

## **SCHEME MEETING – CHAIRMAN'S ADDRESS**

**22 MAY 2019**

### **Overview of the scheme of arrangement**

Ladies and gentlemen, today is a very significant day in the history of Healthscope. Shareholders will shortly be asked to vote on a proposed scheme of arrangement under which Brookfield will acquire all of the shares in Healthscope for \$2.465 per share.

This consideration is in addition to the fully franked interim dividend of \$0.035 per share paid to Healthscope shareholders on 26 March 2019. The cash consideration under the scheme of arrangement together with the interim dividend is \$2.50 per share.

The scheme of arrangement also allows for shareholders to elect to receive scrip consideration for their shares, but this only applies if the holders of 10% or more of issued shares make valid elections. As announced to ASX on 14 May 2019, Healthscope has received scrip elections in respect of less than 0.01% of Healthscope shares. Based on this indicative outcome, if the scheme of arrangement is implemented, no scrip consideration will be issued and all Healthscope shareholders will receive the scheme cash consideration.

Healthscope is a leading private healthcare provider. Our staff and doctor partners work hard to provide the best possible clinical outcomes and patient experience for everyone in our care across a network of 43 private hospitals in Australia and 24 pathology laboratories in New Zealand. I would like to acknowledge the dedication and commitment of our executive team, our staff and doctor partners, and thank them for their contribution to Healthscope, and to our community more broadly.

I would also like to thank my fellow Directors for their significant contribution.

### **Reasons to vote in favour of the scheme of arrangement**

The Brookfield proposal is the culmination of an extensive review by your Board of a range of alternatives to maximise value from your investment in Healthscope. In weighing up the available alternatives, the Directors had regard to our overarching responsibility to uphold the long-term interests of the Company and all its shareholders. We believe that the scheme of arrangement before you today is very attractive and will realise significant value.

The cash consideration of \$2.465 per share under the scheme of arrangement represents a significant premium to the trading price of Healthscope shares that prevailed before the announcement of any proposal for the acquisition of Healthscope. It also provides you with immediate and certain value for your shares.

The Independent Expert, Grant Samuel, has concluded that the scheme of arrangement is fair and reasonable, and therefore is in the best interests of Healthscope shareholders in the absence of a superior proposal. A copy of the Independent Expert's Report is included in Annexure A of the Transaction Booklet.

The Board can confirm that no superior proposal has been received by Healthscope, nor are we in discussions with any other interested parties.

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Your Board has carefully considered the proposed scheme of arrangement and the directors unanimously recommend that shareholders vote in favour of the scheme. Each Director also intends to vote all of their Healthscope shares in favour of the scheme of arrangement.

I will now move on to the details of the scheme resolution and the requisite majorities for this meeting.

### **Scheme resolution**

The purpose of this Scheme Meeting is to consider and, if thought fit, to pass the scheme resolution, which is set out in the notice of meetings in Annexure E of the Transaction Booklet.

The text of the scheme resolution is shown on the screen behind me, and I will take a moment to read it in full:

‘That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Booklet of which the notice convening the Scheme Meeting forms part) is agreed to (with or without modifications as approved by the Federal Court of Australia).’

In order for the scheme resolution to be passed, it must be agreed to by:

- a majority in number (being more than 50%) of Healthscope shareholders present and voting at this Scheme Meeting (either in person or by proxy, attorney or corporate representative); and
- at least 75% of the total number of votes cast on the scheme resolution by Healthscope shareholders present and voting at this Scheme Meeting (either in person or by proxy, attorney or corporate representative).

### **Timetable**

If the Scheme is approved by Healthscope shareholders, the Second Court Hearing will take place at 9.30am on Friday 24 May 2019 at the Federal Court of Australia.

If the Court approves the scheme of arrangement, a copy of the Court order approving the scheme will be lodged with ASIC and the scheme will become effective. Healthscope will apply to ASX for its shares to be suspended from official quotation on ASX from close of trade on this day.

Healthscope shareholders on the register at 7.00pm on Thursday 30 May 2019 will be entitled to receive the consideration payable under the scheme. It is expected that the consideration will be paid on Thursday 6 June 2019.

**Paula J. Dwyer**  
Chairman

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## EXTRAORDINARY GENERAL MEETING – CHAIRMAN’S ADDRESS

22 MAY 2019

### Introduction

As I mentioned earlier, we are holding this Extraordinary Meeting to consider a return of capital that would become relevant if the scheme of arrangement is not approved by shareholders or by the court and Brookfield’s takeover bid comes into play.

If the takeover offer becomes unconditional and certain conditions are satisfied (including Healthscope shareholders approving the capital return at this Extraordinary General Meeting), Healthscope intends to pay each shareholder \$0.688 per share as a return of capital.

The purpose of the capital return is to distribute surplus capital to Healthscope shareholders which will exist following completion of the sale and leaseback of the hospital properties and the refinancing of Healthscope, as outlined in the booklet that was sent to shareholders. The capital return is not payable in connection with the scheme of arrangement.

I have confirmed with the Company Secretary that we have a quorum present and I declare this Extraordinary General Meeting open.

### Capital return resolution

As I mentioned, the purpose of this Extraordinary General Meeting is to consider and, if thought fit, to pass the capital return resolution, which is set out in the notice of meetings in Annexure E of the Transaction Booklet.

The text of the capital return resolution is shown on the screen behind me, and I will take a moment to read it in full:

‘That, subject to and conditional on:

- (1) the sale and leaseback of hospital properties having completed (or loans having been advanced by the relevant Property Investor to Healthscope to the extent completion of the sale of any property has been deferred) in accordance with the relevant documents;
- (2) the proposed refinancing of the Healthscope Group being completed;
- (3) the Takeover Offer being declared or becoming unconditional;
- (4) Brookfield LP acquiring a Relevant Interest in more than 50% of the Healthscope Shares;
- (5) the Capital Return having been approved by the requisite majority at the Extraordinary General Meeting or any subsequent Extraordinary General Meeting (as applicable); and
- (6) the persons nominated by Brookfield LP being appointed as directors of Healthscope comprising a majority of the directors of Healthscope,



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and for the purpose of section 256C(1) of the Corporations Act and for all other purposes, Healthscope's share capital be reduced by the aggregate amount of the Capital Return on the date it is paid, with the reduction to be effected and satisfied by applying the Capital Return equally against each Healthscope Share on issue on the Capital Return Record Date.'

In order for the capital return resolution to be passed, it must be agreed to by a majority in number (being more than 50%) of the total number of votes cast on the capital return resolution by Healthscope shareholders present and voting at this Extraordinary General Meeting (either in person or by proxy, attorney or corporate representative).

Your Board unanimously recommends that you vote in favour of the capital return resolution.

**Paula J. Dwyer**  
Chairman



# Scheme Meeting

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22 May 2019



## Item 1 – To consider and, if thought fit, to pass the following resolution

**That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Booklet of which the notice convening the Scheme Meeting forms part) is agreed to (with or without modifications as approved by the Federal Court of Australia).**



# Questions

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## Item 1 – Scheme of Arrangement

That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Booklet of which the notice convening the Scheme Meeting forms part) is agreed to (with or without modifications as approved by the Federal Court of Australia).

### Proxies received

	FOR	AGAINST	OPEN*	TOTAL	ABSTAIN**
<b>Votes</b>	1,077,733,135	761,401	2,680,988	1,081,175,524	478,404
<b>% of Votes</b>	99.68%	0.07%	0.25%	100%	N/A
<b>Shareholders</b>	3,282	122	197	3,601	23
<b>% of Shareholders</b>	91.14%	3.39%	5.47%	100%	N/A

\* Open proxies in favour of the Chairman (representing 2,023,985 shares) will be voted in favour of the resolution.

\*\* Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.





# Scheme Meeting

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22 May 2019





# Extraordinary General Meeting

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22 May 2019



# Item 1 – To consider and, if thought fit, to pass the following ordinary resolution

That, subject to and conditional on:

- (1) the sale and leaseback of hospital properties having completed (or loans having been advanced by the relevant Property Investor to Healthscope to the extent completion of the sale of any property has been deferred) in accordance with the relevant documents;
- (2) the proposed refinancing of the Healthscope Group being completed;
- (3) the Takeover Offer being declared or becoming unconditional;
- (4) Brookfield LP acquiring a Relevant Interest in more than 50% of the Healthscope Shares;
- (5) the Capital Return having been approved by the requisite majority at the Extraordinary General Meeting or any subsequent Extraordinary General Meeting (as applicable); and
- (6) the persons nominated by Brookfield LP being appointed as directors of Healthscope comprising a majority of the directors of Healthscope,

and for the purpose of section 256C(1) of the Corporations Act and for all other purposes, Healthscope's share capital be reduced by the aggregate amount of the Capital Return on the date it is paid, with the reduction to be effected and satisfied by applying the Capital Return equally against each Healthscope Share on issue on the Capital Return Record Date.



# Questions

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# Item 1 – Capital Return

As described in slide 2.

## Proxies received

	Number of votes	Percentage
FOR	1,059,439,398	99.06%
AGAINST	7,284,681	0.68%
OPEN*	2,804,738	0.26%
ABSTAIN	448,637	N/A

\*Open proxies in favour of the Chairman (representing 1,903,794 votes) will be voted in favour of the resolution.



# Extraordinary General Meeting

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22 May 2019

