis points (2021: -30 basis points)	0.7	(1.6)	-[1]	-[1]

1 There were no outstanding interest rate derivative contracts which have been designated as effective hedges at the year end.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the interest rate volatility observed during the relevant financial year. The change in sensitivity applied for 2022, versus 2021, is due to the change in interest rate volatilities applicable to 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the functional currency).

The Group manages its foreign exchange rate exposure within approved policy parameters by utilising foreign currency swaps and forwards.

When a derivative is entered into for the purpose of being a hedging instrument, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in GBP, Euro and MYR exchange rates, with all other variables held constant. The impact on the Group's post tax profit is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2022 $m	2021 $m	2022 $m	2021 $m
British Pound (GBP)				
+20% (2021: +15%)	-	(0.1)	-	(55.2)
-20% (2021: -15%)	-	0.1	-	74.6

The movement in the post-tax profit amounts is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in foreign currencies, where the functional currency of the entity is a currency other than the above currencies. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

16 Financial risk management (Continued)

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, derivative instruments and other financial instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

Trade receivables

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The majority of transactions are with the Governments and Health Funds.

The Group's credit policy requires all debtors to pay in accordance with agreed terms. The payment terms for the major debtors range from 15 days to 30 days.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised based on expected credit loss where the Group measures the impairment using a lifetime expected loss allowance for all trade receivables. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered in default. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

The Group's credit risk is spread across a number of Health Funds and Governments. Whilst the Group does have significant credit risk exposure to a single debtor or group of related debtors, the credit quality of these debtors is considered high, as they are either Health Funds, governed by the prudential requirements of APRA, or Governments.

The credit quality of financial assets that are neither past due nor impaired is considered to be high, due to the absence of defaults, and the fact that the Group deals with creditworthy Health Funds and the Governments. Management has also put in place procedures to constantly monitor the exposures in order to manage its credit risk.

Financial instruments and cash deposits

Credit risks related to balances with banks and financial institutions are managed by Ramsay Group Treasury in accordance with Board approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions with a minimum long-term credit rating of A- or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The investment of surplus funds is made only with approved counterparties and within credit risk in relation to derivatives undertaken in accordance with the combined entity's hedging and risk management activities.

The Group does not hold any credit derivatives to off-set its credit risk exposure. The Group's maximum exposure for financial derivative instruments is noted in the liquidity table below.

16 Financial risk management (Continued)

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds and leases.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, Ramsay has established management reporting covering its worldwide business units that reflects expectations of management's expected settlement of financial assets and liabilities.

The Group continually reviews its liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	> 5 years $m	Total $m
As at 30 June 2022					
Trade and other liabilities	(926.1)	-	-	-	(926.1)
Loans and borrowings	(14.5)	(74.6)	(2,238.8)	-	(2,327.9)
Lease liabilities	(47.3)	(142.0)	(757.9)	(4,376.5)	(5,323.7)
Financial derivatives[1]	-	-	-	-	-
	(987.9)	(216.6)	(2,996.7)	(4,376.5)	(8,577.7)
As at 30 June 2021					
Trade and other liabilities	(1,081.8)	-	-	-	(1,081.8)
Loans and borrowings	(9.0)	(27.8)	(2,508.0)	(208.4)	(2,753.2)
Lease liabilities	(44.1)	(132.2)	(715.3)	(3,128.6)	(4,020.2)
Financial derivatives	(0.7)	(2.1)	(4.4)	-	(7.2)
	(1,135.6)	(162.1)	(3,227.7)	(3,337.0)	(7,862.4)

1 Derivatives in the current financial year are a financial asset based on current market rates. Hence they are not included in the liquidity risk table above.

The disclosed financial derivative instruments in the above table are the net undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding reconciliation of those amounts to their carrying amounts.

	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	> 5 years $m	Total $m
As at 30 June 2022[1]					
Inflows	-	-	-	-	-
Outflows	-	-	-	-	-
Net	-	-	-	-	-
Discounted at the applicable interbank rates	-	-	-	-	-
As at 30 June 2021					
Inflows	-	0.1	1.5	-	1.6
Outflows	(0.7)	(2.2)	(5.9)	-	(8.8)
Net	(0.7)	(2.1)	(4.4)	-	(7.2)
Discounted at the applicable interbank rates	(0.6)	(2.1)	(4.4)	-	(7.1)

1 Derivatives in the current financial year are a financial asset based on current market rates. Hence they are not included in the liquidity risk table above.

V Other Information

This section includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

17 Share based payment plans

A share based payment is a transaction in which the Group receives goods or services in exchange for rights to its own shares. Ramsay operates a performance rights scheme, where share rights may be issued to eligible employees.

An executive performance rights scheme was established in January 2004 where Ramsay Health Care Limited may, at the discretion of the Board, grant rights over the ordinary shares of Ramsay Health Care Limited to executives of the combined entity. The rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited. The rights cannot be transferred and will not be quoted on the ASX. Non-executive directors are not eligible for this plan.

Information with respect to the number of rights granted under the Executive Performance Rights Plan is as follows:

	2022		2021	
	Number of Rights	Weighted Average Fair Value	Number of Rights	Weighted Average Fair Value
Balance at beginning of year	1,044,337		1,277,546	
granted	220,614	$53.30	246,907	$43.30
vested	(29,042)	$66.22	(7,505)	$68.22
forfeited	(602,745)	$40.30	(472,611)	$56.17
Balance at end of year	633,164		1,044,337	
Exercisable at end of year	-		-	

The following table summarises information about rights held by participants in the Executive Performance Rights Plan as at 30 June 2022:

Number of Rights	Grant Date	Vesting Date[1]	Weighted Average Fair Value[2]
99,934	15-Nov-19	31-Aug-22	$33.36
102,161	15-Nov-19	31-Aug-22	$68.62
7,687	20-Apr-20	20-Apr-23	$65.05
104,212	15-Dec-20	31-Aug-23	$27.14
104,227	15-Dec-20	31-Aug-23	$59.45
107,471	15-Dec-21	31-Aug-24	$42.05
107,472	15-Dec-21	31-Aug-24	$64.55
633,164			

1 The vesting date shown is the most likely vesting date subject to full satisfaction of the respective performance conditions
2 Fair value at grant date

17 Share based payment plans (Continued)

Accounting Policies

The Group provides benefits to employees (including Executive Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (**equity-settled transactions**).

There is currently one plan in place to provide these benefits, being the Executive Performance Rights Plan (Equity-settled transactions), which provides benefits to senior executives and Directors.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they were granted. The fair value is determined by an external valuer using the Monte Carlo or the Black Scholes models.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ramsay Health Care Limited (**market conditions**).

EQUITY-SETTLED TRANSACTIONS

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity (Share Based Payment Reserve), over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**vesting date**).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- The extent to which the vesting period has expired and
- The number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

TREASURY SHARES

Shares in the Group held by the Executive Performance Rights Plan are classified and disclosed as Treasury shares and deducted from equity.

Key Accounting Judgements, Estimates and Assumptions

Performance rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited.

The fair value of share rights with TSR performance conditions (market based conditions) are estimated on the date of grant using a Monte Carlo model. The fair value of share rights with non-market performance conditions are estimated at the date of grant using the Black Scholes Option Pricing model. The following weighted average assumptions were used for grants made on 15 November 2019, 15 December 2020 and 15 December 2021:

	Granted 15-Dec-21	Granted 15-Dec-20	Granted 15-Nov-19
Dividend yield	2.21%	2.40%	2.31%
Expected volatility	29.56%	30.32%	22.50%
Risk-free interest rate	0.86%	0.10%	0.75%
Effective life of incentive right	3 years	3 years	3 years

The expected volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The expected life of the rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

18 Capital commitments and contingent liabilities

Capital commitments are the Group's contractual obligation to make future payments in relation to purchases of assets.

Contingent liabilities are possible future cash payments arising from past events that are not recognised in the financial statements, as the likelihood of payment is not considered probable or cannot be reliably measured.

18.a Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2022 $m	2021 $m
Property, plant and equipment	298.8	58.1

18.b Contingent liabilities

The Group has a number of bank guarantees to third parties for various operational and legal purposes, none of which are individually material to the Group. No provision has been made in the financial statements in respect of these bank guarantees, as the probability of having to make a payment under these guarantees is considered remote.

The only material guarantee is for workers compensation self-insurance liabilities as required by State WorkCover authorities for $42.9 million as at 30 June 2022 (2021: $31.5 million). No provision has been recognised in the financial statements for these contingent liabilities. However a provision for self-insured risks relating to workers compensation claims in 'Other provisions' has been provided for (Refer Note 15.d).

19 Subsequent events

This note outlines events which have occurred between the reporting date, being 30 June 2022, and the date this report is signed.

There have been no significant events after the reporting date that may significantly affect the Group’s operations in future years, the results of these operations in future years or the Group’s state of affairs in future years.

20 Related party transactions

This note discloses the Group's transactions with its related parties, including their relatives or related businesses.

Transactions with Related Party Entities

As at 30 June 2022 there were no outstanding transactions (2021: $nil) to be billed to or billed from related party entities.

Compensation of Key Management Personnel

	2022 $	2021 $
Non-Executive Directors		
Short term benefits	2,264,421	2,287,212
Post-employment benefits	170,945	153,526
	2,435,366	2,440,738
Executive Directors		
Short term benefits	3,013,110	3,256,881
Post-employment benefits	23,568	21,694
Other long term benefits	543,582	321,157
Performance/Incentive rights	2,107,511	1,456,965
	5,687,771	5,056,697
Executives		
Short term benefits	1,431,432	1,854,055
Post-employment benefits	23,568	27,117
Other long term benefits	259,548	162,660
Performance/Incentive rights	827,897	941,055
	2,542,445	2,984,887
Total		
Short term benefits	6,708,963	7,398,148
Post-employment benefits	218,081	202,337
Other long term benefits	803,130	483,817
Performance/Incentive rights	2,935,408	2,398,020
	10,665,582	10,482,322

21 Auditors' remuneration

This note summarises the total remuneration received or receivable by the Group's external auditors for their audit, assurance and other services.

	2022 $	2021 $
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the combined group	2,569,495	2,199,656
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	280,000	-
Other services in relation to the entity and any other entity in the combined group		
Tax compliance	210,978	557,709
Assurance related	10,000	-
Advisory services	-	2,134,941
	3,070,473	4,892,306
Amounts received or due and receivable by overseas member firms of Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the combined group	663,373	588,460
Other services in relation to the entity and any other entity in the combined group		
Tax compliance	42,472	55,458
	705,845	643,918
Total	3,776,318	5,536,224
The total fees paid to Ernst & Young member firms by service type are:		
Audit Services	3,232,868	2,788,116
Non-audit Services	543,450	2,748,108
Total	3,776,318	5,536,224

22 Information relating to entities in the Funding Group

This note provides a list of all the material entities in the Funding Group and all the material entities that are guarantors of the Funding Group as at the reporting date. Certain dormant and immaterial subsidiaries have not been included.

Name	Country of Incorporation	% Equity Interest		Guarantor	
		2022	2021	2022	2021
Ramsay Health Care Limited	Australia	Parent	Parent	Yes	Yes
Adelaide Clinic Holdings Pty Limited	Australia	100%	100%	Yes	Yes
Affinity Health (FP) Pty Limited	Australia	100%	100%	Yes	Yes
Affinity Health Finance Australia Pty Limited	Australia	100%	100%	No	No
Affinity Health Foundation Pty Limited	Australia	100%	100%	No	No
Affinity Health Holdings Australia Pty Limited	Australia	100%	100%	No	No
Affinity Health Holdings Indonesia Pty Limited	Australia	100%	100%	No	No
Affinity Health Pty Limited	Australia	100%	100%	Yes	Yes
AH Holdings Health Care Pty Limited	Australia	100%	100%	Yes	Yes
AHC Foundation Pty Limited	Australia	100%	100%	No	No
AHC Tilbox Pty Limited	Australia	100%	100%	No	No
AHH Holdings Health Care Pty Limited	Australia	100%	100%	Yes	Yes
Alpha Healthcare Pty Limited	Australia	100%	100%	Yes	Yes
Alpha Pacific Hospitals Pty Limited	Australia	100%	100%	Yes	Yes
Alpha Westmead Private Hospital Pty Limited	Australia	100%	100%	Yes	Yes
AME Hospitals Pty Limited	Australia	100%	100%	Yes	Yes
AME Properties Pty Limited	Australia	100%	100%	Yes	Yes
AME Superannuation Pty Limited	Australia	100%	100%	No	No
AMNL Pty Limited	Australia	100%	100%	No	No
APL Hospital Holdings Pty Limited	Australia	100%	100%	Yes	Yes
Armidale Hospital Pty Limited	Australia	100%	100%	Yes	Yes
Attadale Hospital Property Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care (Allamanda) Pty Limited	Australia	100%	100%	No	No
Australian Hospital Care (Latrobe) Pty Limited	Australia	100%	100%	No	No
Australian Hospital Care (Masada) Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care (MPH) Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care (MSH) Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care (Pindara) Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care (The Avenue) Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care 1988 Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care Investments Pty Limited	Australia	100%	100%	No	No
Australian Hospital Care Pty Limited	Australia	100%	100%	Yes	Yes
Australian Hospital Care Retirement Plan Pty Limited	Australia	100%	100%	No	No
Australian Medical Enterprises Pty Limited	Australia	100%	100%	Yes	Yes
Beleura Properties Pty Limited	Australia	100%	100%	No	No
Benchmark – Beleura Pty Limited	Australia	100%	100%	Yes	Yes
Benchmark – Donvale Pty Limited	Australia	100%	100%	No	No
Benchmark – Peninsula Pty Limited	Australia	100%	100%	Yes	Yes
Benchmark – Surrey Pty Limited	Australia	100%	100%	Yes	Yes
Benchmark – Windermere Pty Limited	Australia	100%	100%	No	No
Benchmark Healthcare Holdings Pty Limited	Australia	100%	100%	Yes	Yes
Benchmark Healthcare Pty Limited	Australia	100%	100%	Yes	Yes
Bowral Management Company Pty Limited	Australia	100%	100%	Yes	Yes

22 Information relating to entities in the Funding Group (Continued)

Name	Country of Incorporation	% Equity Interest		Guarantor	
		2022	2021	2022	2021
C&P Hospitals Holdings Pty Limited	Australia	100%	100%	Yes	Yes
C.R.P.H Pty Limited	Australia	100%	100%	No	No
Caboolture Hospital Pty Limited	Australia	100%	100%	Yes	Yes
Dabuvu Pty Limited	Australia	100%	100%	No	No
Dandenong Valley Private Hospital Pty Limited	Australia	100%	100%	No	No
Donvale Private Hospital Pty Limited	Australia	100%	100%	Yes	Yes
eHealth Technologies Pty Limited	Australia	100%	100%	No	No
eHospital Pty Limited	Australia	100%	100%	No	No
Glenferrie Private Hospital Pty Limited	Australia	100%	100%	Yes	Yes
Glengarry Hospital Property Pty Limited	Australia	100%	100%	Yes	Yes
Hadassah Pty Limited	Australia	100%	100%	Yes	Yes
Hallcraft Pty Limited	Australia	100%	100%	No	No
HCA Management Pty Limited	Australia	100%	100%	Yes	Yes
HCoA Hospital Holdings (Australia) Pty Limited	Australia	100%	100%	Yes	Yes
HCoA Operations (Australia) Pty Limited	Australia	100%	100%	Yes	Yes
Health Care Corporation Pty Limited	Australia	100%	100%	Yes	Yes
Health Technologies Pty Limited	Australia	100%	100%	No	No
Herglen Pty Limited	Australia	100%	100%	Yes	Yes
HOAIF Pty Limited	Australia	100%	100%	No	No
Hospital Affiliates of Australia Pty Limited	Australia	100%	100%	No	No
Hospital Corporation Australia Pty Limited	Australia	100%	100%	Yes	Yes
Hospital Developments Pty Limited	Australia	100%	100%	No	No
Hospitals of Australia Pty Limited	Australia	100%	100%	No	No
Illawarra Private Hospital Holdings Pty Limited	Australia	100%	100%	No	No
Jamison Private Hospital Property Pty Limited	Australia	100%	100%	No	No
Joondalup Health Campus Finance Limited	Australia	100%	100%	Yes	Yes
Joondalup Hospital Pty Limited	Australia	100%	100%	Yes	Yes
Linear Medical Pty Limited	Australia	100%	100%	Yes	Yes
Logan Hospital Pty Limited	Australia	100%	100%	No	No
Malahini Pty Limited	Australia	100%	100%	No	No
Mayne Properties Pty Limited	Australia	100%	100%	No	No
Mt Wilga Pty Limited	Australia	100%	100%	Yes	Yes
New Farm Hospitals Pty Limited	Australia	100%	100%	Yes	Yes
Newco Enterprises Pty Limited	Australia	100%	100%	No	No
Noosa Privatised Hospital Pty Limited	Australia	100%	100%	Yes	Yes
North Shore Private Hospital Pty Limited	Australia	100%	100%	Yes	Yes
Northern Private Hospital Pty Limited	Australia	100%	100%	No	No
P.M.P.H Pty Limited	Australia	100%	100%	No	No
Phiroan Pty Limited	Australia	100%	100%	Yes	Yes
Port Macquarie Hospital Pty Limited	Australia	100%	100%	No	No
Pruinosa Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Aged Care Holdings Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Aged Care Properties Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Centauri Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Diagnostics (No. 1) Pty Limited	Australia	100%	100%	No	No
Ramsay Diagnostics (No. 2) Pty Limited	Australia	100%	100%	No	No
Ramsay Finance Pty Limited	Australia	100%	100%	No	No

22 Information relating to entities in the Funding Group (Continued)

Name	Country of Incorporation	% Equity Interest		Guarantor	
		2022	2021	2022	2021
Ramsay Health Care (Asia Pacific) Pty Limited	Australia	100%	100%	No	No
Ramsay Health Care (South Australia) Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Health Care (Victoria) Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Health Care Australia Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Health Care Investments Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Health Care Services (QLD) Pty Limited	Australia	100%	100%	No	No
Ramsay Health Care Services (VIC) Pty Limited	Australia	100%	100%	No	No
Ramsay Health Care Services (WA) Pty Limited	Australia	100%	100%	No	No
Ramsay Hospital Holdings (Queensland) Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Hospital Holdings Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Pharmacy Retail Services Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Professional Services Pty Limited	Australia	100%	100%	Yes	Yes
Rannes Pty Limited	Australia	100%	100%	Yes	Yes
Rehabilitation Holdings Pty Limited	Australia	100%	100%	No	No
Relkban Pty Limited	Australia	100%	100%	No	No
Relkmet Pty Limited	Australia	100%	100%	Yes	Yes
RHC Ancillary Services Pty Limited	Australia	100%	100%	Yes	Yes
RHC Developments Pty Limited	Australia	100%	100%	Yes	Yes
RHC Nominees Pty Limited	Australia	100%	100%	No	No
Sibdeal Pty Limited	Australia	100%	100%	Yes	Yes
Simpak Services Pty Limited	Australia	100%	100%	No	No
Sydney & Central Coast Linen Services Pty Limited	Australia	100%	100%	No	No
The Benchmark Hospital Group Pty Limited	Australia	100%	100%	Yes	Yes
Tilemo Pty Limited	Australia	100%	100%	No	No
Victoria House Holdings Pty Limited	Australia	100%	100%	No	No
Votraint No. 664 Pty Limited	Australia	100%	100%	No	No
Votraint No. 665 Pty Limited	Australia	100%	100%	No	No
Westmead Medical Supplies Pty Limited	Australia	100%	100%	No	No
Workright Pty Limited	Australia	100%	100%	Yes	Yes
Ramsay Health Care UK Finance Limited	UK	100%	100%	Yes	Yes
Ramsay Health Care (UK) Limited	UK	100%	100%	Yes	Yes
Ramsay Health Care Holdings UK Limited	UK	100%	100%	Yes	Yes
Ramsay Diagnostics UK Limited	UK	100%	100%	Yes	Yes
Independent British Healthcare (Doncaster) Limited	UK	100%	100%	Yes	Yes
Ramsay Health Care UK Operations Limited	UK	100%	100%	Yes	Yes
Ramsay UK Properties Limited	UK	100%	100%	Yes	Yes
Exeter Medical Limited	UK	100%	100%	Yes	Yes
CareProgress Limited	UK	100%	0%	Yes	N/A
Castle Road Homes Limited	UK	100%	0%	Yes	N/A
Celtic Resource Management Ltd	UK	100%	0%	Yes	N/A
Darlington Neurological Care Centre Limited	UK	100%	0%	Yes	N/A
Elysium Care Partnerships Limited	UK	100%	0%	Yes	N/A
Elysium Care Partnerships No.2 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Acorn Care) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (All Saints) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Ann House) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Farndon) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Field House) Limited	UK	100%	0%	Yes	N/A

22 Information relating to entities in the Funding Group (Continued)

Name	Country of Incorporation	% Equity Interest		Guarantor	
		2022	2021	2022	2021
Elysium Healthcare (Gregory House) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Healthlinc) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Lighthouse) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Phoenix) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (St Mary's) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare (Ultimate Care) Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Holdings 1 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Holdings 2 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Holdings 3 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare LC Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare No.2 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare No.3 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare No.4 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare No.5 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare No.6 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 1 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 2 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 3 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 4 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 5 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 6 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 7 Limited	UK	100%	0%	Yes	N/A
Elysium Healthcare Property 8 Limited	UK	100%	0%	Yes	N/A
Elysium Neurological Services (Adderley) Limited	UK	100%	0%	Yes	N/A
Elysium Neurological Services (Badby) Limited	UK	100%	0%	Yes	N/A
Elysium Neurological Services Limited	UK	100%	0%	Yes	N/A
Focus on Care Recruitment Limited	UK	100%	0%	Yes	N/A
Lighthouse Healthcare Group Limited	UK	100%	0%	Yes	N/A
Pendarren Court Ltd	UK	100%	0%	Yes	N/A
Ramsay Elysium Holdings Limited	UK	100%	0%	Yes	N/A
St George Healthcare Limited	UK	100%	0%	Yes	N/A
Stanley House Limited	UK	100%	0%	Yes	N/A
The Chimneys Healthcare Partnership Limited	UK	100%	0%	Yes	N/A
The Chimneys Limited	UK	100%	0%	Yes	N/A
Badby Properties (Darlington) S.à.r.l.	Luxembourg	100%	0%	Yes	N/A
Badby Properties (Middlesbrough) S.à.r.l.	Luxembourg	100%	0%	Yes	N/A
Badby Stoke (Care Homes 2) Property S.à.r.l.	Luxembourg	100%	0%	Yes	N/A
Badby Stoke (Care Homes) Property S.à.r.l.	Luxembourg	100%	0%	Yes	N/A
Sunflower Holding S.à.r.l.	Luxembourg	100%	0%	Yes	N/A
Sunflower Property S.à.r.l.	Luxembourg	100%	0%	Yes	N/A
Elysium Healthcare Group Limited	Guernsey	100%	0%	Yes	N/A

The net assets (excluding related party balances) of the Guarantor entities were $3,772.3 million at 30 June 2022 (30 June 2021: $4,037.1 million).

Ramsay Health Care Funding Group

Combined Financial Report

6 months to 31 December 2022

Ramsay Health Care Funding Group
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Ramsay Health Care

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Building a better working world

Independent auditor's review report to the directors of Ramsay Health Care Limited

Conclusion

We have reviewed the accompanying half-year financial report of Ramsay Health Care Limited ("the Company") and entities that form the Ramsay Health Care Funding Group ("the Funding Group"), which comprises the combined statement of financial position as at 31 December 2022, the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year combined financial report does not present fairly, in all material respects, the Funding Group's financial position as at 31 December 2022 and its financial performance and its cash flows for the half-year ended on that date, in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and Australian Accounting Standard AASB 134 *Interim Financial Reporting* as issued by the Australian Accounting Standards Board (AASB).

Basis for conclusion

We conducted our review in accordance with ISRE 2410 *Review of interim financial information performed by the independent auditor of the entity* (ISRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Funding Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Managements' responsibilities for the half-year financial report

Management is responsible for the preparation and fair presentation of half-year financial report in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* and for such internal control as management determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the Funding Group's financial position as at 31 December 2022 and its financial performance and its cash flows for the half-year ended on that date, in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst and Young

Ernst & Young
Sydney
27 April 2023

2.

Directors' Statement

In accordance with a resolution of the Directors of Ramsay Health Care Limited, we state that:

In the opinion of the Directors:

a. the combined financial statements and notes of the Ramsay Health Care Funding Group
   i. present fairly their financial position as at 31 December 2022 and of their performance for the half year ended on that date; and
   ii. comply with Accounting Standards *IAS 34/AASB 134 Interim Financial Reporting*;

b. there are reasonable grounds to believe that the Funding Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board

M. S. SIDDLE

Chairman
Sydney, 27 April 2023

C.R. McNALLY

Managing Director and Chief Executive Officer

3.

Financial Results

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Combined Income Statement

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Half year ended 31 December 2022 $m	Half year ended 31 December 2021 $m
Revenue from contracts with customers		3,750.7	3,248.0
Interest income		0.2	-
Other income – income from sale of development assets		1.5	-
Total revenue and other income		**3,752.4**	**3,248.0**
Employee benefit and contractor costs		(2,077.3)	(1,699.1)
Occupancy costs		(135.8)	(134.9)
Service costs		(126.5)	(130.7)
Medical consumables and supplies		(910.0)	(873.6)
Depreciation, amortisation and impairment		(174.4)	(168.2)
Cost of development assets sold		(0.9)	-
Total expenses, excluding finance costs		**(3,424.9)**	**(3,006.5)**
Share of profit of joint venture		11.8	8.2
Profit before tax and finance costs		**339.3**	**249.7**
Finance costs		(113.6)	(94.4)
Profit before income tax		**225.7**	**155.3**
Income tax		(68.9)	(45.2)
Net profit after tax for the period		**156.8**	**110.1**
Attributable to non-controlling interests		2.1	1.4
Attributable to owners of the parent		**154.7**	**108.7**
		156.8	**110.1**

		Cents per Share	Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent			
Basic earnings per share (after CARES dividend)	3	65.6	45.7
Diluted earnings per share (after CARES dividend)	3	65.5	45.7

The above Combined Income Statement should be read in conjunction with the accompanying notes.

Combined Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Half year ended	
	31 December 2022 $m	31 December 2021 $m
Net profit after tax for the period	**156.8**	**110.1**
Items that will not be reclassified to net profit		
Actuarial gain on defined employee benefit obligation	0.1	-
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Taken to equity	12.7	8.1
Transferred to Income Statement	(0.9)	1.3
Foreign currency translation	21.0	19.3
Income tax expense relating to these items	(0.8)	(2.8)
Other comprehensive income, net of tax	**32.1**	**25.9**
Total comprehensive income	**188.9**	**136.0**
Attributable to non-controlling interests	2.1	1.4
Attributable to owners of the parent	**186.8**	**134.6**
	188.9	**136.0**

The above Combined Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Combined Statement of Financial Position

AS AT 31 DECEMBER 2022

	Note	As at 31 December 2022 $m	30 June 2022 $m	31 December 2021 $m
ASSETS				
Current assets				
Cash and cash equivalents		82.7	112.9	57.1
Trade and other receivables	8	940.7	926.1	710.2
Receivables from related entities	8	0.3	0.1	1.0
Inventories	8	211.7	208.0	228.6
Derivative financial instruments	7	14.9	11.3	4.6
Income tax receivable		43.0	35.1	0.2
Prepayments		84.7	79.1	65.3
Other current assets		11.5	7.7	7.7
		1,389.5	1,380.3	1,074.7
Assets held for sale		2.3	0.0	0.0
Total current assets		**1,391.8**	**1,380.3**	**1,074.7**
Non-current assets				
Other financial assets		30.3	30.1	27.6
Investment in joint ventures		250.0	238.1	231.8
Other investments		739.1	731.0	800.5
Property, plant and equipment		3,202.6	3,106.5	2,815.8
Right of use assets		1,501.2	1,502.2	1,121.1
Intangible assets		2,822.0	2,754.1	1,536.0
Deferred tax assets		328.5	339.9	292.7
Prepayments		10.7	10.7	10.9
Derivative financial instruments	7	48.8	29.6	4.7
Other receivables		8.3	7.1	8.5
Total non-current assets		**8,941.5**	**8,749.3**	**6,849.6**
TOTAL ASSETS		**10,333.3**	**10,129.6**	**7,924.3**
LIABILITIES				
Current liabilities				
Trade and other creditors	8	1,243.9	1,281.5	1,062.1
Lease liabilities		59.8	57.1	59.0
Derivative financial instruments	7	6.1	0.0	5.1
Provisions		60.4	92.3	77.6
Income tax payables		10.1	21.9	4.4
Total current liabilities		**1,380.3**	**1,452.8**	**1,208.2**
Non-current liabilities				
Loans and borrowings	5, 6	2,698.6	2,498.2	864.9
Lease liabilities		2,219.8	2,208.4	1,847.5
Provisions		122.6	121.1	132.3
Derivative financial instruments	7	0.0	0.0	1.8
Other creditors		11.6	11.7	10.2
Deferred tax liabilities		102.0	112.6	7.5
Total non-current liabilities		**5,154.6**	**4,952.0**	**2,864.2**
TOTAL LIABILITIES		**6,534.9**	**6,404.8**	**4,072.4**
NET ASSETS		**3,798.4**	**3,724.8**	**3,851.9**
EQUITY				
Issued capital		2,197.6	2,197.6	2,197.6
Treasury shares		(69.4)	(72.4)	(72.7)
Convertible Adjustable Rate Equity Securities (CARES)		252.2	252.2	252.2
Other reserves		(70.5)	(101.1)	(17.3)
Retained earnings		1,476.6	1,437.8	1,482.2
Parent interests		**3,786.5**	**3,714.1**	**3,842.0**
Non-controlling interests		**11.9**	**10.7**	**9.9**
TOTAL EQUITY		**3,798.4**	**3,724.8**	**3,851.9**

The above Combined Statement of Financial Position should be read in conjunction with the accompanying notes.

Combined Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Attributable to Equity Holders of the Parent						
	Issued Capital	Treasury Shares	CARES	Other Reserves	Retained Earnings	Non-controlling Interests	Total
	$m	$m	$m	$m	$m	$m	$m
As at 1 July 2022	**2,197.6**	**(72.4)**	**252.2**	**(101.1)**	**1,437.8**	**10.7**	**3,724.8**
Total Comprehensive Income	-	-	-	32.1	154.7	2.1	188.9
Dividends paid	-	-	-	-	(115.9)	(0.9)	(116.8)
Treasury shares vesting to employees	-	3.0	-	(3.0)	-	-	-
Share based payment expense for employees	-	-	-	1.5	-	-	1.5
As at 31 December 2022	**2,197.6**	**(69.4)**	**252.2**	**(70.5)**	**1,476.6**	**11.9**	**3,798.4**
As at 1 July 2021	**2,197.6**	**(76.7)**	**252.2**	**(41.3)**	**1,613.7**	**8.5**	**3,954.0**
Total Comprehensive Income	-	-	-	25.9	108.7	1.4	136.0
Dividends paid	-	-	-	-	(240.2)	-	(240.2)
Treasury shares vesting to employees	-	4.0	-	(4.0)	-	-	-
Share based payment expense for employees	-	-	-	2.1	-	-	2.1
As at 31 December 2021	**2,197.6**	**(72.7)**	**252.2**	**(17.3)**	**1,482.2**	**9.9**	**3,851.9**

The above Combined Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Combined Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Half year ended 31 December 2022 $m	Half year ended 31 December 2021 $m
Cash flows from operating activities			
Receipts from customers		3,697.4	3,307.6
Payments to suppliers and employees		(3,253.6)	(2,878.7)
Income tax paid		(103.2)	(90.9)
Lease finance costs		(65.5)	(62.3)
Other finance costs		(46.2)	(30.4)
Net cash flows from operating activities		**228.9**	**245.3**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(228.2)	(177.9)
Proceeds from sale of businesses and other non-current assets		0.2	-
Interest and dividends received		1.3	0.2
Business combinations, net of cash received		(66.7)	-
Business combination consideration returned from escrow		-	1,967.8[1]
Acquisition of investments		-	(22.6)
Net cash flows (used in)/from investing activities		**(293.4)**	**1,767.5**
Cash flows from financing activities			
Dividends paid to equity holders of the parent	2	(115.9)	(240.2)
Dividends paid to non-controlling interests		(0.9)	-
Repayment of lease principal		(30.3)	(27.7)
Payment of refinancing costs		(1.5)	(0.1)
Payment to related parties		(0.2)	(0.1)
Proceeds from borrowings		1,018.8	1,663.0
Repayment of borrowings		(835.1)	(3,393.3)
Net cash flows from/(used in) financing activities		**34.9**	**(1,998.4)**
Net (decrease)/increase in cash and cash equivalents		(29.6)	14.4
Net foreign exchange differences on cash held		(0.6)	(0.2)
Cash and cash equivalents at the beginning of period		112.9	42.9
Cash and cash equivalents at the end of period		**82.7**	**57.1**

1 *$2 billion relates to the business combination amounts held in escrow for the Spire acquisition at 30 June 2021. The proposed Spire acquisition did not proceed and as a result the amounts released were used to pay down bank loans of the Group.*

The above Combined Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Overview

This section sets out the basis on which the Ramsay Funding Group's financial report is prepared as a whole.

Ramsay Health Care Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report of Ramsay Health Care Limited (**the Company,** or **the Parent**) and entities in the Funding Group (together, **the Funding Group**, or **the Group**) for the half year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 27 April 2023.

a Funding Group information

The purpose of these combined financial statements is to provide financial statements prepared on a combined basis, of entities in the Funding Group. The entities in the Funding Group are listed in note 22 in the latest annual Combined Financial Report as at 30 June 2022. The entities that have been added to the Funding Group after 30 June 2022 and that are material, are included in note 9.

b Basis of preparation

The combined financial statements aggregate the financial statements of Ramsay Health Care Limited and entities in the Funding Group. The Funding Group include all controlled entities (wholly owned and partially owned) that are consolidated by Ramsay Health Care Limited, with the exception of Ramsay Santé SA and its controlled entities (**Ramsay Santé Group**). The investment in the Ramsay Santé Group is included at cost within Other Investments. The financial statements are required to be prepared on this basis in order to present the financial information of the Funding Group for the purposes of the Australian Medium Term Note (**AMTN**) Programme and the Euro Medium Term Note (**EMTN**) Programme.

This financial report:

- has been prepared in accordance with International Accounting Standards and Australian Accounting Standards, including *IAS 34/AASB 134 Interim Financial Reporting* and other authoritative pronouncements of the International Accounting Standards Board (**IASB**) and the Australian Accounting Standards Board (**AASB**). It does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the combined Funding Group as the full financial report;
- has been prepared on the basis of historical cost, except for derivative financial instruments;
- should be read in conjunction with the annual combined financial report of Ramsay Funding Group as at 30 June 2022, together with any public announcements made by Ramsay Health Care Limited and its controlled entities during the half year ended 31 December 2022;
- presents reclassified comparative information where necessary to conform to changes in presentation in the current half year;
- presents all values as rounded to the nearest hundred thousand dollars, unless otherwise stated.

c New and amended accounting standards and interpretations, effective 1 July 2022

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the IASB/AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2022, all of which did not have a material impact on the financial statements:

- *Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards/AASB 2020-3 Amendment to AASB 1 First-time Adoption of Australian Accounting Standards – Subsidiary as a First-time Adopter*
- *Amendments to IFRS 3/AASB 2020-3 Amendments to AASB 3 Business Combinations – Reference to the Conceptual Framework*
- *Amendment to IFRS 9/AASB 2020-3 Amendment to AASB 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
- *Amendments to IAS 16/AASB 2020-3 Amendments to AASB 116 Property, Plant and Equipment – Proceeds before Intended Use*
- *Amendments to IAS 37/AASB 2020-3 Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

d Accounting standards and interpretations issued but not yet effective

New and amended standards and interpretations issued by the IASB/AASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. The Group does not early adopt any Australian Accounting Standards and Interpretations issued or amended but are not yet effective.

I Results for the Half Year

This section provides additional information on the Funding Group results for the half year, including further detail on results by segment, revenue, earnings per share and dividends.

1 Segment information

Identification of reportable segments

The Funding Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based primarily on the country in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing currencies and differing health care systems in the respective countries. The Group has two reportable operating segments being Asia Pacific and the UK.

Discrete financial information about each of these operating businesses is reported to the Managing Director on at least a monthly basis.

Types of services

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

Accounting policies and inter-segment transactions

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on combination.

The accounting policies used by the Group in reporting segments are the same as those contained throughout the accounts and in prior periods.

Assets and liabilities by segment

	Asia Pacific $m	UK $m	Adjustments & Eliminations $m[1]	Total $m
As at 31 December 2022				
Assets & liabilities				
Segment assets	8,129.9	4,902.5	(2,699.1)	10,333.3
Segment liabilities	(4,015.4)	(4,593.0)	2,073.5	(6,534.9)
As at 30 June 2022				
Assets & liabilities				
Segment assets	7,838.1	4,828.8	(2,537.3)	10,129.6
Segment liabilities	(3,847.5)	(4,469.0)	1,911.7	(6,404.8)

1 Adjustments and eliminations consist of investments in subsidiaries and intercompany balances, which are eliminated on combination.

Segment revenue reconciliation to Income Statement

	Half year ended	
	31 December 2022 $m	31 December 2021 $m
Total segment revenue and other income	3,756.6	3,252.2
Intersegment revenue elimination	(4.4)	(4.2)
Interest income	0.2	-
Total revenue and other income	**3,752.4**	**3,248.0**

1 Segment information (Continued)

Profit or loss by segment

	Asia Pacific $m	UK $m	Total $m
Half year ended 31 December 2022			
Revenue from contracts with customers	2,840.5	910.2	3,750.7
Other income – income from sale of development assets	1.5	-	1.5
Total revenue and other income before intersegment revenue	2,842.0	910.2	3,752.2
Intersegment revenue	4.4	-	4.4
Total segment revenue and other income	**2,846.4**	**910.2**	**3,756.6**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**431.4**	**89.1**	**520.5**
Rent[2]	(5.6)	(1.4)	(7.0)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**425.8**	**87.7**	**513.5**
Depreciation, amortisation and impairment	(118.8)	(55.6)	(174.4)
Earnings before interest and tax (EBIT)[4]	**307.0**	**32.1**	**339.1**
Net finance costs			(113.4)
Income tax expense			(68.9)
Net profit after tax			**156.8**
Attributable to non-controlling interests			(2.1)
Net profit attributable to owners of the parent			**154.7**
Half year ended 31 December 2021			
Revenue from contracts with customers	2,735.1	512.9	3,248.0
Total revenue and other income before intersegment revenue	2,735.1	512.9	3,248.0
Intersegment revenue	4.2	-	4.2
Total segment revenue and other income	**2,739.3**	**512.9**	**3,252.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**414.2**	**10.3**	**424.5**
Rent[2]	(6.2)	(0.4)	(6.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**408.0**	**9.9**	**417.9**
Depreciation, amortisation and impairment	(122.6)	(45.6)	(168.2)
Earnings before interest and tax (EBIT)[4]	**285.4**	**(35.7)**	**249.7**
Net finance costs			(94.4)
Income tax expense			(45.2)
Net profit after tax			**110.1**
Attributable to non-controlling interests			(1.4)
Net profit attributable to owners of the parent			**108.7**

1 "EBITDAR" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation, impairment and rent.
2 Rent includes rental costs of short term or low value assets together with any related rent costs, including rent related taxes that could not be capitalised as part of lease liabilities.
3 "EBITDA" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation and impairment.
4 "EBIT" is a non-statutory profit measure and represents profit before interest and tax.

2 Dividends

	Parent Entity Half year ended 31 December 2022 $m	Parent Entity Half year ended 31 December 2021 $m
(i) Dividends determined and paid during the period on ordinary shares:		
Previous year final dividend paid		
Franked dividends – ordinary		
(48.5 cents per share) (31 December 2021: 103.0 cents per share)	110.6	235.7
(ii) Dividends proposed and not recognised as a liability on ordinary shares:		
Current year interim dividend proposed		
Franked dividends – ordinary		
(50.0 cents per share) (31 December 2021: 48.5 cents per share)	114.1	111.0
(iii) Dividends determined and paid during the period on CARES:		
Previous year final dividend paid		
Franked dividends – CARES	5.3	4.5
(iv) Dividends proposed and not recognised as a liability on CARES:		
Current year interim dividend proposed		
Franked dividends – CARES	7.6	4.5

The tax rate at which paid dividends have been franked is 30% (31 December 2021: 30%). All of the proposed dividends will be franked at the rate of 30% (31 December 2021: 30%).

3 Earnings per share

	Half year ended	
	31 December 2022 $m	31 December 2021 $m
Net profit for the period attributable to owners of the parent	154.7	108.7
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(5.3)	(4.5)
Profit used in calculating basic and diluted (after CARES dividend) earnings per share	149.4	104.2

	Half year ended	
	31 December 2022 Number of Shares (m)	31 December 2021 Number of Shares (m)
Weighted average number of ordinary shares used in calculating basic earnings per share	227.8	227.8
Effect of dilution – share rights not yet vested	0.4	0.4
Weighted average number of ordinary shares adjusted for the effect of dilution	228.2	228.2

The share rights granted to Executives but not yet vested, have the potential to dilute basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	Half year ended	
	31 December 2022 Cents per Share	31 December 2021 Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent		
Basic earnings per share (after CARES dividend)	65.6	45.7
Diluted earnings per share (after CARES dividend)	65.5	45.7

Calculation of earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period. The ordinary shares outstanding used in the calculation is that of Ramsay Health Care Limited, which is a listed entity that is included in the Funding Group.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The ordinary shares outstanding used in the calculation is that of Ramsay Health Care Limited, which is a listed entity that is included in the Funding Group.

4 Net tangible assets

	As at		
	31 December 2022 $ per Share	30 June 2022 $ per Share	31 December 2021 $ per Share
Net tangible assets per ordinary share	3.28	3.25	8.90

Net tangible assets are the total assets minus intangible assets and total liabilities, divided by the number of ordinary shares of the Company currently on issue at the reporting date. Net tangible assets include right of use assets as the underlying leases are for physical assets.

The decrease in net tangible assets from 31 December 2021 is a result of the payment of dividends together with liabilities recognised to fund the business combinations undertaken in subsequent periods (refer note 9). As the majority of the assets recognised for the business combinations are goodwill and goodwill is excluded from the calculation, it results in a reduction in net tangible assets.

II Capital - Financing

This section provides further information on loans and borrowings and derivatives.

5 Loans and borrowings

RAMSAY AND ITS WHOLLY OWNED SUBSIDIARIES

New AUD500 million Bilateral Facility Agreements

During the half year, Ramsay Health Care Australia Pty Limited entered into new bilateral revolving bank loan facilities totalling AUD500 million. The covenant package, group guarantees and other common terms and conditions in respect of the debt facilities are governed under a Common Terms Deed Poll.

Extension of Facility Agreements

In November 2022, Ramsay Health Care Australia Pty Limited extended bilateral revolving bank loan facilities totalling AUD150 million by up to twelve months.

In December 2022, Ramsay Health Care Australia Pty Limited terminated AUD86.3 million of a AUD600 million syndicated facility agreement. The remaining AUD513.7 million was extended by twelve months to December 2024.

6 Fair value

Unless disclosed below, the carrying amount of the Group's financial assets and liabilities approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. For thereporting period, the market interest rates vary from 1.07% to 3.11% (30 June 2022: 1.104% to 1.793%; 31 December 2021: 0.065% to 0.118%) for Australia.

	As at					
	31 December 2022		30 June 2022		31 December 2021	
	Carrying Amount $m	Fair Value $m	Carrying Amount $m	Fair Value $m	Carrying Amount $m	Fair Value $m
Bank loans	2,698.6	2,716.1	2,498.2	2,510.6	864.9	875.3

The increase in bank loans balance from 30 June 2022 to 31 December 2022 is as a result of general operational requirements, including capital expenditure and acquisitions.

7 Derivative financial instruments

Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

Fair value

The Group has available to it various methods in estimating the fair value of a derivative financial instrument. The methods comprise:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of the financial instruments was estimated using the level 2 method valuation technique and is summarised in the table below.

	As at		
	31 December 2022 $m	30 June 2022 $m	31 December 2021 $m
Current assets			
Interest rate and foreign exchange derivative contracts – cash flow hedges	14.1	8.9	4.6
Interest rate and foreign exchange derivative contracts – economic hedges	0.8	2.4	-
Non-current assets			
Interest rate and foreign exchange derivative contracts – cash flow hedges	48.8	29.6	4.7
	63.7	40.9	9.3
Current liabilities			
Interest rate and foreign exchange derivative contracts – cash flow hedges	(0.3)	-	(5.1)
Interest rate and foreign exchange derivative contracts – economic hedges	(5.8)	-	-
Non-current liabilities			
Interest rate and foreign exchange derivative contracts – cash flow hedges	-	-	(1.8)
	(6.1)	-	(6.9)
Net derivative assets	**57.6**	**40.9**	**2.4**

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Transfer between categories

There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during the period.

III Assets and Liabilities – Operating and Investing

This section provides further information on some of the assets and liabilities used to generate profit.

8 Working capital

	As at		
	31 December 2022 $m	30 June 2022 $m	31 December 2021 $m
Trade and other receivables (current)	940.7	926.1	710.2
Receivables from related entities	0.3	0.1	1.0
Inventories	211.7	208.0	228.6
Trade and other creditors (current)	(1,243.9)	(1,281.5)	(1,062.1)
	(91.2)	(147.3)	(122.3)

Consistent with prior periods, Ramsay actively manages the collection of debtor receipts and creditor and employee payments. This often results in a negative working capital metric and net current liability position. Any surplus or deficit in the working capital is managed through efficient use of the revolving debt facilities and cash balances. The Group had an undrawn facility limit of $680.0 million as at 31 December 2022.

9 Business combinations

Information on current period acquisitions

Regis – December 2022

On 13 September 2022, Ramsay Elysium Holdings Limited acquired two UK based child and adolescent mental health services facilities from Regis Healthcare Ltd (**Regis**) for $68.1 million (£40 million). The acquisition was funded through Ramsay's existing debt facilities.

Ramsay has recognised amounts for this business combination as outlined below. These amounts have been determined on a provisional basis only.

	$m
Cash and cash equivalents	2.1
Trade and other receivables (current)	2.9
Property, plant and equipment	5.2
Deferred tax asset	1.1
Trade and other creditors	(1.0)
Current income tax payable	(2.0)
Fair value of identifiable net assets	8.3
Goodwill arising	59.8
Fair value of consideration transferred	68.1
The cash outflow as a result of the business combination is as follows:	
Cash paid in the half year to 31 December 2022	(68.1)
Net cash acquired with the subsidiary	2.1
Net cash outflow	(66.0)
Direct costs relating to the business combination – included within service costs	0.5

9 Business combinations (Continued)

The goodwill of $59.8 million comprises the value of intangible assets that do not qualify for separate recognition as well as synergies expected to be achieved as a result of combining Regis with the rest of the Group. The acquisition provides a number of strategic benefits consistent with Ramsay's growth strategy. None of the goodwill recognised is expected to be deductible for income tax purposes. Goodwill is allocated entirely to the UK reporting segment in Note 1.

The interim combined financial statements include the results of the Regis facilities for the three and a half months from the acquisition date. The results of Regis from acquisition to 31 December 2022 are not material to the Group and have therefore not been disclosed separately. If the combination had taken place at the beginning of the year, 1 July 2022, revenue from continuing operations and profit before interest and tax from continuing operations for the Group would not have been significantly different to the Group results as reported.

There is no other material acquisition in current period, other than the Regis acquisition.

Information on prior year acquisitions

Elysium - FY22

On 31 January 2022, Ramsay acquired 100% of the voting shares of the leading UK based mental healthcare provider Elysium Healthcare. Ramsay has recognised amounts for this business combination as outlined below. These amounts have been determined on a provisional basis only. There have been no adjustments to goodwill arising on acquisition from that reported at 30 June 2022.

	$m
Cash and cash equivalents	5.8
Trade and other receivables (current)	82.4
Inventories	0.3
Other current assets	18.0
Property, plant and equipment	254.6
Right of use assets	471.2
Trade and other creditors (current)	(84.4)
Loans and borrowings (current)	(657.7)
Lease liabilities (current and non-current)	(472.8)
Deferred tax liabilities	(111.5)
Other liabilities (current and non-current)	(6.7)
Fair value of identifiable net assets	(500.8)
Goodwill arising	1,313.4
Fair value of consideration transferred	812.6
The cash outflow as a result of the business combination is as follows:	
Cash paid in the year ended 30 June 2022	(812.6)
Net cash acquired with the subsidiary	5.8
Net cash outflow	(806.8)

IV Other Information

This section includes other information that must be disclosed to comply with the accounting standards and other requirements, but that may not immediately be related to individual line items in the financial statements.

10 Subsequent events

There have been no significant events after the balance date that may significantly affect the Group's operations in future years, the results of these operations in future years or the Group's state of affairs in future years.

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