

For personal use only



Notice of Annual
General Meeting
2022/23

Notice of Annual General Meeting

Wednesday 17 May 2023

NOTICE IS GIVEN that the Annual General Meeting of Sigma Healthcare Limited (**Company** or **Sigma**) will be held at 11.00am Australian Eastern Standard Time on Wednesday, 17 May 2023 at Fitzroy Ballroom, Sofitel, 25 Collins Street Melbourne Victoria 3000 (**Meeting**).

If it becomes necessary to make further alternative arrangements for holding the Meeting, the Company will ensure that Shareholders are given as much notice as possible. Further information will be made available on the Company's website at sigmahealthcare.com.au or on the Australian Securities Exchange (**ASX**).

Items of Business

1 Chair's Address

2 Financial Statements and Reports

To receive and consider the Company's Financial Report and Directors' and Auditor's Reports for the year ended 31 January 2023.

3 Remuneration Report

Resolution 1 – Adoption of Remuneration Report

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

"That the Remuneration Report for the year ended 31 January 2023 contained in the Company's 2023 Annual Report, be adopted."

The vote on this resolution is advisory and does not bind the Company or its Directors.

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution).

4 Re-election of Directors

4.1 Resolution 2 – Re-election of Ms Christine Bartlett

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

"That, Ms Christine Bartlett, who retires by rotation in accordance with Rule 3.6 of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."

4.2 Resolution 3 – Re-election of Ms Kathryn (Kate) Spargo

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

"That, Ms Kathryn (Kate) Spargo, who retires by rotation in accordance with Rule 3.6 of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."

4.3 Resolution 4 – Re-election of Mr Neville Mitchell

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

"That, Mr Neville Mitchell, who was appointed by the Directors on 2 February 2023, automatically retires in accordance with Rule 3.3(a) of the Company's Constitution, and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

4.4 Resolution 5 – Re-election of Ms Annette Carey

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

"That, Ms Annette Carey, who was appointed by the Directors on 1 April 2023, automatically retires in accordance with Rule 3.3(a) of the Company's Constitution, and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."

5 Remuneration arrangements for the Managing Director and Chief Executive Officer

5.1 Resolution 6 – Grant of rights to Managing Director and Chief Executive Officer under new 2023 Executive Equity Grant Plan (EEGP)

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

"That, for the purposes of the Corporations Act 2001 (Cth) and ASX Listing Rules (including ASX Listing Rule 10.14), and for all other purposes, the grant to the Managing Director and Chief Executive Officer, Mr Vikesh Ramsunder of 3,112,283 rights (incorporating the right to acquire shares in the Company) pursuant to the Company's 2023 Executive Equity Grant Plan, be approved on the terms set out in the Explanatory Notes accompanying the Notice of Meeting."

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

5.2 Resolution 7 – Grant of rights to Managing Director and Chief Executive Officer under the Company's Short Term Incentive Deferral Rights Plan (STIP)

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

"That, for the purposes of the Corporations Act 2001 (Cth) and ASX Listing Rules (including ASX Listing Rule 10.14), and for all other purposes, the grant to the Managing Director and Chief Executive Officer, Mr Vikesh Ramsunder of rights (incorporating the right to acquire shares in the Company) under the Company's Short Term Incentive Deferral Rights Plan, be approved on the terms set out in the Explanatory Notes accompanying the Notice of this Meeting."

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

5.3 Resolution 8 – Potential retirement benefits to Managing Director and Chief Executive Officer

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

“That, for the purposes of sections 200B, 200C and 200E of the Corporations Act 2001 (Cth), and for all other purposes, the giving of benefits to the Managing Director and Chief Executive Officer, Mr Vikesh Ramsunder, in connection with Mr Vikesh Ramsunder ceasing to hold a managerial or executive office in the Company or a related body corporate or in connection with the transfer of the whole or any part of the undertaking or property of the Company or a related body corporate, be approved on the terms set out in the Explanatory Notes accompanying the Notice of Meeting.”

(Refer to Explanatory Notes for Voting Exclusions applying to this resolution)

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

6 Resolution 9 – Amendment of Rule 3.6 of Company’s Constitution – re-election of Directors

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

That, the Company modify its Constitution with effect from the date of the Meeting by replacing rule 3.6 of its constitution with the new rule set out below and deleting rule 3.7 and replacing it with ‘Not used’:

Clause 3.6 Rotation of Directors

(a) No Director (other than the Managing Director who is exempted in accordance with rule 7.2) may hold office without re-election beyond:

- (i) the third annual general meeting following the meeting at which the Director was last elected or re-elected; or
- (ii) the third anniversary of the day on which the Director was last elected or re-elected, whichever is longer.

(b) *To the extent that the Listing Rules require an election of directors to be held and no Director would otherwise be required to submit for election or re-election, the Director to retire at an annual general meeting is any Director who wishes to retire and stand for re-election, otherwise it is the Director who has been longest in office since their last election, but, as between persons who were last elected as Directors on the same day, those to retire must be determined by lot, unless they otherwise agree between themselves.*

Explanatory Notes

The Explanatory Notes attached to this Notice are incorporated into and form part of this Notice. A detailed explanation of the background and reasons for the proposed resolutions are set out in the Explanatory Notes.

Information for Shareholders:

The Meeting will be conducted as a physical event. You can participate by attending in person at Sofitel, 25 Collins Street, Melbourne, Victoria 3000 or if unable to attend, you may view a webcast of the meeting by logging in online at <https://meetings.linkgroup.com/SIG23> (please refer to details in the Virtual Annual General Meeting Online Guide). The webcast will not allow for real-time interactions, but Shareholders will be able to submit questions ahead of time.

Shareholders of the Company

For the purpose of voting at the Meeting, the Board has determined that persons holding Shares in the Company which are listed for quotation on the ASX at 7.00pm (Melbourne time) on Monday, 15 May 2023 will be treated as Shareholders of the Company.

Appointment of proxies

Proxies may be appointed for the Meeting. Please note that:

- a Shareholder entitled to attend and vote at the Meeting is entitled to appoint no more than two proxies to attend and vote on behalf of the Shareholder. Where two proxies are appointed, each proxy may be appointed to represent a specified number of votes or proportion of the Shareholder’s voting rights. If no number or proportion is specified,

each proxy may exercise half of the votes;

- a proxy need not be a Shareholder of the Company and may be an individual or a body corporate;
- a Shareholder that is a body corporate or a body corporate appointed as a Shareholder’s proxy may appoint a representative under section 250D of the Corporations Act 2001 (Cth) (**Corporations Act**) to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative must provide evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company;
- where a proxy and the Shareholder both attend the Meeting, the proxy’s authority to speak and vote at the Meeting is suspended while the Shareholder is present at the Meeting;
- if a Shareholder appoints a KMP (as defined in the Explanatory Notes) as proxy, the KMP will not be able to cast the Shareholder’s votes on Resolutions 1, 6, 7 and 8 unless the Shareholder directs the KMP how to vote or the Chair of the Meeting is appointed as proxy. If a Shareholder appoints the Chair as their proxy (or the Chair is appointed proxy by default) and the Shareholder does not direct the Chair how to vote, then by signing and returning the proxy form the Shareholder will be expressly authorising the Chair to exercise the proxy for the relevant Item even though the Item is connected with the remuneration of the KMP; and
- if a Shareholder appoints the Chair of the meeting as proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote (if permitted under the proxy form and subject to any applicable voting restrictions), as proxy in favour of the resolution.

Joint holders

In the case of joint holders of shares any one of the joint holders may vote at any meeting as if that holder were the sole owner of the share, but if more than one of such joint holders submits a vote, the vote of the first named of the joint holders in the Register of Members, whether submitted in person or by proxy or by attorney or in any other approved means, will be accepted to the exclusion of the votes of the other joint holder(s).

Lodgement of proxy forms

A proxy form accompanies this Notice of Meeting. To be effective, the completed proxy form and the power of authority (if any) under which the proxy form is signed or a certified copy of the relevant authority must be received by the Company at least 48 hours before the start of the Meeting (that is, by 11.00am (Melbourne time) on **Monday, 15 May 2023**).

Proxies (and, if applicable, authorities) may be returned:

By mail:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By hand:

Link Market Services Limited
Level 12, 680 George Street
Sydney 2000

By facsimile:

+61 2 9287 0309

Online:

at www.linkmarketservices.com.au

Shareholders who do not plan to participate in the Meeting are encouraged to complete and return a proxy form or lodge a proxy online before the deadline listed above, for each of their holdings of Company's shares.

If you wish to post a proxy form, please be aware of current postal timeframes.

Poll

Voting on all items will be determined by a poll at the Meeting. Shareholders not participating in the Meeting may use the enclosed proxy form accompanying this Notice or vote online before the deadline listed above.

Shareholder questions

Shareholders are able to submit written questions in advance of the Meeting. To submit a written question, please complete and return the accompanying form, or submit the question online, in accordance with the instructions on the form. The form must be received by the Company no later than Wednesday 10 May 2023 (five business days before the Meeting date). Questions should relate to matters that are relevant to the business of the Meeting as outlined in the Notice.

Results of the meeting

Voting results will be announced on the ASX as soon as practicable after the Meeting and will also be made available on the Company's website at sigmahealthcare.com.au.

By Order of the Board

Kara McGowan
General Counsel & Company Secretary
6 April 2023

Explanatory Notes

The following explanatory notes (including any annexures) have been prepared to provide information to shareholders about the items of business set out in the Notice and form part of that Notice.

Item 2 – Financial Statements and Reports

The Corporations Act requires the Directors to lay before the Meeting the Financial Report, Directors' Report and the Auditor's Report for the financial period ended 31 January 2023.

Shareholders have been provided with relevant information concerning the Company's financial statements in the Annual Report of the Company for the year ended 31 January 2023. The Annual Report is available on the Company's website and has been dispatched to Shareholders who have elected to receive a hard copy. A copy of the financial statements and the associated reports will also be tabled at the Meeting.

There is no requirement either in the Corporations Act or the Company's Constitution for Shareholders to vote on the reports (excluding the Remuneration Report). However, Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports at the Meeting and on the management of the Company.

The Company's auditors will be present at the meeting to respond to any questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

Item 3 – Remuneration Report (Resolution 1)

The Corporations Act requires a resolution to be put to Shareholders for the adoption of the Remuneration Report and a reasonable opportunity for Shareholders to comment on and ask questions about the Remuneration Report.

The Remuneration Report is contained in the Annual Financial Report. Copies of the Annual Financial Report, including the Remuneration Report, are available on the Company's website at www.sigmahealthcare.com.au or may be obtained from the Office of the Company Secretary by telephoning (03) 9215 9215.

The Remuneration Report includes:

- an explanation of the Company's policy for determining the remuneration of the Key Management Personnel of Sigma Healthcare Limited consolidated group (KMP);
- a discussion of the relationship between that policy and the Company's performance;
- prescribed information regarding KMP; and
- where any element of the remuneration of a member of the KMP depended on the satisfaction of a performance condition, a summary of that performance condition.

Directors' Recommendation

The vote on this resolution is advisory and does not bind the Company or its Directors. The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

Voting Restrictions

The Corporations Act prohibits any votes being cast on Resolution 1 by or on behalf of:

- a member of KMP, details of whose remuneration are included in the Remuneration Report; or
- a closely related party of a member of KMP, regardless of whether those votes are cast as a Shareholder, a proxy or in any other capacity, and the Company will disregard any such votes, unless:
 - the vote is cast by a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1, and is not cast on behalf of a KMP or a closely related party of a KMP; or
 - the vote is cast as a proxy by the Chair of the Meeting and the proxy appointment expressly authorises the Chair to exercise an undirected proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

A closely related party of a member of KMP includes a spouse or child of the member of KMP, a child of the member of KMP's spouse, a dependant of the member of KMP or their spouse, or anyone else in the member of KMP's family who may be expected to influence the member of KMP or be influenced by the member of KMP in the member of KMP's dealings with the Company consolidated group, or a company the member of KMP controls.

The Chair of the Meeting intends to vote undirected proxies (subject to the instructions set out in the proxy form and any other applicable restrictions) in favour of Resolution 1.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as described above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

Item 4 – Re-election of Directors

Rule 3.6 of the Company's Constitution requires one-third of the current Directors (excluding the Managing Director), or the whole number nearest one-third, to retire by rotation at each Annual General Meeting. Accordingly, Ms Christine Bartlett and Ms Kathryn (Kate) Spargo, will retire at the Meeting. Being eligible, Ms Christine Bartlett and Ms Kate Spargo offer themselves for re-election.

In addition, Rule 3.3(a) of the Company's Constitution provides that any Director appointed by the Board automatically retires at the next Annual General Meeting following their appointment and is eligible for re-election at that Meeting. Mr Neville Mitchell was appointed by the Board on 2 February 2023, will automatically retire at the Meeting and, being eligible, offers himself for re-election. Ms Annette Carey was appointed to the Board on 1 April 2023, will automatically retire at the Meeting and, being eligible, offers herself for re-election.

Each re-election will be conducted as a separate resolution.

Profiles on each of the Directors are set out below:

Item 4.1 – Re-election of Ms Christine Bartlett as Director (Resolution 2)



Ms Christine Bartlett

Non-Executive Director, Chairman of the Nomination & Remuneration Committee

BSc, MAICD

Appointed a Director of Sigma Healthcare Limited in March 2016. Ms Bartlett holds a Bachelor of Science (Pharmacology and Physiology) from the University of Sydney and has completed the Harvard University Advanced Management Training and Global Executive Program. As an experienced CEO and senior executive, Ms Bartlett has broad commercial expertise, with a particular focus in areas of financial discipline, risk management, innovation, technology, and strategy execution. Ms Bartlett's current directorships in listed entities include Non-Executive Director at Mirvac Group and Reliance Worldwide Corporation Ltd. Ms Bartlett resigned as a director of GBST Ltd in November 2019. Ms Bartlett has not held any other directorships in listed entities over the past three years. In addition, Ms Bartlett's current directorships in unlisted companies include Non-Executive Director of TAL. Ms Bartlett is a member of Chief Executive Women, and the Australian Institute of Company Directors.

Having assessed the factors relevant to determining director independence under Recommendation 2.3 of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations, 4th edition (**ASX CGPRs**), the Board considers Ms Bartlett qualifies as an independent Director and confirms she is not aligned with the interests of management or a substantial holder.

Directors' Recommendation

Having received an acknowledgement from Ms Bartlett that she has sufficient time available to carry out the duties of a Director of the Company and having reviewed the performance of Ms Bartlett as a Director, and the required mix of skills and experience required by the Board, the Directors (other than Ms Bartlett, who is the subject of Resolution 2) unanimously recommend that Shareholders vote for Ms Bartlett's re-election.

Item 4.2 – Re-election of Ms Kathryn (Kate) Spargo as Director (Resolution 3)



Ms Kathryn (Kate) Spargo

Non-Executive Director, Member of the Risk Management & Audit Committee (and Interim Chair Sept – April).

LLB (Honours), BA, FAICD

Appointed a Director of Sigma Healthcare Limited in December 2015. Ms Spargo holds a Bachelor of Law with Honours, an Arts degree from the University of Adelaide and is a Life Fellow of the Australian Institute of Company Directors. She has gained broad business experience as both a lawyer, having worked in private practice and government, and as a director of listed and unlisted companies. Ms Spargo is currently a Non-Executive Director at the following listed entities: Sonic Healthcare Limited, Adairs Limited, and Bapcor Ltd. In addition Ms Spargo is also currently a Non-Executive Director of CIMIC Ltd (now unlisted). Over the last three years, Ms Spargo was a Non-Executive Director at Xenith IP Ltd. In September 2021 Ms Spargo retired from her position as Chairman of ColInvest and at the same time joined the board of the unlisted company Jellis Craig. Ms Spargo is also Director at the Geelong Football Club and Future Fuels Cooperative Research Centre.

Having assessed the factors relevant to determining director independence under Recommendation 2.3 of the ASX CGPRs the Board considers Ms Spargo qualifies as an independent Director and confirms she is not aligned with the interests of management or a substantial holder.

Directors' Recommendation

Having received an acknowledgement from Ms Spargo that she has sufficient time available to carry out the duties of a Director of the Company and having reviewed the performance of Ms Spargo as a Director, and the required mix of skills and experience required by the Board, the Directors (other than Ms Spargo who is the subject of Resolution 3) unanimously recommend that Shareholders vote for Mr Spargo's re-election.

Item 4.3 – Re-election of Mr Neville Mitchell as Director (Resolution 4)



Mr Neville Mitchell

Non-Executive Director, Chairman Risk Management & Audit Committee (April onwards)

B.Com, CA

Appointed as a Director of the Company on 2 February 2023. Mr Mitchell has extensive financial experience coupled with broad experience as an active Non-Executive Director. Mr Mitchell is a current Director and Chair of the Audit Committee of Sonic Healthcare and is a Director and Chair of the Audit and Risk Committee of Fisher and Paykel Healthcare and QBiotech. Previously, Mr Mitchell has held other Director roles including South Eastern Sydney Local Health District, The Board of Taxation, Sirtex Medical and Osprey Medical Inc. Mr Mitchell is a qualified Chartered Accountant with international healthcare and finance experience. Prior to becoming a Non-Executive Director, Mr Mitchell had a career spanning 27 years with Cochlear Limited, 22 of those years as Chief Financial Officer and Company Secretary.

Having assessed the factors relevant to determining director independence under Recommendation 2.3 of the ASX CGPRs, the Board considers Mr Mitchell qualifies as an independent Director and confirms he is not aligned with the interests of management or a substantial holder.

Directors' Recommendation

Having received an acknowledgement from Mr Mitchell that he has sufficient time available to carry out the duties of a Director of the Company and the required mix of skills and experience required by the Board, the Directors (other than Mr Mitchell who is the subject of Resolution 4) unanimously recommend that Shareholders vote for Mr Mitchell's re-election.

Item 4.4 – Re-election of Ms Annette Carey as Director (Resolution 5)



Ms Annette Carey

Non-Executive Director, Member of the Nomination & Remuneration Committee

LLB, BA

Appointed as a Director of the Company on 1 April 2023.

Ms Carey is a current Director of National Intermodal Corporation and an Advisory Board Member of Orizontas. Prior to that, Ms Carey has been a Director of Linfox Armaguard Pty Ltd and Sai Cheng Logistics Inc and was Chair of Australia Post Global. Ms Carey brings a balance of technical expertise as well as legal, strategic, and commercial intellect from over 20 years' experience in supply chain, logistics and cross border ecommerce. Ms Carey has previously held various senior roles within the Linfox Logistics group progressing from General Counsel and Company Secretary to Chief Executive Officer. Ms Carey also held the position of Executive General Manager International with Australia Post. Ms Carey is a member of Chief Executive Women.

Having assessed the factors relevant to determining director independence under Recommendation 2.3 of the ASX CGPRs, the Board considers Ms Carey qualifies as an independent Director and confirms she is not aligned with the interests of management or a substantial holder.

Directors' Recommendation

Having received an acknowledgement from Ms Carey that she has sufficient time available to carry out the duties of a Director of the Company and the required mix of skills and experience required by the Board, the Directors (other than Ms Carey who is the subject of Resolution 5) unanimously recommend that Shareholders vote for Ms Carey's re-election.

Item 5 – Remuneration arrangements for the Managing Director and Chief Executive Officer

Item 5.1 – Grant of rights to Managing Director and Chief Executive Officer under new 2023 Executive Equity Grant Plan (EEGP) (Resolution 6)

As part of the 2023/2024 Long Term Incentive (LTI) arrangements, Mr Ramsunder is entitled to a grant of 3,112,283 rights to acquire ordinary shares in the Company (EEG Rights) under the terms of the 2023 Executive Equity Grant Plan. The EEG Rights are a one-off grant to Mr Ramsunder.

Why is Shareholder approval being sought?

The Board is seeking approval of shareholders for the issue of 3,112,283 EEG Rights under the 2023 Executive Equity Grant Plan for the purposes of all applicable requirements under the Corporations Act and ASX Listing Rules, including ASX Listing Rule 10.14.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 a director of the company;
- 10.14.2 an associate of a director of the company; or
- 10.14.3 a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of 3,112,283 EEG Rights to the Chief Executive and Managing Director, Mr Ramsunder under the 2023 Executive Equity Grant Plan falls within Listing Rule 10.14.1 and therefore requires Shareholder approval under Listing Rule 10.14. Resolution 6 seeks the required Shareholder approval.

If Resolution 6 is passed, the Company will be able to proceed with the issue.

If Resolution 6 is not passed, the Company will not be able to proceed with the proposed issue and it is intended that the equivalent award will be provided in cash, subject to the same vesting and other conditions as described in this Notice.

Number of EEG Rights to be granted to Mr Ramsunder

The actual number of EEG Rights to be granted to Mr Ramsunder was determined by dividing the agreed incentive amount of A\$2,065,000, being 200% of TEC, by the volume weighted average price of shares in the Company calculated over the 10 trading days commencing on 1 February 2023, being \$0.6635. Mr Ramsunder will receive the EEG Rights at no cost to him.

Vesting of EEG Rights

EEG Rights will vest on 31 January 2026 (Vesting Date) dependent on meeting the following Vesting Conditions:

- 50% of EEG Rights vesting when the Company's earnings per share (EPS) meets a performance measure agreed by the Board at the beginning of each year during the performance period based on the outlook following the preceding year, with any earned rewards only released on the Vesting Date; and
- 25% of EEG Rights vesting on the following basis:
 - 12.5% of performance rights will vest if an absolute total shareholder return (TSR) of 8% compound annual growth rate (CAGR) is achieved during the performance period;
 - 25% of the performance rights will vest if an absolute TSR of 12% CAGR is achieved during the performance period; and
 - this will increase in a straight line to a maximum vesting of this component at 12% of CAGR; and
- 25% of EEG Rights vesting subject to Mr Ramsunder being continuously employed by the Company on, and have not given notice of termination of employment prior to, the Vesting Date.

For the purposes of the summary provided above, 'performance period' is the period of three years commencing on 1 February 2023 and ending on the Vesting Date.

Participants are not allowed to enter into any hedging arrangements in relation to any unvested EEG Rights.

Lapse of EEG Rights

All EEG Rights granted under the 2023 Executive Equity Grant Plan will lapse on the earlier of the date 5 years after they are granted (**Term**), the date the EEG Rights are forfeited or the date the Board determines that any of the Vesting Conditions will not be satisfied.

If Mr Ramsunder ceases to be employed because of redundancy, all unvested, pro rata EEG Rights will vest subject to the Board's discretion to determine otherwise. If Mr Ramsunder ceases to be employed because of retirement (with agreement of the Board), ill-health, death or total and permanent disablement, subject to the Board's discretion to determine otherwise, EEG Rights will vest pro rata to the proportion of the Vesting Period that has elapsed, and the balance of the unvested EEG Rights will be forfeited. In the event of resignation, unvested EEG Rights are typically forfeited (subject to Board discretion).

If a change of control event occurs prior to completion of the Vesting Conditions, the Board shall, at its absolute discretion, make a determination that some or all of the unvested EEG Rights held by Mr Ramsunder vest.

All rights, entitlements and interests in EEG Rights held by Mr Ramsunder will be forfeited if the Board determines that he has committed serious or persistent breach of his Employment Agreement (**EA**), been convicted of a criminal offence which involves fraud and dishonesty, engaged in conduct that has brought the Company into substantial disrepute, committed any wrongful or negligent act or omission which has caused the Company substantial liability, engaged in grave misconduct or recklessness in discharge of his duties, been disqualified from managing corporations under the Corporations Act, or within 12 months of cessation of employment, became a director or employee, provided service to or acquired a 5% or more ownership in a direct competitor of the Company.

Source of Shares

The Shares required for the 2023 Executive Equity Grant Plan upon vesting of the EEG Rights may be provided by either issuing new Shares or procuring the transfer of existing Shares including Shares acquired on-market.

Additional information

In accordance with the ASX Listing Rule 10.15, the following additional information is provided concerning the EEG Rights proposed to be granted to Mr Ramsunder under the 2023 Executive Equity Grant Plan:

- Mr Ramsunder's remuneration package as at 31 March 2023 is:

Remuneration element	Quantum
Total Employment Cost (TEC) (inclusive of superannuation)	\$1,000,000 per annum (\$1,032,500 per annum from 1 May 2023)
Sign-on rights	2,964,845 rights under the terms of the Sigma Rights Plan as approved by shareholders at the 2022 Annual General Meeting.
Short-term incentive (maximum opportunity)	Up to \$1,032,500 (100% of TEC) per annum delivered in a combination of cash and deferred equity as determined by the Board, subject to satisfaction of performance conditions. In FY 2023/24, this will be 75% in cash and 25% rights (with the issue of the rights being subject to the approval of shareholders, refer item 5.2 of the Explanatory Notes below).
Long-term incentive (maximum opportunity)	<ul style="list-style-type: none"> • 10,179,605 LFSP Shares in the first year of employment (120% of TEC). • In respect of FY 2023/24, 3,112,283 rights to be issued under the terms of the 2023 Executive Equity Grant Plan (determined by dividing A\$2,065,000 by the 10 day volume weighted average price commencing on 1 February 2023) subject to the approval of shareholders.

- The Company has chosen to issue the EEG Rights to Mr Ramsunder for the following reasons:
 - to align Mr Ramsunder's reward with increasing Shareholder value and the Company's performance over the long-term; and
 - by virtue of the above, the Board considers that Mr Ramsunder's participation in the 2023 Executive Equity Grant Plan is an important mechanism by which to incentivise performance in line with Shareholder interests.
- The fair value of the EEG Rights proposed to be issued to Mr Ramsunder will be determined in accordance with Australian Accounting Standards.
- Mr Ramsunder is the only Director eligible to be granted EEG Rights under the 2023 Executive Equity Grant Plan. No other person who requires Shareholder approval to participate in the 2023 Executive Equity Grant Plan under ASX Listing Rule 10.14 has been or will be issued with EEG Rights until such approval is obtained.
- No loans will be granted to Mr Ramsunder in relation to his participation in the 2023 Executive Equity Grant Plan.
- EEG Rights do not carry any dividend or voting rights prior to vesting.
- Shares allocated on vesting of EEG Rights will rank equally with shares in the same class.
- Details of any EEG Rights issued under the 2023 Executive Equity Grant Plan (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the issue of EEG Rights under the 2023 Executive Equity Grant Plan after Resolution 6 is approved, and who were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.
- Allocation of EEG Rights to Mr Ramsunder will be made as soon as practicable but in any event by no later than 3 years after the date of the Meeting.
- A copy of the Sigma 2023 Executive Equity Grant Plan is accessible at <https://investorcentre.sigmahealthcare.com.au/corporate-governance/governance-documents>.

Directors' Recommendation

Each of the Directors (other than Mr Ramsunder who is not entitled to vote) recommends that Shareholders vote in favour Resolution 6. None of the Directors (other than Mr Ramsunder) has an interest in the outcome of this resolution.

Voting Restrictions

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the 2023 Executive Equity Grant Plan or any of their associates.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with directions given to the proxy or attorney to vote on Resolution 6 in that way;
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chair to vote on Resolution 6 as the Chair decides; or
- a Shareholder 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 Shareholder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on Resolution 6; and
 - the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

A vote must not be cast, and the Company will disregard any votes cast on Resolution 6 as a proxy by any member of the KMP (and their closely related parties), including directors, if their appointment does not specify the way in which the proxy is to vote, unless it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair sees fit even though Resolution 6 is connected directly or indirectly with the remuneration of a member of the KMP.

Item 5.2 – Grant of rights to Managing Director and Chief Executive Officer under the Company's Short Term Incentive Deferral Rights Plan (STIP) (Resolution 7)

The fixed remuneration component of an executive's total reward consists of base salary and statutory superannuation contributions. The short term incentive (STI) component of an executive's total reward is an annual at-risk incentive reward and links a portion of executive reward opportunity to specific financial and non-financial measures.

As part of Mr Ramsunder's EA as Managing Director and CEO for the 2023/24 period, Mr Ramsunder has the ability to earn a maximum benefit of up to 100% of TEC if specified annual performance targets as set by the Board are achieved in accordance with the STIP with the combination of cash and deferred equity to be determined by the Board.

For the 2023/2024 period, the Board has determined that the STI cash payment to Mr Ramsunder, will be 75% of the awarded STI (**Cash Payment**), with the remaining 25% awarded in rights to acquire fully paid ordinary shares in the Company (**STI Rights**) under the rules of the STIP. Unlike the 2022/2023 period, this benefit will not be subject to Mr Ramsunder remaining employed for 12 months after the end of the year to which the STI Rights relate.

Why is Shareholder approval being sought?

The Board is seeking approval of shareholders for the issue of STI Rights under the STIP for the purposes of all applicable requirements under the Corporations Act and ASX Listing Rules, including ASX Listing Rule 10.14.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 a director of the company;
- 10.14.2 an associate of a director of the company; or
- 10.14.3 a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of STI Rights to the Chief Executive and Managing Director, Mr Ramsunder under the STIP falls within Listing Rule 10.14.1 and therefore requires Shareholder approval under Listing Rule 10.14. Resolution 7 seeks the required Shareholder approval.

If Resolution 7 is passed, the Company will be able to proceed with the issue.

If Resolution 7 is not passed, the Company will not be able to proceed with the proposed issue and it is intended that the equivalent award will be provided in cash, subject to the same vesting and other conditions as described in this Notice.

Number of STI Rights to be granted to Mr Ramsunder

The extent to which Mr Ramsunder is awarded an STI incentive is first contingent upon the achievement of the Company's Net Profit After Tax (**NPAT**) gateway (the **gateway**). Once the gateway has been achieved the extent to which Mr Ramsunder is awarded an STI incentive is contingent upon his ability to meet or exceed set KPIs for the 2023/24 financial year.

Accordingly, the number of STI Rights to be issued to Mr Ramsunder under the STIP cannot be determined until the end of the 2023/24 financial year when Mr Ramsunder's performance has been assessed against the relevant KPIs. However the maximum value of rights that may be granted to Mr Ramsunder is \$258,125.

Should Mr Ramsunder be entitled to a grant of STI Rights, he will receive the STI Rights at no cost to him.

Vesting Conditions

The STI Rights will vest 1 year after the conclusion of the STIP performance period.

Lapse of STI Rights

All STI Rights granted under the STIP will lapse on the earlier of the date 4 years after they are granted (**Term**), the date the STI Rights are forfeited or the date the Board determines that any of the Vesting Conditions will not be satisfied.

If Mr Ramsunder ceases to be employed because of resignation before the end of the year to which the STI Rights relate then all unvested STI Rights will be forfeited. If Mr Ramsunder ceases to be employed because of a redundancy, ill-health, retirement (with agreement of the Board), death or total and permanent disablement, or if a change of control event occurs prior to completion of the Vesting Conditions, the Board has the absolute discretion to allow some or all of the STI Rights to vest.

STI Rights will not be forfeited in circumstances where Mr Ramsunder resigns, or ceases to be employed because of redundancy, ill-health, retirement (with agreement of the Board), death or total and permanent disablement after the end of the year to which the STI Rights relate.

All rights, entitlements and interests in STI Rights held by Mr Ramsunder will be forfeited if the Board determines that he has committed serious or persistent breach of the EA, been convicted of a criminal offence which involves fraud and dishonesty, engaged in conduct that has brought the Company into substantial disrepute, committed any wrongful or negligent act or omission which has caused the Company substantial liability, engaged in grave misconduct or recklessness in discharge of his duties, been disqualified from managing corporations under the Corporations Act, or within 12 months of cessation of employment, became a director or employee, provided service to or acquired a 5% or more ownership in a direct competitor of the Company.

Clawback

The rules governing Mr Ramsunder's STI have been varied to enable clawback of any STI paid in circumstances where the STI payment was based on a financial statement or performance metric that was materially inaccurate.

Source of Shares

At the discretion of the Board, the Shares required for the vesting of the STI Rights may be provided either by issuing new Shares or by procuring the transfer of existing Shares including Shares acquired on-market.

Additional information

In accordance with the ASX Listing Rule 10.15, the following additional information is provided concerning the STI Rights proposed to be granted to Mr Ramsunder under the STIP:

- Details of Mr Ramsunder's remuneration package are set out in item 5.1 above.
- 240,462 STI Rights have previously been issued to Mr Ramsunder under the 2022/23 STIP.
- The Company has chosen to grant the STI Rights to Mr Ramsunder for the following reasons:
 - to align Mr Ramsunder's reward with increasing Shareholder value and the Company's performance over the long-term; and
 - by virtue of the above, the Board considers that Mr Ramsunder's participation in the STIP is an important mechanism by which to incentivise performance in line with Shareholder interests.
- The fair value of the STI Rights proposed to be issued to Mr Ramsunder will be determined in accordance with Australian Accounting Standards.
- Mr Ramsunder is the only Director eligible to be granted STI Rights under STIP. No other person who requires Shareholder approval to participate in the STIP under ASX Listing Rule 10.14 has been or will be issued with STI Rights until such approval is obtained.
- No loans will be granted to Mr Ramsunder in relation to his participation in the STIP.
- STI Rights do not carry any dividend or voting rights prior to vesting.
- Shares allocated on vesting of STI Rights will rank equally with shares in the same class.
- A copy of the STIP is accessible at <https://investorcentre.sigmahealthcare.com.au/corporate-governance/governance-documents>.
- Details of any STI Rights issued under the STIP (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons referred to in Listing Rule 10.14 who become entitled to participate in an issue of STI Rights under the STIP after Resolution 7 is approved, and who were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.

- Allocation of STI Rights to Mr Ramsunder will be made as soon as practicable but in any event by no later than 3 years after the date of the Meeting.

Directors' Recommendation

The Directors, other than Mr Ramsunder (who is interested in the outcome of the resolution), recommend that Shareholders vote in favour of Resolution 7.

Voting Restrictions

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the STIP or any of their associates.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with directions given to the proxy or attorney to vote on Resolution 7 in that way;
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with a direction given to the Chair to vote on Resolution 7 as the Chair decides; or
- a Shareholder 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 Shareholder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on Resolution 7; and
 - the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

A vote must not be cast, and the Company will disregard any votes cast on Resolution 7 as a proxy by any member of the KMP (and their closely related parties), including directors, if their appointment does not specify the way in which the proxy is to vote, unless it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair sees fit even though Resolution 7 is connected directly or indirectly with the remuneration of a member of the KMP.

Item 5.3 – Potential retirement benefits to Managing Director and Chief Executive Officer (Resolution 8)

Why is the resolution being proposed?

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a person who holds, or has held in the previous 3 years, a 'managerial or executive office' in the Company (or a related body corporate of the Company), a benefit in connection with that person's retirement from office, or position of employment, in excess of that person's average annual base salary over the relevant period, unless such benefit:

- is approved by Shareholders at a general meeting of the Company; or
- is exempt from the need for Shareholder approval.

Section 200C of the Corporations Act requires Shareholder approval (under section 200E) where a benefit is made "in connection with the transfer of the whole or part of the undertaking or property of the company".

The term 'benefit' has a wide operation and extends to automatic or accelerated vesting of share-based remuneration.

A consequence of these provisions is that the Company may (in general terms) be prohibited from providing the benefit of vesting, the unvested EEG Rights under the 2023 Executive Equity Grant Plan or the unvested STI Rights under the STIP described in items 5.1-5.2 of this notice upon the occurrence of an accelerated event including, without limitation, retirement (with agreement of the Board), ill-health, redundancy, death, total and permanent disablement or a change of control (**Accelerated Event**), with the value of that benefit being an accelerated benefit (**Accelerated Benefit**). This resolution is proposed to seek Shareholder approval to pay Mr Ramsunder (Managing Director and Chief Executive Officer), a combined termination benefit (comprising both a payment in accordance with existing employment arrangements and the Accelerated Benefit) with a value potentially in excess of his average annual base salary.

What can the Company do if Resolution 8 is approved?

Approval by Shareholders of Resolution 8 will give the Company authority to pay the Accelerated Benefit to Mr Ramsunder upon the occurrence of an Accelerated Event, even if the value of the associated Accelerated Benefit, when combined with his existing termination benefit (described below) exceeds his average annual base salary.

Resolution 8 only relates to the grants described in items 5.1-5.2 of this notice, and does not relate to future grants to Mr Ramsunder in relation to which separate shareholder approval would be sought, if and when applicable.

Maximum benefit payable

Existing termination benefit

The employment conditions and remuneration of Mr Ramsunder are formalised in the EA. No fixed term is specified in the EA and either party may terminate the EA without cause by providing 12 months' written notice (unless the Company makes a payment in lieu of the notice period based on the annual base salary) (**Termination Benefit**).

More detail on the Termination Benefit is provided below.

New proposed additional benefit

As set out in items 5.1 – 5.2 above, the EEG Rights and the STI Rights proposed to be granted to Mr Ramsunder under the 2023 Executive Equity Grant Plan and the STIP, respectively, may vest on satisfaction of the relevant vesting conditions or if any earlier Accelerated Event occurs.

Termination Benefit

A Termination Benefit is payable where Mr Ramsunder is entitled to receive a payment from the Company on termination of office or employment.

The amount of a Termination Benefit includes up to 12 months' remuneration in lieu of notice of termination of office or employment.

Legal Requirements – Accelerated Event and Termination Benefit

The Company is seeking Shareholder approval for the purposes of sections 200B, 200C and 200E of the Corporations Act in respect of any Accelerated Benefits that may be provided to Mr Ramsunder in respect of the EEG Rights and the STI Rights proposed to be granted under the 2023 Executive Equity Grant Plan and the STIP as set out in this Notice, respectively, and any payment of the Termination Benefit under the EA (being up to 12 months' remuneration).

It can reasonably be anticipated that aspects of Mr Ramsunder's EA and the 2023 Executive Equity Grant Plan and STIP will be amended from time to time in line with market practice and changing governance standards. Where relevant, these changes will be reported in the Company's remuneration report.

The amount of any Termination Benefit or the value of any Accelerated Benefit cannot currently be ascertained as it is dependent on a number of factors, not all of which are within the Company's control. The details of the Accelerated Benefits and Termination Benefit for which approval is sought are as follows:

Description of benefit	Manner in which value can be calculated	Matters, events, and circumstances that will, or are likely to, affect the calculation of the value
Vesting of EEG Rights under the 2023 Executive Equity Grant and STI Rights under the STIP due to an Accelerated Event.	The Company will calculate the value of this benefit as being equal to the value of the number of EEG Rights and STI Rights that vest.	<ul style="list-style-type: none"> the number of EEG Rights or STI Rights that vest; timing and circumstances of the Accelerated Event; the portion of any relevant performance periods that have expired at the time of the Accelerated Event (if applicable); the extent to which any relevant vesting conditions have been satisfied (if applicable); and the market price of Shares on ASX at the time of the calculation.
Payment of Termination Benefit where Mr Ramsunder is entitled to receive a payment from the Company – on termination of office or employment.	The Company will calculate the value of this benefit as including up to 12 months' remuneration in lieu of notice of termination of office or employment.	<ul style="list-style-type: none"> the amount Mr Ramsunder is entitled to receive from the Company by way of remuneration at the time of termination of office or employment; and the time after the commencement of the financial year that notice is served terminating office or employment.

Voting Restrictions

A vote must not be cast, and the Company will disregard any votes cast on Resolution 8:

- by or on behalf of Mr Ramsunder or any of his associates (regardless of the capacity in which the vote is cast); or
- as a proxy by any member of the KMP (and their closely related parties), including directors, if their appointment does not specify the way in which the proxy is to vote.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Resolution 8:

- in accordance with the written directions on the proxy form; or
- by the Chair of the meeting as undirected proxy and the Chair has received express authority to exercise the proxy as the Chair sees fit even though Resolution 8 is connected directly or indirectly with the remuneration of a member of the KMP.

Directors' Recommendation

The Directors, other than Mr Ramsunder (who is interested in the outcome of the resolution), recommend that Shareholders vote in favour of Resolution 8.

Item 6 – Amendment of Rule 3.6 of Company's Constitution (Resolution 9)

Rule 3.6 of the Company's Constitution currently requires one-third of the Directors to retire at each Annual General Meeting.

It is proposed that rule 3.6 be amended to require Directors (other than the Managing Director) to retire no later than the third Annual General Meeting following the Director's last election or re-election, or the third anniversary of their last election or re-election (whichever is longer).

The amended rule 3.6 reflects common director rotation provisions amongst listed companies and is in line with the relevant ASX Listing Rules. To the extent the ASX Listing Rules require the Company to hold an election of Directors at an Annual General Meeting, a director election will be held.

Rule 3.6 also sets out the process for determining which Directors will stand for re-election. This process requires any Director who wishes to retire and stand for re-election to do so, otherwise it is the Director who has been longest in office since their last election, but, as between persons who were last elected as Directors on the same day, those to retire must be determined by lot, unless they otherwise agree between themselves.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.