



Company	Ramsay Health Care
Code	RHC
Meeting	AGM
Date	24 November 2020
Venue	Virtual
Monitor	Helen Manning assisted by Ramaswamy Rajagopal

Number attendees at meeting	46 shareholders plus 111 visitors – as provided by the company
Number of holdings represented by ASA	282
Value of proxies	\$24m on day of meeting
Number of shares represented by ASA	0.371m
Market capitalisation	\$14,938m – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with People & Remuneration Committee Chair, Ms Alison Deans, Group General Counsel & Company Secretary, Henrietta Rowe and Group Chief People Officer, Colleen Harris, Group Head of Investor Relations, Kelly Hibbins (and with the Chair Michael Siddle having to cancel at the last moment). Karin Hickman from the ASA in attendance.

It's a second COVID wave in Europe and at the Ramsay AGM there is no tea, sandwiches or dividends.

This year with the pandemic, AGM meetings went to a virtual format, which means that no shareholders were physically present in the same room together and the meetings were accessed through the internet, by those interested in attending. Whilst chairman, Michael Siddle lamented the virtual format of this year's AGM and hoped for a return to the 'tea and sandwich meet-up with shareholders' it was clear that some colour, in the form of shareholder sentiment, still managed to get itself heard. Despite our typed questions, (albeit read out by Henrietta Rowe in full) some impact cut through. This was best summed up by the shareholder who asked bluntly: 'Where is my dividend?' The ASA attends a lot of AGMs and agrees with Michael Siddle: the

physical AGM meeting is healthy. To that aim the ASA made a submission to Treasury on The Draft *Corporations Amendment (Virtual Meetings And Electronic Communications Bill 2020* making the case against going permanently for the virtual only AGM. When a meeting allows for people to be physically present as well as online then this format is termed a 'hybrid'. A physical component at a meeting is important and the ASA advocates for this. We support a hybrid format over a virtual only meeting going forward, if that is the choice.

It is also clear that given last years' strike on the remuneration, Ramsay has been doing a good job of listening to shareholders because this year the remuneration report had a high support vote (96.68% approval) as did all the other resolutions put to the meeting (nothing lower than a 94.55% approval vote). It is actually possible to see the impact of past ASA monitor advocacy cumulatively over time with regard to remuneration. This can be seen in small changes such as the colour coded STI outcomes table in the annual report (which we lay claim to having suggested) to more fundamental ideas surrounding Ramsay's use of core earnings per share (Core EPS) rather than statutory EPS as a metric in remuneration. Core EPS will no longer be reported on. We look forward to more information on the new ROIC gateway, having asked for this in our questions at the AGM.

We also asked about the lacklustre performance of the company if looked at over the past decade and questioned them on the impact of real-estate management trusts buying up acute care hospitals and then leasing them back to Ramsay. In response to the last question Ramsay answered by saying that in Australia they preferred to own the property but that in Europe the properties had already been sold. Ramsay said they were comfortable with owning what they did own and wouldn't be selling any more.

As part of the presentation, mention was made that a number of shareholders were asking about issues flowing from the pandemic changing broad strategic directions. The ASA is interested in this and is interested to hear further information from the company on this.

The meeting did give an update on COVID-19 and its impact on the first quarter for FY21. For Australia it seems that earnings are down. Approximately half of this is attributable to the shutdown in Victoria with its second wave and the other half due to increased costs of operating with COVID. In France and in the Nordics surgery volumes are up but demand for other services is down. In the UK there seems to be an increase in the recovery for demand for private work and other services. The recovery in Malaysia has been interrupted by a second wave of COVID there. Europe and the UK are in the midst of a second wave. It needs mentioning: we extend our thoughts and best wishes to all those impacted by this pandemic and especially those in the front line.

And Ramsay says they are keen to reinstate the dividend.

The address and presentation for the 2020 Ramsay AGM are available from <https://www.ramsayhealth.com/Investors/Company-Announcements>