

## ASX ANNOUNCEMENT

28 March 2017



People caring for people

### **RAMSAY HEALTH CARE ANNOUNCES APPOINTMENT OF NEW CEO**

Michael Siddle, Chairman of Ramsay Health Care (Ramsay), today announced the appointment of its Chief Operating Officer, Craig McNally, as the Company's new Managing Director and Chief Executive Officer, succeeding Chris Rex, who announced his planned retirement in February. Mr McNally's appointment will be effective from 3 July 2017.

Mr McNally is one of Ramsay's longest serving senior executives, having commenced with the Company in 1988. He has served seven years as Chief Operating Officer and 22 years prior to this in various roles including Head of Global Strategy and European Operations.

Since 1995 Craig has spearheaded Ramsay's growth strategy including \$1.5B brownfield expansions, international market assessment, the acquisition of over 200 hospitals globally and the development and successful implementation of new business strategies. During the past decade he has also led the successful expansion of the Company's operations in the United Kingdom and Europe, which currently deliver 46% of the Group's revenue.

Announcing the appointment, Chairman Michael Siddle said Craig is an outstanding choice to lead the Company and his appointment was the culmination of a CEO succession planning process involving a comprehensive global search.

"Craig has a long and extensive track record in health care management both in operations and in strategic development. He has played a pivotal role in all major acquisitions and developments completed by Ramsay for over two decades," Mr Siddle said.

"The Board has the highest regard for his leadership abilities, sound judgment and insight as well as his skills in assessing business opportunities – this has been instrumental to our success both domestically and internationally.

"In considering this appointment, the Board was determined to ensure the Company's long term successful strategy and its culture are maintained, whilst growing the business in existing and new markets. Craig's experience makes him the standout candidate to preserve the capabilities that have underpinned Ramsay's success, whilst continuing to identify and pursue opportunities that could unlock future growth."

Of his appointment Mr McNally said: "I am very excited to lead this Company in which I have worked for almost 30 years. We are a great Australian company - one of a few that has achieved enormous success on the global stage – and now, thanks to Paul Ramsay's legacy, one that gives a significant part of our profits back to charity through the Paul Ramsay Foundation.

"My vision is to continue to see Ramsay develop as a leading health service provider globally. To this end, I intend to carry on with our successful growth strategy in hospital acquisitions and developments as well as strategic developments beyond the hospital walls. We also must remain focused on the provision of the highest quality care to patients through investment in our facilities, equipment and the professional development of our staff," Mr McNally said.

In making the announcement, Mr Siddle acknowledged the exceptional contribution Mr Rex has made to Ramsay:

“Chris has been an outstanding Managing Director. Under his leadership, Ramsay has grown to become an internationally successful healthcare company – one of the top five hospital operators in the world – employing over 60,000 people worldwide and treating over three million patients each year.

“He leaves us with a strong and robust company and we are immensely thankful for his contribution,” Mr Siddle said.

Mr Rex said about the appointment of Mr McNally:

“I am delighted to be handing the reins over to Craig. I have worked side-by-side with Craig for over two decades and am confident that he will be an excellent Managing Director. Ramsay under Craig’s leadership is well positioned to pursue new levels of success.”

Mr McNally’s biography, and a summary of the material terms of his executive service agreement, are attached.

Contacts:

John O’Grady  
Group General Counsel & Company Secretary  
Ramsay Health Care  
+61 2 9220 1000

Carmel Monaghan  
Group Chief of Staff  
Ramsay Health Care  
+ 61 438 646 273

**Craig McNally**  
**Managing Director & CEO, Ramsay Health Care**

---

Mr Craig McNally will commence as Managing Director and Chief Executive Officer of Ramsay Health Care (Ramsay) on 3 July 2017, following seven years with Ramsay as Chief Operating Officer and 22 years prior to this in various roles across the Company, including Head of Global Strategy and European Operations.

Mr McNally is one of Ramsay's longest serving Executives having commenced with the Company in 1988. He was initially employed as a Hospital Executive in Ramsay's Sydney-based mental health facilities, before taking over divisional responsibility for acute medical and surgical hospitals in the early nineties.

In 1995, he became Ramsay's Head of Strategic Development, and for the last two decades 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. As the Company's chief negotiator he has been at the forefront of all major acquisitions and deals completed by Ramsay Health Care. 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 Company's successful growth both domestically and internationally.

In his role as head of Ramsay's UK and European business, Mr McNally has been responsible for leading these teams through the challenging acquisition and merger phases and ensuring their successful integration with Ramsay Health Care and adoption of The Ramsay Way culture.

Prior to joining Ramsay Health Care in 1988, Mr McNally was an executive of a private hospital in Sydney following completion of a health administration degree at the University of New South Wales.

He is married with three children and an enthusiastic fan of football, baseball and rugby.

## Summary of material terms of Mr McNally's executive service agreement

**Commencement date** 3 July 2017.

---

**Term** No fixed term. Ongoing until terminated by either party in accordance with the employment agreement (see below).

---

**Total Fixed Remuneration (TFR)** \$2,000,000 reviewed annually plus minimum statutory superannuation contributions (for FY2018 this amount is \$20,048.80).

---

**Incentives** Mr McNally will be eligible to participate in Ramsay's incentive plans, the terms and operation of which are at the discretion of the Board.

For FY2018, Mr McNally will be eligible to receive, subject to performance:

- a short-term incentive award with a maximum face value of \$2,000,000. 50% of any award made will be deferred into Ramsay shares and will be subject to disposal restrictions for 3 years; and
- a long-term incentive award with a face value of \$3,500,000. Subject to receiving shareholder approval at the 2017 Annual General Meeting, it is intended that the long-term incentive will be delivered in the form of performance rights.

For FY2019, the maximum face value of Mr McNally's incentive arrangements will be no less than the cumulative value of his maximum short-term incentive opportunity and maximum long-term incentive opportunity for FY2018.

For subsequent financial years, Mr McNally's participation in, and the operation of, the Group's incentive arrangements is at the Board's discretion.

---

**Notice period** 12 months by the Company and 6 months by Mr McNally, except that:

- the Company may summarily terminate Mr McNally's employment

---

without notice in certain circumstances; and

- Mr McNally may terminate the employment agreement without notice if a fundamental change occurs in his role or responsibilities.

---

**Termination  
entitlements**

The Company may elect to pay Mr McNally in lieu of working out the notice period.

Entitlements to incentives will be determined in accordance with the terms of the relevant plan.

Where Mr McNally terminates his employment due to a fundamental change, his incentives and notice entitlements will be determined consistent with a Company-initiated termination.

---

**Post-employment  
restraint**

A 12 month restraint provision applies.

---