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Annual General Meeting

NOTICE is hereby given of the Annual General Meeting (**AGM** or **Meeting**) of members of Healius Limited (**the Company**) to be held:

Date Thursday 22 October 2020

Time 11.00am (Sydney time)
(Registration will commence at 10.00am)

Special arrangements due to COVID-19

Healius has for some months been at the forefront of managing the unprecedented impact of the COVID-19 virus in Australia.

We are acutely conscious of the need to do all we can to protect our people, including our shareholders, from unnecessary potential exposure to this insidious disease.

In line with the Federal Government's temporary alterations to the Corporations Act to help manage the COVID-19 pandemic, Healius' 2020 AGM will be held as a virtual meeting. There will not be a physical meeting where shareholders can attend in person.

Shareholders can instead use various alternatives to participate in this meeting, including the ability to ask questions and vote online, or to ask questions (but not vote) via teleconference. Details are provided on pages 5-7.

Items of business

1. Receipt of Annual Financial Report

To receive and consider the Company's Financial Report, the Directors' Report, and the Auditor's Report, for the year ended 30 June 2020.

2. Adoption of the 2020 Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2020 be adopted."

3. To re-elect Robert Hubbard as a Director

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

"That Robert Hubbard, a Non-executive Director retiring in accordance with the Company's Constitution, and being eligible for re-election, is re-elected as a Non-executive Director of the Company."

4. Approval of issue of securities under the Short-Term Incentive Plan

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

"That for the purposes of Listing Rule 7.2, exception 13 and for all other purposes, the issue of securities under the Short-Term Incentive Plan, the terms of which are described in the Explanatory Statement to this Notice of Meeting, be approved."

5. Approval of acquisition of securities by the Managing Director & Chief Executive Officer, Malcolm Parmenter

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

"That approval is given for all purposes for the grant or issue of securities, under the Short-Term Incentive Plan, to the Managing Director & Chief Executive Officer, Malcolm Parmenter, in the manner set out in the Explanatory Statement to this Notice of Meeting."

6. Amendment of Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

"That the Company's Constitution be amended with effect from the close of the Meeting, in the manner set out in Attachment B to this Notice of Meeting."

VOTING EXCLUSION STATEMENTS

In accordance with ASX Listing Rule 14.11, the Company will disregard:

- any votes cast in favour of Item 4 by or on behalf of any person who is eligible to participate in the employee incentive scheme or their associates; and
- any votes cast in favour of Item 5 by or on behalf of Dr Parmenter or his associates.

However, this does not apply to a vote cast in favour of Items 4 or 5 by:

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


In addition, Items 2, 4 and 5 are resolutions connected directly or indirectly with the remuneration of Key Management Personnel (**KMP**). The Company will disregard any votes cast on these Items by or on behalf of a member of the Company's KMP named in the Company's 2020 Remuneration Report or their closely related parties (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Excluded Persons**), regardless of the capacity in which the vote is cast.

Additionally, the Company will disregard any votes cast on Items 2, 4 and 5 by an Excluded Person acting as proxy for a person entitled to vote, unless:

- the vote is cast in accordance with the directions on the Proxy Form; or
- the vote is cast by the Chair of the Meeting and the proxy expressly authorises the Chair of the Meeting to exercise the proxy even though Items 2, 4 and 5 are connected directly or indirectly with the remuneration of KMP.

For further information, please refer to the Explanatory Statement (including Attachment A to the Explanatory Statement) which forms part of this Notice of Meeting.

By order of the Board.



Charles Tilley
Company Secretary

Dated: 18 September 2020

How to attend and vote

Attending the meeting

To attend the Meeting, you have two options: **online** or **phone (teleconference)**. Both options allow you to follow the Meeting live and ask questions at the Meeting. To vote at the Meeting, you will need to use the **online** option.

All attendees must register before the commencement of the Meeting. Registration (for all the attendance options below) commences at **10.00am (Sydney time) on Thursday, 22 October 2020**, this is one hour before the Meeting commences.

HOW TO JOIN THE MEETING ONLINE

Shareholders can watch and participate in the AGM virtually via the online platform by using one of the methods below. The online platform is accessible either by the web, by entering the following URL in your browser:

<https://web.lumiagm.com>

OR

by downloading and installing the Lumi AGM app on your mobile device (including tablets).

Please refer to the user guide on our website at www.healius.com.au/agm.

The **meeting ID** for Healius' AGM is: 323-892-878

Your **username** is your **SRN/HIN**.

Your **password** is your **postcode registered on your holding** if you are an Australian shareholder. Overseas shareholders should refer to the user guide on our website at www.healius.com.au/agm.

HOW TO JOIN THE MEETING BY PHONE (TELECONFERENCE)

To join the Meeting via teleconference, you will need to register your details using the web link below. (Please note, if you wish to vote at the Meeting, you will need to use the above **online** option.)

Upon registration, you will be provided dial-in numbers and a unique passcode and PIN that will grant you access to the call on the day.

Teleconference registration web link: <https://s1.c-conf.com/diamondpass/10009227-j9d8sd.html>

Voting options

As a shareholder you can vote on the items of business by:

- voting in advance of the Meeting;
- attending the virtual Meeting using the online option and voting during the Meeting; or
- appointing a proxy (including the Chair of the Meeting), corporate representative or attorney to vote on your behalf at the Meeting.

The Board has determined that, for the purposes of this Meeting, if you are a registered shareholder of Healius Limited at **7.00pm (Sydney time) on Tuesday, 20 October 2020**, you will be eligible to attend and vote at the Meeting. You will be entitled to vote in respect of the number of Healius Limited shares registered in your name at that time.

Voting on all proposed resolutions at the Meeting will be conducted by a poll.

A shareholder which is a body corporate may appoint an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act (see the section below entitled "Corporate representatives" for details).

Voting in advance

You may cast your vote in advance of the Meeting by following the instructions on the Proxy Form accompanying this Notice of Meeting.

Voting by proxy

A shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a shareholder of the Company and may be an individual or a body corporate. A proxy appointed may be described in the Proxy Form by name or by an office held, for example, "the Chair of the Meeting".

Proxies must, like shareholders, use the online option above to vote at the Meeting.

If a shareholder is entitled to cast two or more votes at the Meeting, the shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If two proxies are appointed but no proportion or number is specified, each proxy may exercise half of the shareholder's votes. A separate Proxy Form should be used to appoint each proxy.

If a Proxy Form does not specify the proxy (but is otherwise effective), the shareholder will be treated as validly appointing the Chair of the Meeting as their proxy.

How to attend and vote

Appointing the Chair of the Meeting as your proxy

You may appoint the Chair of the Meeting as your proxy. If you direct the Chair of the Meeting how to vote on an item of business, your vote will be cast in accordance with your direction. If you appoint the Chair of the Meeting as your proxy and you do not direct your proxy how to vote on the proposed resolutions set out in this Notice of Meeting, then by completing and submitting the Proxy Form you will be expressly authorising the Chair of the Meeting to exercise the proxy and vote as the Chair of the Meeting decides on the proposed resolutions (even though the resolutions proposed in items 2, 4 and 5 are connected directly or indirectly with the remuneration of members of the KMP and the Chair of the Meeting is a member of the KMP).

The Chair of the Meeting intends to vote all undirected proxies in favour of each item of business.

Under the Corporations Act, the Chair of the Meeting will also be taken to have been appointed as a shareholder's proxy (even if the shareholder has not expressly appointed the Chair of the Meeting as their proxy) where each of the following applies:

- i. a poll is called on the relevant resolution;
- ii. a shareholder has appointed a proxy (other than the Chair of the Meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
- iii. the proxy is either not recorded as attending the Meeting, or the proxy attends the Meeting but does not vote on the resolution.

Submitting your Proxy Form

Proxy Forms (and, if the appointment is signed by the appointer's attorney, the original or certified copy of the authority under which the appointment was signed) must be received by the Company's share registry, Computershare Investor Services Pty Limited, by **11.00am (Sydney time) on Tuesday, 20 October 2020**.

A Proxy Form may be lodged with Computershare Investor Services Pty Ltd:

- **ONLINE** – www.investorvote.com.au (by following the steps set out on that site);
- **BY MAIL** – Healius Limited c/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia; or
- **BY FAX** – (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555.

Corporate representatives

Any body corporate voting at the Meeting, either on its own behalf, or as a proxy or as an attorney, may appoint an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act. The body corporate must supply the corporate representative with an appropriately executed corporate representative certificate which specifies:

- the body corporate's name;
- the name or title of the corporate representative;
- the Company's name; and
- the meeting(s) at which the corporate representative may act.

A copy of the corporate representative certificate must be supplied to the Company's share registry, Computershare Investor Services Pty Limited, via one of the methods described in the section entitled "Submitting your Proxy Form", by **11.00am (Sydney time) on Tuesday, 20 October 2020**.

Corporate representatives must, like shareholders, use the online option above to vote at the Meeting.

Attorneys

A shareholder or proxy may appoint an attorney to vote on their behalf. For an appointment to be effective, attorneys must lodge the original (or a copy) of the power of attorney under which they have been authorised to attend and vote at the Meeting with Computershare Investor Services Pty Ltd via one of the methods described the section entitled "Submitting your Proxy Form", by **11.00am (Sydney time) on Tuesday, 20 October 2020**.

Attorneys must, like shareholders, use the online option above to vote at the Meeting.

Shareholders' questions

Please note, only shareholders may ask questions online and on the phone once they have been verified. It may not be possible to respond to all questions during the Meeting. Shareholders may ask questions on any matter relevant to an item of business, and also of the auditor in relation to the receipt of the Annual Financial Report (see section 1.3 of the Explanatory Statement below).

Your Directors encourage shareholders to lodge questions prior to the meeting. If you have received this Notice of Meeting electronically, you can submit your question online at www.investorvote.com.au. You can also e-mail questions to the Company at cosec@healius.com.au (please include your full name and SRN).

Relevant written questions must be received by the Company no later than **11.00am (Sydney time) on Tuesday, 20 October 2020**. A list of written questions will be made available to shareholders attending the Meeting. If written answers are tabled at the Meeting, they will be made available to shareholders as soon as practicable after the Meeting.

Technical difficulties

Should technical difficulties arise during the course of the Meeting, the Chair of the Meeting has discretion as to whether and how the Meeting should proceed. In exercising that discretion, the Chair of the Meeting will have regard to the number of attendees impacted and the extent to which participation in the business of the Meeting is affected. Where the Chair of the Meeting considers it appropriate, he may continue to conduct the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 11.00am (AEST) on Tuesday, 20 October 2020 even if they plan to attend the Meeting online to vote.

Explanatory statement

Item 1: Receipt of Annual Financial Report

- 1.1 The Company's 2020 Annual Report (which includes the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020) will be put before the Meeting.
- 1.2 This item does not require a formal resolution to be put to the Meeting. Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, these reports.
- 1.3 Any shareholder may submit to the Company a written question directed to the Company's auditor, Ernst & Young (**the Auditor**), if the question is relevant to:
- the content of the Auditor's Report to be considered at the Meeting; or
 - the conduct of the audit of the Financial Report to be considered at the Meeting.
- Relevant written questions must be received by the Company no later than **5.00pm (Sydney time) on Thursday, 15 October 2020**. A list of written questions will be made available to shareholders attending the Meeting. If written answers are tabled at the Meeting, they will be made available to shareholders as soon as practicable after the Meeting.

Item 2: Adoption of the 2020 Remuneration Report

- 2.1 The Company's Remuneration Report for the financial year ended 30 June 2020 is set out on pages 43 to 65 of the Company's 2020 Annual Report. The 2020 Annual Report is available on the Company's website at www.healius.com.au.
- 2.2 The 2020 Remuneration Report:
- (a) explains the Board's objectives and structure of remuneration of Directors and Senior Executives for the year ended 30 June 2020, and the relationship between such policy and the Company's performance;
 - (b) sets out the details of performance conditions, including why they were chosen and how performance is measured against them; and
 - (c) sets out the performance and remuneration arrangements for the KMP (who comprise the Company's Non-executive Directors, the Managing Director & Chief Executive Officer (**CEO**), and other executives of the Company).
- 2.3 The Chair of the Meeting will allow a reasonable opportunity for the shareholders as a whole at the Meeting to ask questions about, or make comments on, the Remuneration Report.
- 2.4 Shareholders will be asked to vote on a resolution to adopt the Remuneration Report at the Meeting. The vote on the resolution will be advisory only and will not bind the Directors, however the Board will take the outcome of the vote and any discussion into consideration when reviewing the remuneration policy for Directors and senior executives in the future.

RECOMMENDATION ON ITEM 2

- 2.5 A voting exclusion applies to this item as set out earlier in this Notice of Meeting.
- 2.6 Your Directors unanimously recommend shareholders vote in favour of adopting the 2020 Remuneration Report.

Item 3: Re-election of Robert Hubbard as a Director

- 3.1 Mr Hubbard, BA (Hons), FCA, is a Non-executive Director of the Company who was first appointed in 2014. In accordance with clause 13.6 of the Company's Constitution, Mr Hubbard retires by rotation at this Meeting and offers himself for re-election.
- Mr Hubbard is the Chair of the Board (since 24 July 2018) and a member of the Audit Committee and the People & Governance Committee. During his tenure as a Director he has also served as Chair of the Audit Committee (until 24 July 2018) and as a member of the Risk Management Committee (until 24 July 2018).
- (a) Background and experience: Mr Hubbard holds a Bachelor of Accounting (Honours) degree from the University of Birmingham and is a Fellow of the Institute of Chartered Accountants in Australia. He previously held numerous partnership positions in the accounting, corporate finance, assurance and audit divisions of PricewaterhouseCoopers and acted as external auditor for some of Australia's largest ASX-listed companies.
 - (b) Other current material directorships: Mr Hubbard has served as a non-executive Director of Bendigo and Adelaide Bank Limited since April 2013 (where he is also Chair of the Audit Committee and a member of the Risk Committee). He is also a non-executive Director of Orocobre Limited since November 2012, where he is also Chair of the Board (since July 2016), as well as a non-executive Director of JKTech Pty Ltd.
 - (c) The Board considers that Mr Hubbard is an independent Director.

RECOMMENDATION ON ITEM 3

- 3.2 Your Directors (other than Mr Hubbard, who abstains) unanimously recommend that you vote in favour of the re-election of Mr Hubbard.

Item 4: Approval of issue of securities under the Short-Term Incentive Plan

- 4.1 Your Directors aim to ensure that the Company's incentive plans are straightforward, motivational and competitive, with strong alignment to shareholder value.
- At the Company's 2017 AGM, shareholders approved the issue of securities under the Short-Term Incentive Plan (**STIP**) and the former Long-Term Incentive Plan. That approval, for the purposes of Healius' placement capacity under the ASX Listing Rules, is due for renewal at this AGM.
- 4.2 Your Directors now seek your approval of the issue of Service Rights, and ordinary Shares on the vesting of those Service Rights, to Senior Executives under the STIP. **Senior Executives** comprise Dr Malcolm Parmenter, the Company's CEO, and his direct reports. This group includes the Company's executive Key Management Personnel.
- (Since the 2017 approval, the former Long-Term Incentive Plan has been superseded by the new Transformation Long-Term Incentive Plan (**TLTIP**). Shareholders approved the issue of Options to Senior Executives under the TLTIP at the Company's 2019 AGM.)
- 4.3 *About the STIP:* The STIP, very similar in substance to prior years but governed by the new Umbrella Incentive Plan Rules (adopted by the Board in 2020 to cover both the STIP and the TLTIP), will continue to ensure management have sufficient incentive to drive annual performance as well as longer-term performance. For Senior Executives, following the transfer of 25% of the potential Short-Term Incentive (**STI**) (at budgeted performance levels) to the TLTIP, the remaining 75% STI has been split 2:1 between cash and deferred equity, with equity deferred for one year. Importantly, the STIP will continue to be subject to challenging performance criteria set by the Board each year such as returns on investments and cash flow generation.
- 4.4 Further details of the STIP are set out in **Attachment A** to this Notice of Meeting. These details reflect the updated Umbrella Incentive Plan Rules.
- 4.5 ASX Listing Rule 7.1 provides (in summary) that an entity cannot issue more than 15% of its existing issued share capital in any 12-month period without shareholder approval, subject to the exceptions set out in ASX Listing Rule 7.2. The number of shares that a company can issue under this rule without shareholder approval is commonly referred to as the company's "placement capacity". Under ASX Listing Rule 7.2 Exception 13, Listing Rule 7.1 does not apply to issues of securities under an employee incentive scheme if, within three years before the date of issue, shareholders approve the issue of securities under the scheme as an exception to that rule. Shareholder approval is being sought so that issues of securities under the STIP over the next three years will fall within the ASX Listing Rule exception and will not reduce the Company's available placement capacity.

INFORMATION FOR SHAREHOLDERS REQUIRED UNDER THE ASX LISTING RULES

- 4.6 ASX Listing Rule 7.2, Exception 13 requires the following information to be included in this Notice of Meeting:
- (a) A summary of the key terms of the STIP, which is set out in the Explanatory Statement to Item 4 above and in **Attachment A** to this Notice of Meeting.
- (b) The number of securities issued under the STIP since the date of the last shareholder approval (23 November 2017) is as follows:

CLASS OF SECURITIES	BALANCE AS AT LAST APPROVAL	NUMBER ISSUED UNDER PLAN	ALL OTHER SECURITY ISSUES	NUMBER LAPSED	NUMBER VESTED	BALANCE AS AT THIS APPROVAL
STI Service Rights	846,708	600,141	0	543,290	903,559	0
Ordinary Shares	521,523,419	903,559 [^]	100,581,135	N/A	N/A	623,008,113

[^] Issued on the vesting of the above Service Rights.

- (c) The maximum number of equity securities proposed to be issued under the STIP during the three-year period of the approval is 3,800,000, comprising 2,280,000 Service Rights and 1,520,000 ordinary Shares. The ordinary Share component would, if all were to be issued, equate to approximately 0.24% of issued capital over three years.

RECOMMENDATION ON ITEM 4

- 4.7 A voting exclusion applies to this item as set out earlier in this Notice of Meeting.
- 4.8 Your Directors (other than Dr Malcolm Parmenter, who is excluded from voting) unanimously recommend that you vote in favour of the issue of securities under the STIP, including the issue of Service Rights, and ordinary Shares on the vesting of Service Rights.

Explanatory statement

Item 5: Approval of acquisition of securities by the Managing Director & Chief Executive Officer, Dr Malcolm Parmenter, under the Short-Term Incentive Plan

- 5.1 As part of his executive remuneration arrangements, Dr Malcolm Parmenter, the Company's CEO, is eligible to participate in incentive plans set up by the Company, including the STIP.
- 5.2 Further details of the STIP appear in the explanatory statement to Item 4 above and in **Attachment A** to this Notice of Meeting.
- 5.3 Under ASX Listing Rule 10.14, the Company must seek shareholder approval for a Director of the Company, including the CEO, to acquire securities in the Company under an employee incentive scheme. Accordingly, shareholder approval is being sought to enable the Company to be in a position to grant securities to the CEO.
- 5.4 Specifically, the types of securities the Company currently anticipates issuing to Dr Parmenter during the one-year term of the approval are Service Rights, under the STIP, as the one third equity component of any FY 2021 STI award (if made by the Board). The STIP equity component is deferred for one year, in the form of Service Rights. A Service Right is a right to acquire an ordinary share in the capital of the Company (**Share**), subject to meeting certain service-related vesting conditions.
- 5.5 Pursuant to the shareholder approval granted at the 2019 AGM, the following types of securities have since been issued to Dr Parmenter in 2020:
- ordinary Shares, on the vesting of Tranche B of Service Rights issued in relation to Dr Parmenter's FY 2018 STI Award; and
 - Options, as the 100% equity component of any award under the TLTIIP, which relate to the years FY 2020–FY 2022 inclusive and which have been issued in tranches exercisable at the end of FY 2022, FY 2023 and FY 2024 respectively.
- No Service Rights have been issued to Dr Parmenter since the 2019 AGM because no FY 2020 STI award was made by the Board.
- 5.6 No shareholder approval is currently being sought for the issue of Shares or Options to Dr Parmenter, because there are no scheduled issues of these types of securities within the one-year approval term.
- 5.7 If shareholder approval is given for this resolution under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1.

INFORMATION FOR SHAREHOLDERS REQUIRED UNDER ASX LISTING RULES

- 5.8 ASX Listing Rule 10.15 requires the following information to be included in this Notice of Meeting:
- (a) The maximum number of securities which may be acquired by the CEO, including the formula (if one is used) for calculating the number of securities to be issued**

Issue of Service Rights under STIP

One third of any award under the STIP is made in the form of equity Service Rights.

It is proposed that the maximum number of Service Rights to be granted to the CEO under a STIP award will be calculated under the following **STIP Formula**:

$$\frac{\text{Base Package} \times \text{Maximum STI Proportion} \times \text{STI Equity Proportion}}{\text{Rights Value}}$$

where:

Base Package means base salary of CEO in the relevant financial year (inclusive of superannuation, allowances, benefits and any applicable fringe benefits tax).

Maximum STI Proportion means 44%, which represents the value of the STIP award which may be granted in a particular year as a proportion of the CEO's Base Package, assuming each of the CEO's Key Performance Indicators (**KPIs**) are achieved in the relevant financial year at Target level. If a Stretch KPI is achieved, the Maximum STI Proportion may be adjusted.

STI Equity Proportion means 33.33%, which represents the proportion of the STIP award that will be paid in the form of Service Rights.

Rights Value means the standard volume weighted average price (**VWAP**) for the Company's shares for the 10 trading days following the announcement of the Company's full year financial results of the financial year to which the STI award relates (for example, the calculation in respect of a STIP award for FY 2021 would be made in the 10 day trading period following the release of the FY 2021 results) **less** the expected value of dividends on a Share over the applicable one year vesting period of the Service Rights.

- (b) The price (including a statement whether the price will be based on, the market price) or the formula for calculating the price for each security to be acquired**

The formula for calculating the price for each Service Right to be acquired under the STIP is the Rights Value in the STIP Formula in paragraph (a) above, which is based on the VWAP of the Company's Shares.

(c) The names of all Directors and their associates who received securities under the STIP since the last approval, the number of securities received and the acquisition price for each security

Since the last approval on 25 November 2019, the following securities have been issued to Dr Parmenter under the STIP (at nil acquisition price):

DIRECTOR OR ASSOCIATE	TYPE OF AWARD	TYPE OF SECURITY	DATE OF GRANT	NUMBER OF SECURITIES
Malcolm Parmenter	FY 2018 STI	Ordinary Shares	1 July 2020	26,537

(d) The names of all Directors and associates entitled to participate in the STIP

As at the date of this Notice of Meeting, the only person eligible to participate in the STIP to whom ASX Listing Rule 10.14 applies is Dr Malcolm Parmenter, the Company's CEO.

(e) The terms of any loan in relation to an acquisition of securities

No loan applies in relation to the acquisition by the CEO of securities under the STIP.

(f) The date by which the Company will issue securities to which item 5 applies

The last date by which the Company will issue any securities to which Item 5 applies is 22 October 2021, being 12 months after the date of the Meeting.

(g) The details of the CEO's current total remuneration package

Dr Parmenter's current total remuneration package, on an annual basis, comprises Base Package of \$1,650,000 (inclusive of superannuation), an STI Proportion (at Target level) of \$726,000 and an LTI Proportion (at Mid-point level) of \$1,254,000, for a Total Remuneration Potential of \$3,630,000.

5.9 Details of any securities issued under the STIP will be published in Healius' Annual Report for the year relating to the issue of the securities, including a statement that shareholder approval has been obtained under Listing Rule 10.14.

5.10 Any additional persons covered by Listing Rule 10.14 who become eligible to participate in securities issues under the STIP after this resolution is approved not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

RECOMMENDATION ON ITEM 5

5.11 A voting exclusion applies to this item as set out earlier in this Notice of Meeting.

5.12 Your Directors (other than Dr Parmenter, who is excluded from voting) unanimously recommend that you vote in favour of approving the acquisition of securities by Dr Parmenter under the STIP.

Item 6: Amendment of Constitution

6.1 Your Directors propose that the Company's Constitution be amended to facilitate:

- (a) the holding of general meetings virtually (subject to applicable laws); and
- (b) direct voting by shareholders at general meetings.

As part of the modernisation of the meeting provisions in the Constitution, an amendment is also proposed to remove the requirement to specify a fax number (in addition to a post or electronic address) for receipt of proxies.

6.2 The proposed amendments are extracted in **Attachment B** to this Notice of Meeting, and are summarised below. A copy of the proposed amended Constitution is available on the Healius website AGM page at <https://www.healius.com.au/invest-in-us/agm/> and is also available for inspection at the offices of Healius Limited at Level 6, 203 Pacific Highway, St Leonards NSW 2065 between 9.00am to 5.00pm Monday to Friday. A copy of this document will also be made available to shareholders free of charge by written request to the Company Secretary at cosec@healius.com.au.

6.3 Because this item involves changing the Constitution, it is a special resolution; at least 75% of votes cast by shareholders entitled to vote are required to pass this item.

VIRTUAL MEETINGS OF MEMBERS

6.4 This Meeting is to be run as a virtual meeting pursuant to temporary amendments to the Corporations Act made by the Federal Government in response to the COVID-19 pandemic. These temporary amendments have the effect of excluding enforcement of any rights under the Corporations Act or Corporations Regulations which require meetings of members (shareholders) to take place in person. The temporary amendments are currently scheduled to expire in March 2021.

6.5 The COVID-19 pandemic has proven that many activities across the Australian economy which had previously been conducted in person can now, with modern communications technology such as that to be used at this Meeting, be conducted either as hybrid activities (that is, with some persons attending in person and others virtually) or as virtual activities (that is, with no in-person attendance). General meetings of companies are one such activity.

6.6 The Constitution of the Company does not presently enable the holding of virtual meetings of members. This means that, unless the Constitution is amended to permit virtual meetings of members, future general meetings (including future AGMs) will need to revert to being in-person meetings.

6.7 Your Directors have formed the view that this flexibility should also be extended to future meetings of shareholders, if permitted under applicable laws. The proposed amendments to the Constitution would allow for the convening of wholly virtual meetings via technology (subject to applicable laws), in addition to physical meetings and "hybrid meetings" (where members have the option of attending in person or remotely).

Explanatory statement

DIRECT VOTING

- 6.8 The proposed amendments to the Constitution allow shareholders to exercise their voting rights through direct voting. Direct voting allows a member to vote without attending a meeting or appointing a proxy, for example, by post or electronic means, subject to complying with certain procedures prescribed by the Directors.
- 6.9 The proposed amendments will give your Directors the ability to set rules to govern direct voting in general or at a particular meeting, including specifications as to the form, method and timing of giving the direct vote in order for the vote to be valid, and the treatment of direct votes. The relevant rules and how to vote directly will be summarised in the relevant Notice of Meeting.
- 6.10 The proposed amendments do not replace the current methods of voting (in person or electronically at the meeting, or via proxy, attorney or corporate representative), but add direct voting as a further alternative.

REMOVAL OF FAX REQUIREMENT FOR NOTICES OF MEETING

- 6.11 This is a proposed simple housekeeping amendment to keep the Constitution up to date. Currently the Constitution provides that, to be valid, a Notice of Meeting must contain a fax number to receive lodgment of proxies. The Company's Share Registry typically receives fewer than five proxy lodgments per AGM. Your Directors therefore propose to remove the fax number as a mandatory element of future Notices of Meeting, keeping the Company's Constitution up to date and in line with best practice of ASX-listed entities.

RECOMMENDATION ON ITEM 6

- 6.12 Your Directors consider that the ability to implement virtual meetings and direct voting procedures will increase the opportunity for shareholder access to, and participation in, general meetings, by (for example) enabling shareholders in distant locations to participate and vote without needing to physically travel to the meeting location (which historically has been Sydney NSW).
- 6.13 Your Directors unanimously recommend that you vote in favour of the amendment of the Constitution to permit virtual meetings of members of the Company, to allow direct voting, and for other ancillary amendments as described in Attachment B.

Attachment A

Summary of key terms of Short-Term Incentive Plan (STIP)

Purpose	The purpose of the STIP is to create a strong link between performance and reward by providing a variable/ at risk element of executive remuneration that focuses on performance, generally over a period of one year.
Eligibility	<p>Senior Executives, comprising the CEO, other executive Key Management Personnel (as defined in the Corporations Act) (KMP) who hold executive roles, and other direct reports to the CEO, and Other Executives, being direct reports to Senior Executives and other persons approved by the Board.</p> <p>Non-executive Directors are not eligible to participate in the STIP.</p>
Potential award	<p>For CEO and CFO, 44% of Base Package (at Target level performance), equivalent to 20% of Total Potential Remuneration.</p> <p>For other Key Management Personnel and direct reports to the CEO, 37.5% of Base Package (at Target level performance), equivalent to 18.5% of Total Potential Remuneration.</p> <p>For Other Executives, typically around 30% of Base Package, equivalent to between 20% and 23% of Total Potential Remuneration.</p>
Form of awards	<p>As at the date of this Notice of Meeting, STIP awards to Senior Executives are to be paid in the form of two thirds cash and one third deferred equity in the form of Service Rights.</p> <p>Service Rights do not attract dividends or distributions and voting rights in respect of Shares, until the Right vests and Shares are allocated to the holder upon vesting.</p> <p>STIP Awards to Other Executives are generally paid in cash in view of the lower Base Packages and potential award percentages of Other Executives.</p>
Deferral	If any STIP awards are made to Senior Executives for FY 2021, they will comprise a one-third equity component in the form of Service Rights. Those Service Rights will be deferred for one year (meaning they vest one year after the end of FY 2021), subject to the participant remaining employed by the Company at the end of the applicable vesting period (unless the Board determines otherwise).
Performance Conditions for STIP	<p>Whether any STIP award is made in relation to a given financial year (and, if made, the amount of the award) depends on the extent to which the relevant participant has met their performance criteria or Key Performance Indicators (KPIs).</p> <p>Each KPI is allocated a weighting for each financial year that relates to the Target level of performance and reward. The weightings and nature of the KPIs may change from measurement period to measurement period. In FY 2018 (the most recent year in which STIP awards were made), the KPIs used for STIP awards included:</p> <ul style="list-style-type: none">• Underlying Net Profit After Tax (NPAT) of the Healius Group as a whole;• NPAT of the business division of which the relevant participant is a member;• financial targets, including Earnings Before Interest and Tax (EBIT), operating cash flow and capital expenditure of the particular State (within the business division) where the relevant participant is located;• various role-specific KPIs assigned to the relevant participant in relation to the financial year; and• various behavioural KPIs assigned to the relevant participant in relation to the financial year. <p>KPIs can be in the nature of:</p> <ul style="list-style-type: none">• binary goals (where the potential result is either achieved or not achieved);• a maximum goal (where the potential result for that KPI may be anywhere from zero up to the maximum goal); or• scalable goals where potential results may be presented as a range (i.e. Threshold, Target and Stretch). <p>The calibration of performance conditions for a STIP award (including the vesting scales applied by the Board) may differ from year to year.</p> <p>In addition to the above criteria, all STIP awards are subject to a post-hoc quality of earnings test, the nature and application of which are at the Board's absolute discretion.</p> <p>The details of the performance criteria for FY 2021 STIP awards to executive KMP (if any) will be set out in the Company's 2021 Remuneration Report, which will be voted on at the Company's 2021 AGM.</p>

Attachment A

Termination of employment

If a STIP participant ceases to be an employee of the Company, and the termination of their employment is in circumstances other than Special Circumstances (defined below), then all unvested Service Rights held by the participant will be forfeited and lapse unless and to the extent otherwise determined by the Board.

If a STIP participant's termination is in Special Circumstances, then Service Rights granted under the STIP in the financial year of termination will be forfeited in the same proportion that the remainder of the financial year bears to the full financial year, unless otherwise determined by the Board.

Service Rights that do not lapse at the termination of employment will continue to be held by the participant with a view to testing for vesting at the end of the relevant measurement period.

Special Circumstances means death, total and permanent disablement as determined by the Board, retirement with the prior consent of the Board, redundancy, retrenchment or other Company-initiated terminations other than for cause.

Change of Control including Takeover

A Change of Control occurs when the Board advises participants that one or more persons acting in concert have acquired, or are likely to imminently acquire, "control" of the Company as defined in section 50AA of the Corporations Act.

In the event of a Change of Control the Board may in its discretion decide to:

- terminate the STIP for the measurement period and pay pro-rata awards based on the completed proportion of the measurement period and taking into account performance up to the date of the Change of Control; or
- continue the STIP but make interim non-refundable pro-rata awards based on the completed proportion of the measurement period and taking into account performance up to the date of the Change of Control; or
- allow the STIP to continue.

In relation to unvested Service Rights from prior STIP awards, the Board has discretion to determine that vesting of all or some of the Service Rights should be accelerated. If a Change of Control occurs before the Board has exercised its discretion, a pro rata portion of Service Rights will vest, calculated based on the portion of the relevant deferral that has elapsed up to the Change of Control, and the Board retains a discretion to determine if the remaining Service Rights will vest or lapse.

Amendment

The Board may amend or terminate the STIP at any time provided that the rights of participants to awards earned prior to the amendment or termination are not affected, unless otherwise agreed in writing by the participants.

Attachment B

Proposed changes to the Healius Limited Constitution under Item 6

Note: The full Constitution of Healius Limited is available on the Healius website at <https://www.healius.com.au/about-us/corporate-governance/>

A copy of the proposed amended Constitution is available on the Healius website AGM page at <https://www.healius.com.au/invest-in-us/aggm/> and is also available for inspection at the offices of Healius Limited at Level 6, 203 Pacific Highway, St Leonards NSW 2065 between 9.00am to 5.00pm Monday to Friday. A copy of this document will also be made available free of charge by written request to the Company Secretary at cosec@healius.com.au.

Please note the following:

- Only clauses proposed to be amended are shown below. Other provisions of the Constitution will be unchanged.
- Insertions are underlined and deletions are struck through (~~struck through~~).
- Incidental changes to clause numbering are noted in [square brackets].
- Only relevant subclauses are shown; omitted subclauses are indicated with an ellipsis (...).
- The subject matter to which each proposed amendment is relevant is set out in (*bracketed italics*) after each heading.

9.7 **Notice of meeting** (*relevant to virtual meetings, direct voting, and removal of fax requirement for proxy lodgments*)

Every notice of a meeting of members must:

(a) set out the place, date and time of meeting (and if ~~the meeting is to be held in 2 or more places~~, the technology that will be used to facilitate ~~this~~ the meeting if it is held pursuant to **Clause 9.13**); and

...

(g) specify a place ~~and a fax number~~ (and may specify a fax number, an electronic address or other electronic means) for the purpose of receipt of proxy forms; and

(h) where the Directors have determined to allow direct voting pursuant to **Clause 12.14**, a summary of the rules determined by the Directors to apply to such direct voting, including the methods by which members may vote directly; and

...

[renumber existing subclause 9.7(h) as 9.7(i)]

9.13 **Use of technology** (*relevant to virtual meetings*)

(a) A meeting may be held by means of such telephone, electronic or other communications facilities as permit all persons in the meeting to communicate with each other simultaneously and instantaneously. In these circumstances:

(i) participation in such a meeting via technology shall constitute presence in person at such meeting for all purposes (including for the purposes of establishing quorum under **Clause 11.1**); and

(ii) all the provisions in this Constitution relating to a meeting apply, so far as they can and with such changes as are necessary, to a meeting using that technology.

(b) If the technology used in holding the meeting encounters a technical difficulty, whether before or during the meeting, which results in a member not being able to participate in the meeting, subject to the Corporations Act, the chair may allow the meeting to continue or may adjourn the meeting either for such reasonable period as may be required to fix the technology or to such other time and location as the chair considers appropriate.

12.1 **Entitlement to vote** (*relevant to direct voting*)

Subject to this Constitution, any rules prescribed by the Directors pursuant to **Clause 12.14**, and the terms of issue of any shares, each person who is present at a meeting of members may vote if they are a member or a recognised proxy, attorney or corporate representative of a member.

12.2 **Number of votes** (*relevant to virtual meetings, direct voting*)

...

(b) on a poll:

...

(ii) in respect of a partly paid share ... in advance of a call; and

(iii) if the person has duly lodged a valid direct vote in respect of the relevant resolution under **Clause 12.14** – one vote for each fully paid share held by the person.

12.9 **Method of voting** (*relevant to direct voting*)

The chair of the meeting may determine that any question to be submitted to a meeting of members be determined by a poll without first submitting the question to the meeting to be decided by the voices or a show of hands. Unless the chair of the meeting makes such a determination, and subject to any rules prescribed by the Directors under **Clause 12.14**, each question put to a vote at a meeting of members (except where there is an election of Directors by ballot) must be determined by the voices or a show of hands (as determined by the chair of the meeting) unless a poll is properly demanded.

12.14 **Direct voting** (*relevant to direct voting*)

The Directors may determine that at any general meeting or class meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A "direct vote" includes a vote delivered to the Company by post, fax or electronic means approved by Directors. The Directors may prescribe rules to govern direct voting including specifications as to the form, method and timing of giving the direct vote in order for the vote to be valid, and the treatment of direct votes.

[renumber existing clauses 12.14 – 12.17 as clauses 12.15 – 12.18]]



www.healio.com.au



HLS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 11:00am (Sydney time) Tuesday, 20 October 2020.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Healius Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Healius Limited to be held virtually on Thursday, 22 October 2020 at 11:00am (Sydney time) and at any adjournment or postponement of that meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 2, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 2, 4 and 5 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 2, 4 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
2. Adoption of the 2020 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Robert Hubbard as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of issue of securities under the Short-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of acquisition of securities by the Managing Director & Chief Executive Officer, Malcolm Parmenter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

