

NOTICE OF ANNUAL GENERAL MEETING 2015



NOTICE is hereby given of the Annual General Meeting (“this Meeting” or “this AGM”) of members of Primary Health Care Limited (“the Company”) to be held:

Date: Thursday 26 November 2015

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

Venue: Sofitel Sydney Wentworth, Level 4, 61 - 101 Phillip Street, Sydney NSW 2000

Primary Health Care Limited
(ACN 064 530 516)

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 2015.

2. ADOPTION OF THE 2015 REMUNERATION REPORT

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

"That the Remuneration Report for the year ended 30 June 2015 be adopted."

Voting exclusion: The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusion applicable to this resolution are set out in paragraphs 2.13 and 2.14 of the Explanatory Statement which forms part of this Notice of Meeting.

3. TO RE-ELECT MR ROBERT FERGUSON AS A DIRECTOR

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

"That Mr Robert Ferguson, being a Director who retires by rotation in accordance with the Constitution of the Company and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."

4. TO RE-ELECT MS ARLENE TANSEY AS A DIRECTOR

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

"That Ms Arlene Tansey, being a Director who retires by rotation in accordance with the Constitution of the Company and, being eligible, offers herself for re-election, is re-elected as a Director of the Company."

5. TO ELECT MR ROBERT HUBBARD AS A DIRECTOR

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

"That Mr Robert Hubbard, being a Director appointed by the board of the Company ("**Board**") as a casual appointee since the last Annual General Meeting, who retires in accordance with the Constitution of the Company and, being eligible, offers himself for election, is elected as a Director of the Company."

6. TO ELECT MR GORDON DAVIS AS A DIRECTOR

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

"That Mr Gordon Davis, being a Director appointed by the Board as a casual appointee since the last Annual General Meeting, who retires in accordance with the Constitution of the Company and, being eligible, offers himself for election, is elected as a Director of the Company."

7. SPILL RESOLUTION (CONTINGENT ITEM)

(Item 7 – the Spill resolution – is to be put to this AGM only if at least 25% of the votes cast at this AGM on Resolution 2 above (Adoption of the 2015 Remuneration Report) are against the adoption of the 2015 Remuneration Report)

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

"That, subject to and conditional on at least 25% of the votes cast on the resolution at Item 2 of this Annual General Meeting (Adoption of the 2015 Remuneration Report), being cast against that resolution:

- (a) another meeting ("**the Spill Meeting**") of the Company's members be held within 90 days; and
- (b) all the Company's Directors (other than Mr Peter Gregg, the Managing Director) who were Directors of the Company when the Directors' resolution to make the Directors' Report considered at this Annual General Meeting was passed (being Mr Robert Ferguson*, Mr Brian Ball, Mr Gordon Davis*, Mr Robert Hubbard*, Dr Paul Jones, Dr Errol Katz and Ms Arlene Tansey*) cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."

* This assumes that these Directors are re-elected/elected at this Annual General Meeting under the resolutions at Items 3–6.

Voting exclusion: The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusion applicable to this resolution are set out in paragraphs 7.8 and 7.9 of the Explanatory Statement which forms part of this Notice of Meeting.

By order of the Board



Charles Tilley
Company Secretary
Dated: 15 October 2015

HOW TO VOTE

A shareholder entitled to attend and vote at this AGM may vote by:

- (a) attending this AGM in person; or
- (b) appointing a proxy, attorney or in the case of a corporate shareholder, a corporate representative, to vote at this AGM on their behalf.

VOTING BY PROXY

- (a) (right to appoint): Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this AGM.
- (b) (two proxies): To enable a shareholder to divide their voting rights, a shareholder who is entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed:
 - (i) a separate Proxy Form should be used to appoint each proxy;
 - (ii) each Proxy Form must specify the proportion, or the number, of votes that the proxy may exercise. If no such percentage or number of votes is stated, each proxy may exercise half of the votes of the shareholder.
- (c) (who may be a proxy): A shareholder may appoint any other person to be their proxy. A proxy may be an individual or a body corporate, and need not be a shareholder of the Company. The proxy appointed may be described in the Proxy Form by an office held, for example, "the Chair of the Meeting".
- (d) (Chair as fall-back 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 the proxy in respect of all the shares of that member.

Under the *Corporations Act 2001* (Cth) ("**Corporations Act**"), there are additional circumstances where the Chair of the Meeting will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution, even if the shareholder has not expressly appointed the Chair of the Meeting as their proxy. This will be the case where:

- (i) a poll is duly called on the resolution;
 - (ii) a shareholder has appointed a proxy (other than the Chair) 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 this AGM, or the proxy attends this AGM but does not vote on the resolution.
- (e) (signature(s) of individuals): In the case of shareholders who are individuals, the Proxy Form must be signed:
 - (i) if the shares are held by one individual, by that shareholder;
 - (ii) if the shares are held in joint names, by any one of them.

Alternative to so signing, the Proxy Form may be authenticated in a manner prescribed by the *Corporations Regulations 2001* (Cth) ("**Corporations Regulations**").

- (f) (signatures on behalf of Australian companies): In the case of shareholders which are companies registered under the Corporations Act, the Proxy Form must be signed:
 - (i) if it has a sole director who is also sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
 - (ii) in the case of any other company, by either 2 directors or a director and a company secretary.

The use of the common seal of the company, in addition to those required signatures, is optional.

Alternative to so signing, the Proxy Form may be authenticated in a manner prescribed by the Corporations Regulations.

- (g) (execution on behalf of foreign companies): In the case of shareholders which are either foreign companies or other bodies corporate not incorporated under the Corporations Act, the Proxy Form must be executed in accordance with the laws governing execution of documents by such foreign companies or other bodies corporate.
- (h) (execution by other authorised persons): If the person signing, or otherwise authenticating in a manner prescribed by the Corporations Regulations, the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (f) and (g) above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company by the time and at the place in (i) below.
- (i) (lodgement place and deadline): A Proxy Form accompanies this Notice of Meeting. To be effective, Proxy Forms (duly completed and signed) must be received:
 - (i) IN PERSON – as an original at Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, VIC 3067, Australia; or
 - (ii) BY MAIL – as an original at Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia; or
 - (iii) BY FAX – (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555; or
 - (iv) ONLINE – at www.investorvote.com.au (by following the steps set out on that site);

by not later than 48 hours before this AGM (that is, by no later than 11.00 am (Sydney time) on Tuesday 24 November 2015) ("**Proxy Deadline**"), failing which the Proxy Form will be disregarded for the purposes of this AGM.

CORPORATE REPRESENTATIVES AND ATTORNEYS

A shareholder may appoint an attorney to vote on his or her 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 this AGM with Computershare Investor Services Pty Limited via the methods described in paragraph (i) above, by no later than the Proxy Deadline.

Corporate shareholders wishing to appoint a representative to attend and vote at this AGM on their behalf must provide that representative with an appropriately executed corporate representative certificate authorising him or her as the company's representative, which specifies the shareholder's name and the name or title of the corporate representative, and which identifies the Company's name and the meeting(s) at which the representative may act. The corporate representative certificate (or a copy of it) must be lodged with Computershare Investor Services Pty Limited by 4.00 pm on Wednesday, 25 November 2015, via any of the methods in paragraph (i) above.

SHAREHOLDERS ENTITLED TO VOTE

For the purposes of this AGM and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that a person's entitlement to vote at this AGM will be the entitlement of that person as set out in the register of members of the Company as at 7.00 pm (Sydney time) on Tuesday 24 November 2015.

EXPLANATORY STATEMENT

ITEM 1: RECEIPT OF ANNUAL FINANCIAL REPORT

- 1.1 As required by the Corporations Act, the Financial Report, the Directors' Report, and the Auditor's Report for the financial year ended 30 June 2015 will be laid before this AGM. There is no requirement for a formal resolution on this item. However, the Chair of the Meeting will allow a reasonable opportunity for the shareholders as a whole at this AGM to ask questions about, or make comments on, these reports.
- 1.2 Shareholders should refer to paragraphs 9.1 to 9.6 below in relation to asking questions directed to the Auditor.

ITEM 2: ADOPTION OF THE 2015 REMUNERATION REPORT

- 2.1 The Company's Annual Report for the year ended 30 June 2015 contains a Remuneration Report on pages 35 to 49 ("**the Remuneration Report**"). The Remuneration Report sets out the policy for the remuneration of the Directors and certain senior executives of the Company and the entities it controlled during the year ended 30 June 2015 ("**the Primary Group**"). The Company's 2015 Annual Report (which includes the 2015 Remuneration Report) is available on the Company's website at www.primaryhealthcare.com.au.
- 2.2 The Chair of the Meeting will allow a reasonable opportunity for the shareholders as a whole to ask questions about, or make comments on, the Remuneration Report.
- 2.3 While section 250R of the Corporations Act requires that a resolution be put to shareholders to adopt the Remuneration Report, it also states that the vote on the resolution to adopt the Remuneration Report is advisory only and does not bind the Directors or the Company.
- 2.4 Under changes to the Corporations Act that came into effect on 1 July 2011, if at least 25% of the votes cast on the resolution are against the adoption of the relevant Remuneration Report at two consecutive Annual General Meetings (each an "**AGM**", and any such potential 25% or more vote 'against' commonly referred to as a "first strike" or "second strike"), shareholders will be required to vote at the second of those AGMs on a resolution that another general meeting be held within 90 days, at which all of the Company's Directors in office at the time of the directors' resolution to make the Directors' Report containing that second Remuneration Report (other than the managing director) must stand for re-election.
- 2.5 The 2015 Remuneration Report:
 - (a) provides discussion of the Board's policy on remuneration of Directors and senior executives, and the relationship between such policy and the Company's performance;
 - (b) sets out prescribed information in relation to the Directors and senior executives, including their fixed remuneration and any performance-related remuneration; and
 - (c) sets out the actions taken by the Directors in response to the "first strike" received at the 2014 AGM (see paragraph 2.11 for more detail).
- 2.6 The remuneration policy for the senior executives of the Primary Group aims to align long-term incentives for senior executives with the delivery of sustainable value to shareholders. This alignment of interests is important in ensuring that senior executives are focused on delivering sustainable returns to shareholders, while allowing the Primary Group to attract and retain senior executives with the appropriate skills, qualifications, and experience.
- 2.7 The Board's Nomination and Remuneration Committee reviews the remuneration packages of Directors and senior executives on an annual basis and makes recommendations to the Board. Remuneration packages are reviewed with due regard to performance and other relevant factors.
- 2.8 Independent experts are available to the Nomination and Remuneration Committee, if required and where appropriate, to assist with its deliberations. The Nomination and Remuneration Committee has the authority to retain legal, accounting or other advisers, consultants or experts as the Committee considers appropriate, to assist it to meet its responsibilities in developing remuneration recommendations for the Board, by providing independent advice regarding remuneration strategies, incentive plans and objective market practice of other listed companies.
- 2.9 Non-executive Directors receive a fixed fee, which includes superannuation contributions. Fees are not linked to the performance of the Company so that independence and impartiality are maintained. Superannuation contributions were made at a rate of 9.5% for the year ended 30 June 2015, which satisfies the Company's statutory superannuation obligations.
- 2.10 At last year's AGM the resolution to adopt the 2014 Remuneration Report was carried, but 37.8% of the votes cast on that resolution were against, thereby constituting a "first strike".
- 2.11 The 2015 Remuneration Report sets out in detail the measures that have been taken by your Directors to respond to the concerns of shareholders raised via the "first strike" at last year's AGM. This response includes changes to the Company's remuneration structures which have taken effect in FY2016. The Directors' Report (which includes the 2015 Remuneration Report and forms part of the Company's 2015 Annual Report) also sets out the changes made by your Directors to the governance of the Company since last year's AGM. A summary of these matters is set out in the Letter from the Chair of the Nomination and Remuneration Committee on page 34 of the Company's 2015 Annual Report.
- 2.12 If at least 25% of the votes cast on the resolution in Item 2 (that the 2015 Remuneration Report be adopted) are against the adoption of the 2015 Remuneration Report, then this would constitute a "second strike" and, as then required by the Corporations Act, a Spill resolution, as set out in Item 7 and explained in paragraphs 7.1 to 7.13 below, will be put and voted on at this AGM.

EXPLANATORY STATEMENT

Voting exclusion statement in respect of Item 2

2.13 The following persons may not vote (in person or by proxy), and the Company will disregard any votes cast by or on behalf of the following persons, on the resolution in Item 2:

- (a) the key management personnel (“KMP”) of the Primary Group (as set out on page 35 of the 2015 Annual Report), whose remuneration details are included in the Remuneration Report; and
- (b) each “closely related party” (as defined in section 9 of the Corporations Act) of a KMP.

2.14 However, a person described in paragraph 2.13 above may cast a vote on the resolution in Item 2 if:

- (a) the person in paragraph 2.13 is appointed as a proxy and the proxy appointment specifies how the proxy is to vote on the resolution in Item 2; or
- (b) the appointed proxy is the Chair of the Meeting and:
 - (i) the appointment does not specify how the Chair is to vote on the resolution in Item 2; and
 - (ii) the appointment expressly authorises the Chair to exercise the proxy even if the resolution in Item 2 is connected directly or indirectly with the remuneration of a KMP.

If you appoint the Chair of the Meeting as your proxy, and you do not direct your proxy on how to vote on the resolution in Item 2 on the Proxy Form, you will be expressly authorising the Chair of the Meeting to exercise your proxy even if Item 2 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chair of the Meeting.

Recommendation on Item 2

- 2.15 The Remuneration Report forms part of the Directors’ Report for the year ended 30 June 2015 and is made in accordance with a unanimous resolution of the Directors. The Company’s 2015 Annual Report (incorporating the Remuneration Report) sets out significant changes that have been made by your Directors to the Company’s remuneration and governance structures in response to the “first strike” received at last year’s AGM. These matters are summarised in the Letter from the Chair of the Nomination and Remuneration Committee on page 34 of the Company’s 2015 Annual Report.
- 2.16 While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, your Directors unanimously recommend that you vote in favour of adopting the Remuneration Report.
- 2.17 The Chairman of the Meeting intends to vote all available proxies in favour of Item 2.

EXPLANATORY STATEMENT

ITEM 3: RE-ELECTION OF MR ROBERT FERGUSON AS A DIRECTOR

- 3.1 Article 13.6 of the Company's Constitution requires that at the conclusion of every AGM, one third of the Board (other than casual appointees, alternate Directors or the Managing Director) must retire from office, but may be eligible for re-election. Mr Robert Ferguson will retire at this AGM and, being eligible, offers himself for re-election by shareholders.
- 3.2 A profile of Mr Ferguson is as follows:
- (a) Relationship with the Company: Mr Ferguson, B.Ec (Hons), aged 69, is the Non-executive Chairman of the Company who was first appointed in 2009. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.
 - (b) Background and experience: Mr Ferguson was Chairman of Bentham IMF (Australia) Limited from 2009 to January 2015 (a Director since November 2004) and Deputy Chair of the Sydney Institute from 1993-2013.
 - (c) Other current Directorships: Mr Ferguson is Chairman of GPT Management Holdings Limited (since 2010; a Director since May 2009) and Chairman of SmartWard Holdings Pty Limited. Mr Ferguson is also a Director of Tyro Payments Limited and Watermark Market Neutral Fund Limited (since May 2013).
 - (d) The Board considers that Mr Ferguson is an independent Director.

Recommendation on Item 3

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

ITEM 4: RE-ELECTION OF MS ARLENE TANSEY AS A DIRECTOR

- 4.1 Ms Arlene Tansey will retire at this AGM in accordance with article 13.6 of the Company's Constitution (described at paragraph 3.1 above) and, being eligible, offers herself for re-election by shareholders.
- 4.2 A profile of Ms Tansey is as follows:
- (a) Relationship with the Company: Ms Tansey, Juris Doctor (JD), MBA, BBus(Admin), FAICD, aged 58, is a Non-executive Director of the Company who was first appointed in 2012. She is a member of the Audit Committee and the Nomination and Remuneration Committee.
 - (b) Background and experience: Ms Tansey has extensive experience in commercial, investment banking and law in Australia and the United States. She is a Member of Chief Executive Women and a Fellow of the Australian Institute of Company Directors. She was a Non-executive Director of Pacific Brands Limited from March 2010 to October 2013.
 - (c) Other current Directorships: Ms Tansey is Chairman of Urbanise.com Limited (since June 2014) and Future Fibre Technologies Limited (since March 2015), a Non-executive Director of Adelaide Brighton Limited (since April 2011), Lend Lease Investment Management Limited, Infrastructure NSW and the Australian Research Alliance for Children & Youth.
 - (d) The Board considers that Ms Tansey is an independent Director.

Recommendation on Item 4

- 4.3 Your Directors (other than Ms Tansey, who abstains) unanimously recommend that you vote in favour of the re-election of Ms Tansey.

EXPLANATORY STATEMENT

ITEM 5: ELECTION OF MR ROBERT HUBBARD AS A DIRECTOR

- 5.1 Mr Robert Hubbard was appointed by the Board as a Non-executive Director of the Company on 18 December 2014. In accordance with article 13.5 of the Company's Constitution, Mr Hubbard holds office as a casual appointee only until the next Annual General Meeting and, being eligible, offers himself for election by shareholders.
- 5.2 A profile of Mr Hubbard is as follows:
- (a) Relationship with the Company: Mr Hubbard, BA (Hons), FCA, MAICD, aged 56, is a Non-executive Director of the Company. On 27 February 2015, he became the Chairman of the Audit Committee and a member of the Risk Management Committee.
 - (b) Background and experience: Mr Hubbard holds a Bachelor of Accounting (Honours) degree from the University of Birmingham, is a Fellow of the Institute of Chartered Accountants in Australia and a Member of the Australian Institute of Company Directors. 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.
 - (c) Other current Directorships: Mr Hubbard is Chairman of Central Petroleum Limited (since 2015; a Director since December 2013) and a Non-executive Director of Bendigo and Adelaide Bank Limited (since April 2013, where he is Chairman of the Audit Committee and a member of the Risk Committee), Oroobre Limited (since November 2012, where he is Chairman of the Audit Committee) and JK Tech Pty Ltd. He is also Chairman of the Audit and Risk Management Committee at the University of the Sunshine Coast, a Member of the Council of the University of the Sunshine Coast, a Director of Multiple Sclerosis Research Australia and Chairman of Opera Queensland.
 - (d) The Board considers that Mr Hubbard is an independent Director.

Recommendation on Item 5

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

ITEM 6: ELECTION OF MR GORDON DAVIS AS A DIRECTOR

- 6.1 Mr Gordon Davis was appointed by the Board as a Non-executive Director of the Company on 3 August 2015. In accordance with article 13.5 of the Company's Constitution, Mr Davis holds office as a casual appointee only until the next Annual General Meeting and, being eligible, offers himself for election by shareholders.
- 6.2 A profile of Mr Davis is as follows:
- (a) Relationship with the Company: Mr Davis, MBA, GAICD, aged 59, is a Non-executive Director.
 - (b) Background and experience: Mr Davis holds a Bachelor of Forest Science (Honours) and a Master of Business Administration from the University of Melbourne and a Master of Agricultural Science from the University of Tasmania. He is a Graduate of the Australian Institute of Company Directors. Mr Davis was Managing Director of AWB Limited between 2006 and 2010. He has also served in a senior capacity on various industry associations.
 - (c) Other current Directorships: Mr Davis is currently a Non-executive Director of Nufarm Limited (since May 2011) where he serves on the Audit and Risk Committee, the Remuneration Committee and as the Chair of the Health, Safety and Environment Committee. Mr Davis also holds positions in community-focused organisations including Chair of Greening Australia Limited, CIBUS Group and is Director of the Advisory Board of The Nature Conservancy. He is also Chairman of VicForests (a government business enterprise), where he also chairs the Executive Remuneration Committee.
 - (d) The Board considers that Mr Davis is an independent Director.

Recommendation on Item 6

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

EXPLANATORY STATEMENT

ITEM 7: SPILL RESOLUTION (CONTINGENT ITEM)

(Item 7 – the Spill resolution – is to be put to this AGM only if at least 25% of the votes cast at this AGM on the resolution at Item 2 above (Adoption of the 2015 Remuneration Report) are against the passing of that resolution)

- 7.1 The Spill resolution in Item 7 will only be put to this AGM if at least 25% of the votes cast at this AGM on the resolution to adopt the 2015 Remuneration Report (Item 2 above) are against that resolution. If less than 25% of the votes cast at this AGM are against Item 2, then the Spill resolution in Item 7 will not be put to this AGM.
- 7.2 The Corporations Act provides for a separation of any “second strike” (more than 25% of the votes cast are against Item 2) and the Spill resolution (Item 7). In the circumstances of the Company this separation is intended to ensure that shareholders are not discouraged from voting against the 2015 Remuneration Report (Item 2) because they fear removal of certain Directors. It is designed to allow shareholders to be free to express their concerns on the 2015 Remuneration Report, and is intended to provide a clearer signal of shareholders’ views on the 2015 Remuneration Report. Just because a shareholder votes against the adoption of the 2015 Remuneration report (Item 2) and at least 25% of the votes cast are against, that shareholder is not then obliged to vote in favour of the Spill resolution (Item 7); the consequences of doing so are material and should be carefully considered by the shareholder.
- 7.3 If the Spill resolution in Item 7 is validly carried, that is, at least 50% of the eligible votes cast on the Spill resolution at this AGM are in favour, then the Corporations Act requires, in the circumstances of the Company, that:
- (a) the Directors must convene another meeting of shareholders – the Spill Meeting – to be held within 90 days, that is by no later than 24 February 2016; and
 - (b) all the Company’s Directors (other than the Managing Director, Mr Peter Gregg) as at the date of the resolution to make the 2015 Directors’ Report was passed – being Mr Robert Ferguson*, Mr Brian Ball, Mr Gordon Davis*, Mr Robert Hubbard*, Dr Paul Jones, Dr Errol Katz, and Ms Arlene Tansey* – automatically cease to hold office (that is, cease to be Directors of the Company) immediately before the end of the Spill Meeting; and
 - (c) resolutions to appoint persons to the offices that will be vacated be put to the vote at the Spill Meeting.

* This assumes that these Directors are re-elected/elected at this AGM under the resolutions at Items 3–6.

If the Spill resolution at Item 7 is not validly carried, then the Board as at the conclusion of this AGM will remain in place.

- 7.4 The Spill Meeting is effectively a special meeting of shareholders at which all the positions of Director (other than the Managing Director) are open for election by shareholders.
- 7.5 If the Spill resolution is passed, then the Company must give at least 28 days’ notice of the Spill Meeting. The Company’s Constitution also requires, in the circumstances, that no individual is eligible for election to the office of Director at the Spill Meeting – regardless of whether he or she is an existing Director or some other individual – unless duly nominated. To be duly nominated the following requirements must be observed:
- (a) the nomination must be made to the Company Secretary at the registered office of the Company at Level 1, 30-38 Short Street, Leichhardt NSW 2040;
 - (b) nominations close at 5.00 pm (Sydney time) on the day which is 35 business days before the date for holding the Spill Meeting;
 - (c) the nomination must name the candidate and be signed by not less than 5 shareholders who are shareholders at the time of close of nominations;
 - (d) the individual nominated must consent to act if elected;
 - (e) the nomination and consent must be received before the close of nominations.
- 7.6 The government’s explanation of the policy behind the “two-strikes and re-election” process introduced into the Corporations Act on 1 July 2011 was “this reform is intended to provide an additional level of accountability for directors and increased transparency for shareholders. Where a company receives significant ‘no’ votes on its remuneration report over two consecutive years, and has not adequately addressed concerns raised by shareholders, it is appropriate for the Board to be held accountable through the re-election process”.
- 7.7 As set out in the 2015 Remuneration Report, the Directors have made significant changes to the Primary Group’s remuneration and governance structures.

Voting exclusion statement in respect of Item 7

- 7.8 The following persons may not vote (in person or by proxy), and the Company will disregard any votes cast by or on behalf of the following persons, on the resolution in Item 7:
- (a) the KMP of the Primary Group (as set out on page 35 of the 2015 Annual Report), whose remuneration details are included in the Remuneration Report; and
 - (b) each “closely related party” (as defined in section 9 of the Corporations Act) of a KMP.

EXPLANATORY STATEMENT

7.9 However, a person described in paragraph 7.8 above may cast a vote on the resolution in Item 7 if:

- (a) the person in paragraph 7.8 is appointed as a proxy and the proxy appointment specifies how the proxy is to vote on the resolution in Item 7; or
- (b) the appointed proxy is the Chair of the Meeting and:
 - (i) the appointment does not specify how the Chair is to vote on the resolution in Item 7; and
 - (ii) the appointment expressly authorises the Chair to exercise the proxy even if the resolution in Item 7 is connected directly or indirectly with the remuneration of a KMP.

If you appoint the Chair of the Meeting as your proxy, and you do not direct your proxy on how to vote on the resolution in Item 7 on the Proxy Form, you will be expressly authorising the Chair of the Meeting to exercise your proxy even if Item 7 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chair of the Meeting.

Recommendation on Item 7

7.10 Your Directors unanimously recommend that shareholders vote **against** the Spill resolution.

7.11 The Company's 2015 Annual Report (incorporating the 2015 Remuneration Report) sets out significant changes that have been made by your Directors to the Company's remuneration and governance structures in response to the "first strike" received at last year's AGM. A passing of the Spill resolution and the consequent Spill Meeting would cause enormous disruption to the operations of the Company as it attempts to implement its strategic growth model.

7.12 In determining how to vote on the Spill resolution, shareholders should also consider the anomalous position that may arise where, of the 7 Directors named in paragraph 7.3(b) above who would be subject to the "spill":

- (a) four (being Mr Robert Ferguson, Ms Arlene Tansey, Mr Robert Hubbard and Mr Gordon Davis) will have been considered for election/re-election by shareholders at this AGM (Items 3 to 6); and
- (b) two (being Mr Robert Hubbard and Mr Gordon Davis) did not participate in the Board's decision to issue the 2014 Remuneration Report (which led to the "first strike") as they were not on the Board at the time.

7.13 The Chair of the Meeting intends to vote all available proxies against Item 7.

EXPLANATORY STATEMENT

GENERAL: QUESTIONS AND COMMENTS ON MANAGEMENT OF THE COMPANY

- 8.1 The Chair of the Meeting will allow a reasonable opportunity for the shareholders as a whole at this AGM to ask questions about, or make comments on, the management of the Company.

GENERAL: QUESTIONS TO THE AUDITOR

- 9.1 Any shareholder may submit to the Company a written question directed to the Company's auditor, Deloitte Touche Tohmatsu ("**the Auditor**"), if the question is relevant to:
- (a) the content of the Auditor's Report to be considered at this AGM; or
 - (b) the conduct of the audit of the Annual Financial Report to be considered at this AGM.
- 9.2 Any written question under paragraph 9.1 above must be received by the Company no later than 5.00 pm (Sydney time) on Thursday 19 November 2015.
- 9.3 The Company will pass the questions on to the Auditor. The Auditor will then prepare, and give to the Company, a list of the questions relevant to the matters in paragraph 9.1 above. The Company will, at or before the start of this AGM, make copies of the questions list reasonably available to the shareholders attending this AGM.
- 9.4 If the Auditor prepares a written answer to a written question submitted under paragraphs 9.1 and 9.2 above, the Chair of the Meeting may permit the Auditor or their representative to table the written answer to the written question. The Company will make the tabled written answer reasonably available to shareholders as soon as practicable after this AGM.
- 9.5 The Chair of the Meeting will allow a reasonable opportunity for the Auditor or their representative to answer relevant written questions submitted under paragraphs 9.1 and 9.2 above.
- 9.6 The Chair of the Meeting will allow a reasonable opportunity for the shareholders as a whole at this AGM to ask the Auditor or the Auditor's representative questions relevant to:
- (a) the conduct of the audit;
 - (b) the preparation and content of the Auditor's Report;
 - (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (d) the independence of the Auditor in relation to the conduct of the audit.

GENERAL: UNDIRECTED PROXIES

- 10.1 The Chair of the Meeting intends to vote undirected proxies in favour of each of the resolutions in Items 2 to 6 inclusive, and against the contingent Spill resolution in Item 7.



Primary Health Care Limited

ABN 24 064 530 516

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

000001 000 PRY
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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



For your vote to be effective it must be received by 11.00 am (Sydney time) on Tuesday 24 November 2015

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or a corporate proxy is to attend the meeting you will need to execute the appropriate "Certificate of Appointment of Corporate Representative" and lodge the certificate, or a copy of it, by 4.00 pm (Sydney time) on the day **before** the Meeting at the place or by the method for lodging Proxy Forms as set out in the top right hand corner above, or by lodging the certificate, or a copy of it, at the registered office of the Company prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Samples/000001/000001/i12

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

I/We being a member/s of Primary Health Care Limited hereby appoint



the Chairman
of the Meeting

OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman 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 Chairman 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 Primary Health Care Limited to be held at Sofitel Sydney Wentworth, Level 4, 61-101 Phillip Street, Sydney NSW 2000 on Thursday 26 November 2015 at 11.00 am (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business with the exception of Item 7 where the Chairman of the Meeting will be voting against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 by marking the appropriate box in step 2 below.

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.

Ordinary Business

	For	Against	Abstain
Item 2. Adoption of the 2015 Remuneration Report	☐	☐	☐
Item 3. To re-elect Mr Robert Ferguson as a Director	☐	☐	☐
Item 4. To re-elect Ms Arlene Tansey as a Director	☐	☐	☐
Item 5. To elect Mr Robert Hubbard as a Director	☐	☐	☐
Item 6. To elect Mr Gordon Davis as a Director	☐	☐	☐

Contingent Business

Item 7. Spill resolution	☐	☐	☐
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The Chairman of the Meeting intends to vote all available proxies in favour of each item of business with the exception of Item 7 where the Chairman of the Meeting will be voting against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /