

Wednesday, 18 October 2023

Company Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

### NOTICE OF ANNUAL GENERAL MEETING 2023

In accordance with ASX Listing Rule 3.17, attached is a copy of the Notice and Access letter, Notice of Meeting and Proxy form in relation to Sonic Healthcare Limited's (ASX: SHL; ADR: SKHHY) (*Sonic*) 2023 Annual General Meeting, which will be held as a hybrid meeting on Thursday, 16 November 2023 at 10.00am AEDT.

The Notice and Access letter, Notice of Meeting and Proxy form will be made available to shareholders today.

In accordance with the Corporations Act:

- Sonic will not be dispatching physical copies of the Notice of Meeting to shareholders, unless a shareholder has made a valid election to receive documents in hard copy; and
- Sonic's 2023 Annual Report, which was lodged with the ASX on 26 September 2023, is accessible online at [www.sonichealthcare.com/annual-reports](http://www.sonichealthcare.com/annual-reports), and will be sent only to those shareholders who have requested a copy.

This announcement has been authorised by Sonic's Company Secretary, whose contact details for further information are as follows:

**Paul Alexander**  
Company Secretary  
Sonic Healthcare  
Telephone: +61 2 9855 5404  
Email: [paul.alexander@sonichealthcare.com.au](mailto:paul.alexander@sonichealthcare.com.au)



## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

## Sonic Healthcare Limited Annual General Meeting 2023

The Sonic Healthcare Limited Annual General Meeting will be held on Thursday, 16 November 2023 at 10:00am (Sydney time). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:

**Control Number:**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 10:00am (Sydney time) Tuesday 14 November 2023.



### ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit: <https://meetnow.global/MPLGR6M>

For instructions refer to the online user guide [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:

Acacia Room, InterContinental Sydney Hotel, 117 Macquarie Street, Sydney NSW 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**THIS DOCUMENT IS IMPORTANT**

***If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.***

**NOTICE OF ANNUAL GENERAL MEETING 2023  
AND  
EXPLANATORY MEMORANDUM**

The Annual General Meeting (*AGM*) of shareholders will be held on 16 November 2023, commencing at 10.00am (Sydney time). The AGM will be held as a hybrid meeting providing shareholders with an opportunity to either attend in person or to participate online. To attend in person and engage with directors, shareholders are invited to the Acacia Room, InterContinental Sydney Hotel, 117 Macquarie Street, Sydney NSW.

Shareholders can also participate in the AGM using the online platform which will include a facility for shareholders to ask questions in relation to the business of the meeting and to vote in real time at the meeting. These processes are set out in this Notice of Meeting.

Whilst shareholders will be able to ask questions and vote online during the meeting, you are encouraged to lodge a proxy ahead of the meeting at [www.investorvote.com.au](http://www.investorvote.com.au).

Proxies must be appointed in accordance with the instructions set out in this Notice of Meeting. Proxy appointments and any authority documents must be received by no later than 10.00am (Sydney time) on 14 November 2023.

A copy of Sonic's Annual Report for the financial year ended 30 June 2023 is accessible on Sonic's website at the following address:

[www.sonichealthcare.com/annual-reports](http://www.sonichealthcare.com/annual-reports).

As permitted by the *Corporations Act 2001* (Cth) (*Corporations Act*), a physical copy of the Annual Report has been sent only to shareholders who have elected to receive a physical copy.

### **How to participate in the online AGM**

Shareholders can participate in the AGM and watch the webcast online from their computer or mobile device, by entering the URL <https://meetnow.global/MPLGR6M> in their browser.

The online platform will allow shareholders to view the meeting, vote and ask questions in real-time. To assist the meeting to run smoothly, shareholders are encouraged to lodge questions prior to the AGM. Questions may be submitted by emailing [shareholder@sonichealthcare.com](mailto:shareholder@sonichealthcare.com) or by submitting an online question when lodging your proxy vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

**Important information:** To access the portal and participate online, you will require your security holder number (SRN or HIN) and postcode, or if overseas your three character country code which can be obtained on the User Guide accessible on Sonic's website at the following address [www.sonichealthcare.com/agm](http://www.sonichealthcare.com/agm). Security holders can register from 9.30am (Sydney time) on Thursday 16 November 2023.

### **How to submit your vote in advance of the meeting**

Proxy appointments and any authority documents must be received by no later than 10.00am (Sydney time) on 14 November 2023. Instructions on how to appoint a proxy are on the online voting website, [www.investorvote.com.au](http://www.investorvote.com.au). Your proxy may be appointed in a variety of ways described on page 6 of the Notice of Meeting under 'Proxies'.

Further information on how to attend and participate online is set out on page 8 of this Notice of Meeting. We look forward to engaging with shareholders in this way, and we hope that you will either attend in person or participate online in the AGM.

## *Notice of Annual General Meeting 2023*

Notice is given that the 2023 Annual General Meeting of Sonic Healthcare Limited (*Sonic* or the *Company*) will be held as a hybrid meeting on Thursday, 16 November 2023, commencing at 10.00am (Sydney time).

### **AGENDA**

#### ***ORDINARY BUSINESS***

#### **Financial Statements and Reports**

To receive and consider:

- (a) the Financial Report of the Company;
- (b) the Directors' Report; and
- (c) the Auditor's Report,

for the financial year ended 30 June 2023.

#### **Election of Directors**

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

1. *THAT Professor Mark Compton, who retires in accordance with Article 71 of the Company's Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.*
2. *THAT Mr Neville Mitchell, who retires in accordance with Article 71 of the Company's Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.*
3. *THAT Professor Suzanne Crowe, who retires in accordance with Article 71 of the Company's Constitution and, being eligible, offers herself for re-election, is re-elected as a Director of the Company.*
4. *THAT Mr Chris Wilks, who retires in accordance with Article 71 of the Company's Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.*

## Remuneration Report

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

5. *THAT the Remuneration Report for the financial year ended 30 June 2023 is adopted.*

*Note that the vote on this resolution is advisory only and does not bind the Company or its Directors.*

Please refer to the instructions in the Additional Information – Proxies section on page 6 for details of how to appoint a proxy for this resolution.

### VOTING EXCLUSION STATEMENT:

Sonic will disregard any votes cast (in any capacity) on Resolution 5 by or on behalf of a member of the key management personnel (being each Director of Sonic) or their closely related parties (including as proxy), unless the vote is cast by that person as proxy for a person entitled to vote in accordance with the direction on the Proxy Form, or where there is no specified voting direction, the vote is cast by the Chairman of the meeting as proxy, having been expressly authorised to vote on this resolution, even though it is connected with the remuneration of the Directors. A “closely related party” is defined in the Corporations Act and includes a spouse, dependent and certain other close family members, as well as any companies controlled by the Directors.

### Approval of the issue of securities under the Sonic Healthcare Limited Employee Option Plan and Sonic Healthcare Limited Performance Rights Plan as an exception to ASX Listing Rule 7.1

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

6. *THAT, for the purposes of seeking approval as an exception to ASX Listing Rule 7.1 and all other purposes, the issue of options, and shares following the valid exercise of such options, under and in accordance with the terms of the Sonic Healthcare Limited Employee Option Plan be approved.*
7. *THAT, for the purposes of seeking approval as an exception to ASX Listing Rule 7.1 and all other purposes, the issue of performance rights, and shares following the valid exercise of such performance rights, under and in accordance with the terms of the Sonic Healthcare Limited Performance Rights Plan be approved.*

### Executive Director Remuneration – Approval of long term incentives

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

8. *THAT, for the purposes of ASX Listing Rules 10.14 and 7.1 and all other purposes, the grant of long term incentives up to a maximum value of \$3,449,251 to Dr Colin Goldschmidt, Managing Director and Chief Executive Officer, under the Sonic Healthcare Limited Employee Option Plan and the Sonic Healthcare Limited Performance Rights Plan and the subsequent allotment of shares in respect of those incentives on the terms summarised in the Explanatory Notes, be approved.*

9. *THAT, for the purposes of ASX Listing Rules 10.14 and 7.1 and all other purposes, the grant of long term incentives up to a maximum value of \$1,447,445 to Mr Chris Wilks, Finance Director and Chief Financial Officer, under the Sonic Healthcare Limited Employee Option Plan and the Sonic Healthcare Limited Performance Rights Plan and the subsequent allotment of shares in respect of those incentives on the terms summarised in the Explanatory Notes, be approved.*

VOTING EXCLUSION STATEMENT:

Sonic will disregard any votes cast in favour of:

- Resolutions 6 and 7 by or on behalf of any person who is eligible to participate under the Sonic Healthcare Limited Employee Option Plan or the Sonic Healthcare Limited Performance Rights Plan or any of their respective associates; and
- Resolutions 8 and 9 by or on behalf of any Director of Sonic (including Dr Goldschmidt and Mr Wilks), or any of their associates.

However, the Company need not disregard a vote cast in favour, if it is cast by:

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

In addition, the Company will disregard votes cast by a Director (or any of their closely related parties) as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the Chairman of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this resolution, even though it is connected with the remuneration of the Directors.

Please refer to the instructions in the "Additional Information – Proxies" section on page 6 for details of how to appoint a proxy for these resolutions.

### **Renewal of Proportional Takeover Bid Approval Provisions**

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution:

10. *THAT the modification of the Company's Constitution to renew the proportional takeover bid approval provisions contained in clauses 113 to 115 of the Constitution for a period of three years from the date of approval of this Resolution is approved under and for the purposes of sections 648G(4) and 136(2) of the Corporations Act and for all other purposes.*



**ADDITIONAL INFORMATION:**

This Notice of Meeting is accompanied by an Explanatory Memorandum which provides an explanation of the business of the meeting, including the proposed resolutions.

***Voting Entitlements***

1. For the purposes of the 2023 AGM, the shares of the Company that are on issue as at 7.00pm (Sydney time) on 14 November 2023 will be taken to be held by those persons recorded on the register of shareholders at that time. Accordingly, you will be entitled to vote at the meeting if, and only if, you are a registered shareholder of the Company at 7.00pm (Sydney time) on 14 November 2023. Transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

***Custodian Voting***

2. For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

***Proxies***

3. A shareholder has a right to appoint a proxy, who need not be a shareholder of the Company.
4. If a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
5. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the shareholder's voting rights (disregarding fractions).
6. You may appoint a proxy using an electronic facility available at the website [www.investorvote.com.au](http://www.investorvote.com.au). At the website, shareholders will be able to view an electronic version of the Proxy Form, which will accept proxy appointments and register them accordingly. A shareholder who wishes to use this facility must register their proxy appointment by no later than 10.00am (Sydney time) on 14 November 2023.

Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the meeting and to exercise your voting instructions. Appointed proxies participating in the AGM online will need to contact Computershare Investor Services on +61 3 9415 4024 to obtain an email invitation to access the online platform.



Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be received by Computershare no later than 10.00am (Sydney time) on 14 November 2023. The Proxy Form and authority must be returned as set out below:

- by post to: Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001
- by facsimile to: Computershare Investor Services Pty Limited 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

## **7. DIRECTED PROXY VOTES**

If you specifically direct the proxy how to vote on a proposed resolution, the proxy may only vote on that item in the way that you have directed. If you appoint someone other than the Chairman of the meeting as your proxy and give them voting instructions, the Chairman of the meeting must cast those proxy votes on your behalf on a poll if your nominated proxy does not do so.

## **8. UNDIRECTED PROXY VOTES**

You are encouraged to consider how you wish to direct your proxy to vote. Other than Directors of Sonic or their closely related parties voting as a proxy on Resolutions 5, 6, 7, 8 and 9, if a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit. Should any resolution, other than those specified in this Notice of Meeting, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

If you wish to appoint a Director of Sonic (other than the Chairman) or their closely related party as your proxy, you must specify how they should vote on Resolutions 5, 6, 7, 8 and 9 by completing the "For", "Against" or "Abstain" boxes on the Proxy Form. If you do not do that, your proxy will not be able to exercise your vote on your behalf for that resolution.

If you appoint the Chairman (or the Chairman is appointed by default) as your proxy in relation to Resolutions 5, 6, 7, 8 and 9 but do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution on the Proxy Form, you expressly authorise the Chairman to exercise your proxy in relation to Resolutions 5, 6, 7, 8 and 9 even though the items are connected directly or indirectly with the remuneration of Directors. If you wish to appoint the Chairman as proxy with a direction to vote against, or to abstain from voting on Resolutions 5, 6, 7, 8 and 9, you must specify this by completing the "Against" or "Abstain" boxes on the Proxy Form.

The Chairman intends to vote undirected proxies in favour of all items of business.

**9. Further details on how to participate in the online AGM**

Shareholders can submit questions in relation to the business of the meeting, and vote on the resolutions in real time during the meeting via the online meeting platform.

Shareholders participating in the meeting using the online platform will be able to vote between the commencement of the meeting and the closure of voting as announced by the Chairman during the meeting.

By participating in the meeting online you will be able to:

- hear and view meeting slides;
- submit questions at the appropriate time whilst the meeting is in progress; and
- vote during the meeting.

Instructions on how to log on to ask questions during the meeting are outlined below and are available on Sonic's website at [www.sonichealthcare.com/agm](http://www.sonichealthcare.com/agm). Please note, only shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. Shareholders are therefore encouraged to lodge questions prior to the AGM. Questions may be submitted by emailing [shareholder@sonichealthcare.com](mailto:shareholder@sonichealthcare.com) or by submitting an online question when lodging your proxy vote online at [www.investorvote.com.au](http://www.investorvote.com.au).

If you choose to participate in the meeting online, registration will open at 9.30am (Sydney time) on Thursday 16 November 2023.

To participate in the AGM online, you can log in to the meeting from your computer or mobile device, by entering the URL in your browser:

<https://meetnow.global/MPLGR6M>

Shareholders will need the following information to participate in the AGM in real-time:

1. Your SRN or HIN; and
2. The postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Meeting Guide (link below) for their password details.

Further information regarding participating in the AGM online, including browser requirements, is detailed in the AGM Online Meeting Guide available on Sonic's website [www.sonichealthcare.com/agm](http://www.sonichealthcare.com/agm).

**10. All resolutions will be by poll**

The Chairman intends to call a poll on each of the resolutions set out in this Notice of Meeting.

### Technical difficulties

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where he considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions and voting shareholders attending the AGM in person. For this reason, shareholders are encouraged to lodge a proxy by 10.00am (Sydney time) on Tuesday 14 November 2023 even if they plan to attend online.

By ORDER of the Board of Directors

Paul Alexander  
Company Secretary



Dated: 18 October 2023

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**EXPLANATORY MEMORANDUM**

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***ORDINARY BUSINESS***

**Financial Statements and Reports**

The Financial Report of the Company and the reports of the Directors and Auditor's for the financial year ended 30 June 2023 will be laid before the AGM, as required by the Corporations Act. Shareholders can access a copy of the reports (which form part of Sonic's 2023 Annual Report) on the Company's website at [www.sonichealthcare.com](http://www.sonichealthcare.com). As permitted by the Corporations Act, a physical copy of the Annual Report has been sent only to shareholders who have elected to receive a physical copy.

During this item of business, shareholders will be provided with a reasonable opportunity to ask questions about, and make comments on, the reports and the management, business and performance of the Company.

Shareholders will also be given a reasonable opportunity to ask a representative of the Company's auditor, PricewaterhouseCoopers, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit. Shareholders may also submit a written question to PricewaterhouseCoopers if the question is relevant to the content of the Auditor's Report for the financial year ended 30 June 2023 or the conduct of the audit of the financial report for that year. Questions for the auditor must be received by the Company by no later than Thursday, 9 November 2023. At the meeting, PricewaterhouseCoopers will be given the opportunity to answer, or table written answers to, relevant questions.

**Resolutions 1, 2, 3 and 4 - Election of Directors**

Under Article 71 of the Constitution of the Company and in accordance with the ASX Listing Rules, no Director, other than the Managing Director, may hold office for a continuous period in excess of 3 years or past the third AGM following the Director's appointment, whichever is the longer, without submitting for re-election. Professor Mark Compton, Mr Neville Mitchell, Professor Suzanne Crowe and Mr Chris Wilks are required to retire as Directors at the end of the 2023 AGM but, being eligible, offer themselves for re-election. The Board (excluding the relevant Directors) recommends the re-election of Professor Mark Compton, Mr Neville Mitchell, Professor Suzanne Crowe and Mr Chris Wilks.

Biographical details of the relevant Directors are set out below.

**Professor Mark Compton, AM**

*Chairman*

*BSc, MBA, FAICD, FCHSM, FAIM, FRS (NSW)*

*Non-executive, Independent Director, appointed October 2014 (Chairman from 19 November 2015)*

Professor Compton has extensive senior executive experience in healthcare services. He is currently Adjunct Professor in Management (Healthcare Leadership) at Macquarie University (Macquarie Business School), and Non-executive Chairman of not-for-profit organisations St Luke's Care and the Order of St John (St John Ambulance). His previous experience includes Chief Executive Officer of each of St Luke's Care, Immune Systems Therapeutics Limited and the Royal Flying Doctor Service of Australia. He was also Chief Executive Officer and Managing Director of the formerly ASX-listed companies SciGen Limited and Alpha Healthcare Limited. Professor Compton has also held a number of non-executive director roles, including as Non-executive Chairman of ASX-listed Next Science Limited from May 2021 (Non-executive Director from 2018) to 23 August 2023, and for formerly ASX-listed Independent Practitioner Network Limited (2004-2008). He was also Chairman of the Woolcock Institute of Medical Research, Non-executive Director of Macquarie University Hospital and Chairman and Chancellor of St John Ambulance Australia (having served as a volunteer for more than 45 years). He is a member of the Audit Committee and the Remuneration and Nomination Committee. He resides in Sydney, NSW and currently holds (personally) 459 and (beneficially) 12,057 Sonic shares. In recommending his re-election, the Board recognised that he brings to the position broad experience and expertise in healthcare services and governance. The Board considers him to be an independent Director.

**Mr Neville Mitchell**

*BCom, CA*

*Non-executive, Independent Director, appointed September 2017*

Mr Mitchell is a qualified Chartered Accountant with international healthcare and finance experience. He was Chief Financial Officer and Company Secretary of ASX-listed Cochlear Limited (until March 2017), a world leading medical device developer, manufacturer and seller of hearing devices. Mr Mitchell is a Non-executive Director and Audit Committee Chair of ASX-listed companies Fisher and Paykel Healthcare Corporation Limited (from November 2018) and Sigma Healthcare Limited (from February 2023). He was formerly a Non-executive Director of ASX-listed Osprey Medical Inc. (from July 2012 until May 2022) and QBiotech Group Limited (from November 2017 to May 2023). He has also performed roles with a number of industry and government committees. Mr Mitchell is Chair of the Audit Committee and a member of the Risk Management Committee. Mr Mitchell resides in Sydney, NSW and currently holds (beneficially) 9,770 Sonic shares. In recommending his re-election, the Board recognised that he brings a wealth of international healthcare and finance experience to Sonic's Board. The Board considers him to be an independent Director.

**Professor Suzanne Crowe, AO**

*MBBS (Hons), FRACP, MD, FAICD*

*Non-executive, Independent Director, appointed April 2020*

Professor Crowe is a qualified medical specialist and physician-scientist, holding medical and MD degrees from Monash University, and an internal medicine specialist qualification in Infectious Diseases from the Royal Australasian College of Physicians. She is a Fellow of the Australian Institute of Company Directors and holds a Diploma in Medical Laboratory Technology from the Royal Melbourne Institute of Technology. Professor Crowe's current positions include Non-executive Director of ASX- and NASDAQ-listed Avita Medical, Inc. (from January 2016), and Emeritus Professor of Medicine at Monash University, Melbourne (from 2020). She was a Non-executive Director of St Vincent's Health Australia Ltd from January 2013 until October 2021. She retired from Burnet Institute as Associate Director in 2018 following a 30-year research career, having played an integral role in Burnet's development as a global research organisation. Professor Crowe retired as Principal Specialist in Infectious Diseases at The Alfred Hospital, Melbourne in 2019 after 35 years of service. She has served as a Member of the Prime Minister's Science Engineering and Innovation Council (India/China Working Group), as Head of the World Health Organization (WHO) Regional Reference Laboratory for HIV Resistance Testing and as an HIV advisor to WHO for 25 years. She was appointed a Fellow of the Australian Academy of Health and Medical Sciences in 2015. Professor Crowe is Chair of the Risk Management Committee (effective 17 November 2022, member since 23 September 2021) and a member of the Remuneration and Nomination Committee (effective 1 October 2023). Professor Crowe resides in Melbourne, Victoria and currently holds (personally) 1,440 and (beneficially) 2,560 Sonic shares. In recommending her re-election, the Board recognised that she brings to the position specialist medical expertise and a diverse range of medical leadership experience. The Board considers her to be an independent Director.

**Mr Chris Wilks**

*Finance Director and Chief Financial Officer*

*BCom, FAICD*

*Executive Director, appointed December 1989*

Mr Wilks became Finance Director and Chief Financial Officer of Sonic Healthcare in 1993. He has a background in chartered accounting and investment banking and was previously a partner in a private investment bank. Mr Wilks has held directorships in a number of public companies and is currently a Non-executive Director of Silex Systems Limited (since 1988), a listed company divested by Sonic in 1996. Mr Wilks resides in Sydney, NSW and currently holds (personally) 488,284 and (beneficially) 116,471 Sonic shares. In recommending Mr Wilks' re-election, the Board has acknowledged the role he performs within Sonic is broader than the usual Chief Financial Officer role and Mr Wilks' strategic input, experience and reputation in the market are considered extremely valuable to Sonic.

## **Resolution 5 – Remuneration Report**

Sonic's 2023 Annual Report contains the Company's 2023 Remuneration Report (forming part of the Directors' Report), which sets out the Board's remuneration policy and reports the remuneration arrangements in place and outcomes for key management personnel for the financial year ended 30 June 2023.

In designing the structure and measures used in Sonic's remuneration approach, the Sonic Board has been mindful of balancing shareholder interests with those of Sonic's key executives. The Board wants to reward shareholders for their trust in the Company, as well as reward excellent, long serving and committed executives who have delivered consistent value to shareholders over many years. The Board remains committed to achieving the appropriate balance between shareholder and executive rewards and continues to monitor the alignment of Sonic's remuneration approach with Company performance. The remuneration policy and arrangements in place for the financial year ended 30 June 2023 were broadly consistent with the prior year.

In accordance with the Corporations Act, the vote on Resolution 5 will be advisory only and will not bind the Directors or the Company.

Under the Corporations Act, a 25% or higher "no" vote on the remuneration report resolution at an Annual General Meeting triggers a reporting obligation on a listed company to explain in its next annual report how shareholders' concerns are being addressed. If a 25% or higher "no" vote on the subsequent remuneration report occurs at the next Annual General Meeting, a resolution must be put to shareholders (a "spill resolution") that another general meeting be convened to consider the election of certain Directors (the "spill meeting").

If the spill resolution is carried by an ordinary majority, the spill meeting must be held within 90 days and all Directors that were Directors when the 25% "no" vote was passed will cease to hold office immediately before the spill meeting (except for the Managing Director) and the general meeting will vote on whether those Directors should be re-elected.

Shareholders will be provided with a reasonable opportunity to ask questions about the 2023 Remuneration Report at the AGM.

The Board recommends that shareholders vote in favour of Resolution 5.



**Resolutions 6 and 7 - Approval of the issue of securities under the Sonic Healthcare Limited Employee Option Plan and Sonic Healthcare Limited Performance Rights Plan as an exception to ASX Listing Rule 7.1**

The issue of securities under the Sonic Healthcare Limited Employee Option Plan (the *Option Plan*) was last approved by shareholders for the purposes of an exception to ASX Listing Rule 7.1 at the 2020 AGM on 12 November 2020. Since the date of that approval, a total of 10,606,901 options have been issued under the Option Plan, (including 527,191 options approved by shareholders at the 2020 AGM) of which none have been exercised and none have vested. 132,984 of these options have lapsed as performance conditions for vesting were not achieved and 10,473,917 have not yet vested.

The issue of securities under the Sonic Healthcare Limited Performance Rights Plan (the *Performance Rights Plan*) was last approved by shareholders for the purposes of an exception to ASX Listing Rule 7.1 at the 2020 AGM held on 12 November 2020. Since the date of that approval, a total of 379,220 performance rights have been issued under the Performance Rights Plan (including 69,624 performance rights approved by shareholders at the 2020 AGM) of which 148,836 have been exercised. 20,748 of these performance rights have lapsed as performance conditions for vesting were not achieved and 209,636 have not yet vested.

Shareholder approval is accordingly being sought under Resolutions 6 and 7 for the purposes of ASX Exceptions 9 and 13 in ASX Listing Rule 7.2 as an exception to Listing Rule 7.1. A voting exclusion statement is included in this Notice of Meeting. The material terms of the Option Plan and Performance Rights Plan are summarised below.

If shareholders approve the issue of securities under an employee incentive scheme (such as the Option Plan and Performance Rights Plan) as an exception to Listing Rule 7.1, then the annual 15% limit on issues of equity securities under Listing Rule 7.1 will not apply to any issue under that scheme for the 3 years following the date of approval. Accordingly, if Resolutions 6 and 7 are passed, the number of securities (shares or options) issued under the Option Plan and Performance Rights Plan by the Company for the 3 years following the date of this AGM will not count towards the annual 15% limit on the number of equity securities that Sonic may issue without shareholder approval. The Company believes it to be an appropriate corporate governance practice to seek approval of the issue of securities under the Option Plan and Performance Rights Plan as an exception to Listing Rule 7.1.

If shareholders do not approve the issue of securities under the Option Plan and Performance Rights Plan as an exception to Listing Rule 7.1, grants under the Option Plan and Performance Rights Plan by the Company on or after 16 November 2023 will count towards the 15% annual limit on the number of equity securities that Sonic may issue without shareholder approval.

## Summary of Option Plan

The terms of the Option Plan are summarised below.

### 1. *Participants*

The Company may offer options under the Option Plan as it sees fit to the following persons:

- a full-time or part-time employee of the Company, any associated body corporate of the Company, and any other entity the results of which form part of the consolidated financial results of the Company for financial reporting purposes (the *Group*);
- an executive Director of the Group who has been such an executive Director for a continuous period of one year; and
- any other person (excluding Non-executive Directors) that provides services to a member of the Group and who the Board declares to be an employee for the purposes of the Option Plan.

### 2. *Exercise price*

Unless determined otherwise by the Board, the exercise price of an option issued under the Option Plan will be determined by adding 5 cents to the weighted average sale price per share for Sonic shares sold on the ASX in the five business days preceding the date of issue of the option.

### 3. *Exercise of options*

Unless determined otherwise by the Board, the options will vest and become exercisable as follows:

- up to 50% of the options held may be exercised after 30 months from the date of issue;
- up to 75% of the options held may be exercised after 42 months from the date of issue;
- up to 100% of the options held may be exercised after 54 months from the date of issue; and
- options may not be exercised at any time after 58 months from the date of issue of the options, or if the options have lapsed.

If an option holder ceases to be an employee or executive Director by reason of dismissal, resignation or expiry of contract (other than as a result of the person reaching retirement age or suffering an illness or incapacity), the options held by that person will lapse unless the Company determines otherwise. If an option holder ceases to be an employee or executive Director by reason of retirement (as defined in the Option Plan), the options held by that person will remain capable of exercise in accordance with the time periods described above unless the Company determines otherwise.

Options may be exercised after the option holder gives the Company notice together with payment of the exercise price. If the option holder is not employed by an Australian based entity, shares will be issued to the option holder within 21 days of the Company's receipt of the exercise notice. If the option holder is employed by an Australian based entity, shares will either be issued to, acquired by or allocated to the trustee of the Sonic Healthcare

Employee Share Trust (the *Trust*) within 21 days of the Company's receipt of the exercise notice. Shares held in the Trust are held on behalf of the Participant unless withdrawn from the Trust in accordance with the Option Plan.

At the Board's discretion an offer letter may specify additional vesting conditions and/or an exercise price and vesting period different to those specified under the terms of the Option Plan.

#### 4. *Consideration*

Any monetary consideration payable for an issue of options must not exceed the lesser of 1 cent and 1% of the exercise price of the option.

#### 5. *Maximum number of shares*

The number of shares that would be issued were each option under the Option Plan exercised must not at any time exceed 5% of the total number of shares in the Company on issue disregarding issues of options or issues of shares on the exercise of options following an offer or invitation to a person situated outside Australia or by an excluded offer or invitation. The maximum number of shares proposed to be issued under the Option Plan within the three-year period from the date of the passing of Resolution 6 will not exceed 23,719,481 shares, representing 5% of the shares on issue in the Company as at the date of this Notice of Meeting.

Shares issued on the exercise of an option will rank equally in all respects with other issued ordinary shares in the Company and the Company must apply for the quotation of such shares.

#### 6. *Takeover bid*

If a takeover bid or other publicly announced proposal is made in respect of shares in the Company which the Board reasonably believes is likely to lead to a change of control (as defined in the Option Plan), any unexercised options may become exercisable (for a period of time) at the Board's discretion, having regard to pro-rata performance (including based on time of continued employment) and the circumstances around the potential change of control. After such period, unexercised options will continue in force subject to the terms of the Option Plan.

#### 7. *Adjustment*

In the event of a pro-rata bonus or cash issue, the number of shares underlying the options on issue and/or the exercise price of the options may be adjusted in accordance with the ASX Listing Rules and the terms of the Option Plan. Adjustments will also be made if certain changes to the capital structure of Sonic occur, including consolidations, sub-divisions, reductions or returns.

#### 8. *Rights to new issues*

Options do not confer on the relevant holder any rights to participate in new issues of securities by the Company or any other body corporate, except any rights arising in respect of a reorganisation of the Company's issued capital.

9. *Alteration of the Option Plan*

Subject to the requirements of the ASX Listing Rules, the Board may at any time vary the terms of the Option Plan, provided that the interests of the Participants are not, in the opinion of the Board, materially prejudiced.

**Summary of Performance Rights Plan**

1. *Participants*

All Directors and full-time or part-time employees are eligible participants under the Performance Rights Plan. The Board may, in its sole and absolute discretion, determine that an eligible participant may participate in the Performance Rights Plan and make an invitation to that participant.

2. *Exercise Price*

A performance right has a nil exercise price.

3. *Exercise of Performance Rights*

Upon an invitation being made, the Board will determine the vesting conditions (if any) attaching to the performance rights. At the Board's discretion as set out in the invitation letter, a vested performance right will be exercisable by a participant by delivery to the Company of a signed exercise notice, or will be automatically exercised within the period specified by the Board in the invitation letter. Upon exercise of performance rights, the Board will instruct the trustee of the Trust to acquire, subscribe for and/or allocate shares to the participant, and the trustee will hold those shares on trust for the participant. Each performance right that is exercised entitles the participant to one share.

The performance rights will lapse on the earlier of:

- the cessation of employment of a participant (unless the Board exercises discretion where the participant is a good leaver);
- any vesting conditions not being satisfied (or the Board determining that they cannot be met prior to the expiry date); and
- the expiry date.

4. *Consideration*

No consideration is payable in respect of performance rights.

5. *Maximum Performance Rights Allocation*

The number of performance rights granted under the Performance Rights Plan must not exceed (assuming all outstanding performance rights were exercised) a maximum of 10% of the total number of shares in the Company on issue at the time of the grant of the performance rights. Shares issued for the purposes of the Performance Rights Plan will rank equally in all respects with other issued ordinary shares in the Company and the Company must apply for the quotation of such shares. The maximum number of shares proposed to be issued under the Performance Rights Plan within the three-year period from the date of the passing of

Resolution 7 will not exceed 47,438,961 shares, representing 10% of the shares on issue in the Company as the date of this Notice of Meeting.

*6. Capital Reconstructions*

If the capital of the Company is reconstructed the performance rights and/or plan shares (as the case may be) will be treated in accordance with the ASX Listing Rules.

*7. Amendment of the Performance Rights Plan*

Subject to the requirements of the ASX Listing Rules and the Company's Constitution, the Board may at any time vary the terms of the Performance Rights Plan, provided that the interests of the Participants are not, in the opinion of the Board, materially prejudiced.

**Resolutions 8 and 9 - Approval of long term incentives for Dr Colin Goldschmidt, Managing Director and Chief Executive Officer, and Mr Chris Wilks, Finance Director and Chief Financial Officer**

**Background**

Properly designed equity incentives are an important component of senior executive remuneration. The existing equity-based long term incentive arrangements for Dr Goldschmidt and Mr Wilks provide performance incentives through to the 2025 financial year (having been approved by shareholders at the 2021 and 2022 AGM's). Dr Goldschmidt and Mr Wilks receive annual grants of equity-based remuneration in the form of options and performance rights over shares in Sonic Healthcare Limited (conditional on approval by shareholders), subject to performance conditions with measurement periods of three years.

Annual grants allow the Company to determine the appropriate performance hurdles each year for the grant being made, adjust the mix between type of instruments for changes in circumstances (e.g. tax law), and / or select different measures to take into account changes in the Company's strategy or context. Shareholders have the opportunity to vote on the proposed grants each year, taking into account recent Company performance.

The Remuneration and Nomination Committee has designed the current proposed grant of options and performance rights to these key Executives to ensure their remuneration is in line with market and appropriate to retain their services, after taking into consideration their other remuneration components. Shareholder and proxy adviser firm feedback on previous grants have also been taken into account. Dr Goldschmidt and Mr Wilks have been in their current roles since 1993. Their knowledge, experience, and the reputation they have in the market are considered extremely valuable to the Company. Under their leadership Sonic Healthcare has been one of the best performing stocks on the ASX in the period since their appointment.

As required by ASX Listing Rule 10.15.4, the details of the Executives' current remuneration are as follows:

	<b>Fixed Remuneration (FR)</b>	<b>Short Term Incentives (STI)</b>	<b>Long Term Incentives (LTI)</b>
<b>Dr Colin Goldschmidt</b>	\$2,397,634	91.8% of FR at target 128.5% of FR at maximum	127.9% of FR at target 143.9% of FR at maximum
<b>Mr Chris Wilks</b>	\$1,200,000	105.3% of FR at target 147.4% of FR at maximum	107.2% of FR at target 120.6% of FR at maximum

Fixed and total target remuneration values for Dr Goldschmidt and Mr Wilks remained unchanged for the 5 years to 30 June 2022. Mr Wilks' target remuneration was increased by ~10% from 1 July 2022 based on market benchmarking, with Dr Goldschmidt's remuneration remaining unchanged. Dr Goldschmidt and Mr Wilks have agreed that their fixed and total target remuneration values do not change for the 2024 financial year. Shareholders are referred to the Remuneration Report for further details of the Executives' remuneration.

Short term and long term incentive amounts are targets, subject to challenging performance hurdles and may not ever be received by the Executives. In the past 5 years, on average, 78% of available LTI options and performance rights have vested.

In accordance with the requirements of ASX Listing Rule 10.15.5, the number of securities that have been issued in total over the years of their tenure to each of Dr Goldschmidt and Mr Wilks under the Option Plan and Performance Rights Plan are as follows. Please note that these issues have occurred over a period of approximately 28 years.

Options and Rights	Dr Colin Goldschmidt	Mr Chris Wilks
Options issued but not exercised or forfeited	1,243,921	510,051
Options issued, subsequently forfeited as performance conditions not met	3,830,794	1,821,102
Options vested and exercised	7,026,129	3,765,628
Average price paid to exercise (\$)	\$13.36	\$13.36
Rights issued but not exercised or forfeited	138,856	56,687
Rights issued, subsequently forfeited as performance conditions not met	330,232	152,737
Rights vested and exercised	436,383	204,182
Average price paid to exercise (\$)	Nil	Nil

#### Approval under ASX Listing Rule 10.14

Shareholder approval of the issue of the securities proposed under Resolutions 8 and 9 is required under ASX Listing Rule 10.14, which prohibits the Company from permitting any Director of the Company to acquire newly issued securities under an employee incentive scheme, such as the Option Plan and the Performance Rights Plan, without the approval of shareholders.

Resolutions 8 and 9 seek shareholders' approval to the grant of LTI to provide performance incentives through to the 2026 financial year with a maximum value of:

- Dr Goldschmidt: \$3,449,251; and
- Mr Wilks: \$1,447,445,

on the terms set out in this Notice of Meeting, as both Dr Goldschmidt and Mr Wilks are Directors of Sonic and approval is being sought under ASX listing Rule 10.14.1 and for all other purposes. 50% of this value will be issued as options over ordinary shares in Sonic under the Option Plan, and the remaining 50% will be issued as performance rights over ordinary shares in Sonic under the Performance Rights Plan. No consideration will be payable for the options or performance rights (however, an exercise price will be payable for the exercise of any options). The number of options and the number of performance rights to be issued, respectively, to each executive will be calculated in accordance with the valuation methodology set out on page 25.



The proposed LTI options and performance rights will vest three years from grant date, if challenging performance conditions (detailed below) are met for the period of three years to 30 June 2026. They will expire 5 years from grant date. Options can only vest when the market price of Sonic shares is higher than the exercise price.

If shareholder approval is obtained under Resolutions 8 and 9, it is intended that the options and performance rights will be granted to Dr Goldschmidt and Mr Wilks on the date of the 2023 AGM Meeting or shortly after that date (but not later than 3 years after the AGM or any adjournment of it).

A summary of the material terms of the Option Plan and the Performance Rights Plan is included within this Notice of Meeting.

No loans have or will be made in respect of the Directors' proposed acquisition of options or performance rights under Resolutions 8 and 9.

Details of any securities issued under the Option Plan or the Performance Rights Plan will be published in each annual report of the Company relating to the period in which securities have been issued, including that approval for the issue of such securities was obtained under ASX Listing Rule 10.14.

Dr Goldschmidt and Mr Wilks are the only Directors who have been invited by the Board to be eligible to participate in the Option Plan or the Performance Rights Plan. Any other Directors, or associates of such Directors, of the Company who become entitled to participate in the Option Plan or the Performance Rights Plan after Resolutions 8 and 9 are approved, who are not named in this Notice of Meeting, will not participate until approval is obtained under Listing Rule 10.14.

### **Performance conditions**

Vesting of the options and performance rights is subject to challenging performance conditions that are designed to align the interests of the Executive Directors with those of shareholders.

Each performance condition will be applied separately to the options and performance rights as follows:

- 45% of the options and 45% of the performance rights are subject to the first performance condition (*PC1*);
- 22% of the options and 22% of the performance rights are subject to the second performance condition (*PC2*); and
- 33% of the options and 33% of the performance rights are subject to the third performance condition (*PC3*).

Note that these percentages are impacted by the potential to earn up to a maximum of 150% for PC3. Based on target remuneration (as opposed to maximum) the percentages would be 50% (PC1), 25% (PC2) and 25% (PC3).

The performance conditions are as follows:

(a) PC1 – Total Shareholder Return (*TSR*)

Under PC1, Sonic’s performance will be ranked by percentile according to its TSR relative to the TSR of the companies comprising the S&P ASX 100 Accumulation Index (excluding Banks and Resource companies). Relative TSR has been chosen as a performance hurdle as it provides a direct link between executive remuneration and shareholder return relative to the Company’s peers. A relative measure is important, as it removes from the assessment broad market share price movements which are out of the control of the Executives. The Executive Directors will not derive any value from the LTI subject to PC1 unless Sonic’s performance exceeds the median of the benchmark group.

The percentage of options and performance rights subject to PC1 that vest will be as follows:

TSR Ranking achieved	Percentage of Options and Rights that vest
Below the 51st percentile	Nil options and rights to which PC1 applies
51st percentile	50% of options and rights to which PC1 applies
Greater than 51st and less than 75th percentile	Pro rata between 50% and 100% of options and rights to which PC1 applies
75th percentile and above	100% of options and rights to which PC1 applies

(b) PC2 – Return on Invested Capital (*ROIC*)

ROIC is calculated as Earnings before Interest and Tax, less related tax and minority interests, divided by average capital employed (a more detailed description of how ROIC is calculated is provided in the 2023 Annual Report). It is expressed as a percentage. ROIC has been chosen as a performance hurdle as the Board believes that a primary focus in coming years should be improvement in the return from the substantial investments the Company has made into its businesses.

The Board sets a ROIC target at the beginning of each measurement year, taking into account market conditions and company-specific factors at the time. After completion of the three-year measurement period, the average of the actual ROIC over the three years will be compared to the average of the three ROIC targets (*Target Average ROIC*).

Measurement of the average actual ROIC will exclude any significant uncontrollable or one off events, and the initial impact of business development initiatives, as approved by the Board.

The percentage of options and performance rights subject to PC2 that vest will be as follows:

Average ROIC for FY2024 to FY2026	Percentage of Options and Rights that vest
Less than Target Average ROIC	Nil options and rights to which PC2 applies
Equal to Target Average ROIC	40% of options and rights to which PC2 applies
Greater than Target Average ROIC and less than 110% of Target Average ROIC	Pro rata between 40% and 100% of options and rights to which PC2 applies
110% of Target Average ROIC or greater	100% of options and rights to which PC2 applies

(c) PC3 – Earnings Per Share (*EPS*) Growth

This hurdle will be measured by comparing the Company's aggregate EPS over 3 years against an aggregate EPS target. EPS is calculated as Net Profit after Tax divided by the fully diluted weighted average number of ordinary shares on issue during a year, and for the purposes of the performance condition, will be calculated on a "constant currency" basis, using the same currency exchange rates to convert the 2024, 2025 and 2026 financial year foreign earnings into AUD as applied in the 2023 financial year, being the average rates for that year. Growth in EPS has been chosen as a hurdle as it is a direct measure of Company performance and maintains a strong correlation with long term shareholder return. Using a constant currency measure of EPS removes volatility from exchange rate movements that are out of the control or influence of the Executives. The percentage of options and performance rights subject to PC3 that vest will be as follows:

Aggregate EPS for FY2024 to FY2026	Percentage of Options and Rights that vest
Less than 457 cents	Nil options and rights to which PC3 applies
457 cents	30% of options and rights to which PC3 applies based on target remuneration
Greater than 457 cents and less than 480 cents	Pro rata between 30% and 100% of options and rights to which PC3 applies based on target remuneration
480 cents	100% of options and rights to which PC3 applies based on target remuneration
Greater than 480 cents and less than 504 cents	Pro rata between 100% and 150% of options and rights to which PC3 applies based on target remuneration
504 cents	150% of options and rights to which PC3 applies based on target remuneration

- Note that based on earnings guidance provided to the market, and current market consensus figures, EPS for FY2024 on a constant currency basis is expected to be lower than for FY2023 as the Company transitions from high levels of COVID-19 related earnings. EPS growth is expected to resume in FY2025. 457 cents per share equates to compound annual growth of 5%, 480 cents per share equates to compound annual growth of 10% and 504 cents equates to compound annual growth of 15%, in each case over a base of 145 cents per share, which has been set as the target for FY2024, being equal to the actual EPS for FY2023.

If necessary to avoid an anomalous result, the Board may make adjustments in measuring performance under PC2 and PC3 to ensure the intent of the incentive plan is maintained.

Options and performance rights for which the performance conditions are not satisfied will be forfeited immediately after the performance measurement is finalised. There will be no retesting.

Following vesting of options and/or performance rights, ordinary shares in Sonic may be provided either by way of an issue of new shares or the purchase of existing shares on market by the trustee of the Trust in accordance with the relevant Plan rules. Options and performance rights are not eligible for dividends.

Should Dr Goldschmidt or Mr Wilks cease employment before their options and/or performance rights vest and the Board determines that the Executive Director is a "good leaver", the Board has the discretion to enable the Executive Director to retain the portion of the options and performance rights which vest (subject to the performance conditions) within a specified period of time following the cessation of employment, or to apply another treatment depending on the circumstances surrounding the departure. Should the Board not exercise this discretion the unvested awards will lapse.

To be judged a "good leaver" the Executive Director would need to provide sufficient notice, assist with succession planning and transition and make themselves reasonably available to assist and answer queries of their replacement for a period post-employment. The Board views this arrangement to be in the best interests of the Company and its shareholders, as the Executive Directors will be incentivised to minimise disruption/loss of value associated with their departure.

For the proposed LTI, if a takeover bid or other public proposal is made for voting shares in the Company which the Board reasonably believes is likely to lead to a change of control, unvested options and performance rights may vest at the Board's discretion, having regard to pro rata performance and the circumstances leading to the potential change of control.

### **Malus and clawback**

Where, in the opinion of the Board, an executive has obtained, or will obtain, an unfair benefit as a result of an act which:

- constitutes fraud, or dishonest or gross misconduct in relation to the affairs of the Group or any Group Company;
- brings the Group or any Group Company into disrepute;
- is in breach of their obligations to the Group or any Group Company, including compliance with any applicable Company policy;
- constitutes a failure to perform any other act reasonably and lawfully requested of the participant; or
- has the effect of delivering strong Company performance in a manner which is unsustainable or involves unacceptably high risk, and results, or is likely to result, in a detrimental impact on Company performance following the end of the period;

the Board may, to ensure that no unfair benefit is obtained by the executive, in its absolute discretion, subject to applicable laws, determine any treatment in relation to the options and performance rights, including, without limitation, to:

- vary downwards (including to nil) the number of options and performance rights that vest;
- reset the performance conditions and/or alter the period applying to the options and performance rights;
- deem all or any options and performance rights which have not vested to have lapsed or been forfeited (as relevant);
- transfer shares held by or on behalf of the executive to a holding as determined by the Board, or require the executive to effect such a transfer;
- where resulting shares have been sold, require the executive to pay an amount of cash to the Company; or
- determine any other treatment in relation to the options and performance rights as the Board deems fit.

### Valuation

The number of options to be issued to each Executive will be calculated based on a Black Scholes methodology valuation at the date of issue (proposed to be the date of the 2023 AGM or shortly after), and the exercise price of the options will be determined using the Volume Weighted 5-day Average Market Price (*5 day VWAP*) for Sonic shares preceding the date of issue. The valuations will not allow for any discount relating to the performance conditions. For example, using a date of issue of 15 September 2023, the number of options and performance rights would be calculated as follows:

Notional valuation date	15 September 2023
Sonic 5 day VWAP share price	\$31.06
Exercise price of options	\$31.06
Share price volatility	25.9%
Estimated dividend yield	3.52%
Maximum life of the options (grant date to expiry assuming vesting)	5 years
Risk free rate (based on Australian Government bonds)	3.88%
Average value of options	\$6.117
Percentage of maximum value of LTI to be issued as options	50%
Maximum value of LTI for Dr Goldschmidt (25%*\$3,066,001*150%) + (75%*\$3,066,001)	\$3,449,251
Maximum value of LTI for Mr Wilks (25%*\$1,286,618*150%)+(75%*\$1,286,618)	\$1,447,445
Options that would be issued to Dr Goldschmidt using these assumptions	281,940
Options that would be issued to Mr Wilks using these assumptions	118,313

The number of performance rights to be issued to each Executive will be calculated at the date of issue by dividing 50% of the maximum value of LTI by the 5 day VWAP for Sonic

shares preceding the date of grant. For example, based on a 5 day VWAP of A\$31.06, Dr Goldschmidt would be issued 55,526 performance rights (50% of \$3,449,251 divided by \$31.06) and Mr Wilks would be issued 23,301 performance rights (50% of \$1,447,445, divided by \$31.06).

The options and performance rights will not be listed on the ASX. Upon exercise, the shares issued or acquired will be held on trust by the trustee of the Trust until withdrawn in accordance with the terms of the applicable Plan.

### **Issues of securities since the last approval by shareholders**

#### *1. Options*

At the 2022 AGM, shareholders approved the issue of LTI resulting in the issue of options for nil consideration under the Option Plan as follows:

- Dr Goldschmidt – 265,915 options (exercise price: \$32.79) issued on 17 November 2022; and
- Mr Wilks – 111,589 options (exercise price: \$32.79) issued on 17 November 2022.

These options will vest three years from grant date, if challenging performance conditions are met for the period of three years to 30 June 2025. They will expire five years from grant date.

#### *2. Performance Rights*

At the 2022 AGM, shareholders approved the issue of LTI resulting in the issue of performance rights for nil consideration under the Performance Rights Plan as follows:

- Dr Goldschmidt – 46,752 performance rights (nil exercise price) issued on 17 November 2022; and
- Mr Wilks – 19,619 performance rights (nil exercise price) issued on 17 November 2022.

These performance rights will vest three years from grant date, if challenging performance conditions are met for the period of three years to 30 June 2025. They will expire five years from grant date.

Performance rights were also issued for nil consideration under the Performance Rights Plan on 26 September 2023 in part satisfaction of the Executives' 2023 STI. These performance rights are exercisable from 1 March 2024 until 1 October 2024 (expiry date). The exercise of these performance rights will be satisfied by existing Sonic shares purchased on-market. The resulting shares are to be held by the trustee of the Trust until at least 26 September 2025. The number of rights issued was as follows:

- Dr Goldschmidt – 10,217 performance rights (nil exercise price); and
- Mr Wilks – 5,863 performance rights (nil exercise price).

There have been no other securities issued to Directors or their associates under the Option Plan or Performance Rights Plan since the last approval by shareholders.

*Board recommendation for Resolutions 8 and 9*

Following a recommendation by the Remuneration and Nomination Committee, the Board has approved the proposed LTI grants. The Remuneration and Nomination Committee has negotiated these arrangements with Dr Goldschmidt and Mr Wilks, subject to shareholders' approval. Should shareholders not approve the issue of the options and performance rights, the Remuneration and Nomination Committee will need to negotiate alternative arrangements.

The Board (other than Dr Goldschmidt or Mr Wilks, given their interest) recommend that shareholders vote in favour of Resolutions 8 and 9.

## **Resolution 10 – Renewal of Proportional Takeover Bid Approval Provisions**

### **Background**

The Company's Constitution contains proportional takeover bid approval provisions (*Proportional Takeover Provisions*) which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer.

Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The Proportional Takeover Provisions in the current Constitution will expire on 12 November 2023 and will cease to apply on that date, unless renewed.

Resolution 10 seeks the approval of shareholders to modify the Constitution by renewing the Proportional Takeover Provisions for a further three years under sections 648G(4) and 136(2) of the Corporations Act. The proposed Proportional Takeover Provisions are identical to those previously contained at clauses 113 to 115 of the Constitution, and a copy of the Constitution can be accessed via <https://www.sonichealthcare.com/constitution>.

The Corporations Act requires the Company to provide shareholders with an explanation of the Proportional Takeover Provisions as set out below.

### **Information required by section 648G of the Corporations Act**

(a) What is a proportional takeover bid?

A proportional off-market takeover bid (*Proportional Takeover Bid*) is a takeover offer sent to all shareholders but only for a specified portion of each shareholder's securities. Accordingly, if a shareholder accepts in full the offer under a Proportional Takeover Bid, it will dispose of the specified portion of its securities in the Company and retain the balance of the securities.



(b) Effect of renewal

If renewed and if a Proportional Takeover Bid is made to shareholders of the Company, pursuant to clauses 113 to 115 of the Constitution, the Board of the Company may either:

- convene a meeting of shareholders to vote on a resolution to approve the proportional takeover; or
- approve the proportional takeover by means of a postal ballot.

The resolution is taken to have been passed if a majority of securities voted at the meeting, excluding the securities of the bidder and its associates, vote in favour of the resolution. Where the resolution approving the Proportional Takeover Bid is passed, transfers of securities resulting from accepting the Proportional Takeover Bid are registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASX Operating Rules and the Company's Constitution. If the resolution is rejected, then under the Corporations Act the Proportional Takeover Bid is deemed to be withdrawn.

The Directors consider that shareholders should have the opportunity to renew the Proportional Takeover Provisions. Without the Proportional Takeover Provisions applying, a Proportional Takeover Bid for the Company may enable effective control of the Company to be acquired without shareholders having the opportunity to dispose of all of their securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their securities whilst leaving themselves as part of a minority interest in the Company.

Without the Proportional Takeover Provisions, if there was a Proportional Takeover Bid and shareholders considered that control of the Company was likely to pass, shareholders would be placed under pressure to accept the Proportional Takeover Bid even if they did not want control of the Company to pass to the bidder. Renewing the Proportional Takeover Provisions will make this situation less likely by permitting shareholders to decide whether a Proportional Takeover Bid should be permitted to proceed.

(c) No knowledge of present acquisition proposals

As at the date of this notice, no Director is aware of a proposal by any person to acquire or increase the extent of a substantial interest in the Company.

(d) Potential advantages and disadvantages

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of shareholders about a Proportional Takeover Bid. Without these provisions, the Directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the Directors consider that renewal of the Proportional Takeover Provisions has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a Proportional Takeover Bid should be accepted.

The Directors consider that renewing the Proportional Takeover Provisions benefits all shareholders in that they will have an opportunity to consider a Proportional Takeover Bid and then attend or be represented by proxy at a meeting of shareholders called specifically to vote on the proposal. Accordingly, shareholders are able to prevent a Proportional

Takeover Bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the Proportional Takeover Bid. Furthermore, knowing the view of shareholders assists each individual shareholder to assess the likely outcome of the Proportional Takeover Bid and whether to accept or reject that bid.

As to the possible disadvantages to shareholders of renewing the Proportional Takeover Provisions, potentially, the proposal makes a Proportional Takeover Bid more difficult and a Proportional Takeover Bid may therefore be discouraged. This may reduce the opportunities which shareholders may have to sell all or some of their securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. The Proportional Takeover Provisions may also be considered an additional restriction on the ability of individual shareholders to deal freely on their securities.

The Directors consider that there are no other advantages or disadvantages for Directors or shareholders which arose during the period during which the Proportional Takeover Provisions were in effect, other than those discussed in this section.

On balance, the Directors consider that the possible advantages outweigh the possible disadvantages so that the renewal of the Proportional Takeover Provisions is in the interest of shareholders.

*Board recommendation for Resolution 10*

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

The Board recommends that shareholders vote in favour of Resolution 10.



## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Sydney time) Tuesday 14 November 2023.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item. Refer to the Additional Information section of the Notice of Meeting and Step 1 of this form for information on appointing proxies.

**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.

If you wish to appoint a member of Sonic's key management personnel (being its Directors) or their closely related parties (other than the Chairman) as your proxy, you must specify how they should vote on Items 5, 6, 7, 8 and 9 by marking the appropriate box. If you do not, your proxy will not be able to vote for Items 5, 6, 7, 8 and 9.

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

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

## Lodge your Proxy Form:

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 183085**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

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



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

**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.

# 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 Sonic Healthcare 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 Sonic Healthcare Limited to be held in the Acacia Room, InterContinental Sydney Hotel, 117 Macquarie Street, Sydney NSW 2000 and as an online meeting on Thursday, 16 November 2023 at 10:00am (Sydney time) and at any adjournment or postponement of that meeting.

I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** If 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 of the Meeting to exercise my/our proxy on Items 5, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention below) even though the Chairman is, and those items are connected directly or indirectly with the remuneration of, a member of Sonic's key management personnel.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman of the Meeting to vote for or against or abstain from voting on Items 5, 6, 7, 8 and 9 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

ORDINARY BUSINESS		For	Against	Abstain		For	Against	Abstain	
Item 1	Re-election of Professor Mark Compton as a non-executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 7	Approval of the issue of securities under the Sonic Healthcare Limited Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Mr Neville Mitchell as a non-executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 8	Approval of long term incentives for Dr Colin Goldschmidt, Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Professor Suzanne Crowe as a non-executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 9	Approval of long term incentives for Mr Chris Wilks, Finance Director and Chief Financial Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Mr Chris Wilks as an executive director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 10	Renewal of Proportional Takeover Bid Approval Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 6	Approval of the issue of securities under the Sonic Healthcare Limited Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

**Update your communication details** (Optional)

Mobile Number <input type="text"/>	Email Address <input type="text"/>
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By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically