

BOARD CHARTER

Advent Health Limited ACN 133 453 531

Dated: 12 March 2020

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BOARD CHARTER

1. PURPOSE

The Board of Directors (**Board**) of Advent Health Limited (**Company**) is responsible for the corporate governance of the Company. The purpose of the Board Charter is to set out the role and responsibilities of the Board and to empower the Board to provide strategic guidance for the Company and effective management oversight.

2. ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

2.1 Responsibilities of the Board

The key Board responsibilities include, in addition to matters expressly required by law to be approved by the Board, the following:

- (a) setting the goals and objectives of the Company and its related bodies corporate.
- (b) overseeing the Company, including its control and accountability systems and the implementation of policies adopted by the Board and committees of the Board.
- (c) appointing the Managing Director and the Company Secretary and determine the terms and conditions of their appointment (including remuneration) and set criteria for, and evaluate at least annually, their performance.
- (d) acting as an effective interface with the Company's shareholders.
- (e) monitoring and assessing management's performance in the implementation of strategy, achievement of objectives and observance of Board approved budgets, and to ensure that sufficient resources are available to management to achieve such purposes.
- (f) ratifying the appointment, and where appropriate, the removal, of the Chief Financial Officer (or equivalent).
- (g) approving and monitoring financial and other reporting.
- (h) ensuring that appropriate internal (if required) and external audit arrangements are in place and operating effectively and efficiently.
- (i) monitoring the Company's Continuous Disclosure Policy and Procedures, and in particular to ensure that it is complied with, adequately reviewed and updated.
- (j) approving:
 - (i) the strategic direction and performance objectives of the Company, at least annually;
 - (ii) annual targets and financial statements and monitoring financial performance against forecast and prior periods;
 - (iii) the budget, at least annually;

- (iv) the remuneration and conditions of service including financial incentives for any Executive Directors, at least annually;
 - (v) significant changes to organisational structure;
 - (vi) the acquisition, establishment, disposal or cessation of any significant business of the Company;
 - (vii) any public statement which reflect significant issues of the Company's policy or strategy; and
 - (viii) any changes to the discretions delegated from the Board.
- (k) reviewing on a regular and ongoing basis:
 - (i) senior executive succession planning; and
 - (ii) senior executive development activities.
 - (l) monitoring compliance with industry legislative and regulatory requirements.
 - (m) issuing shares and other securities in the Company.
 - (n) approving commitments in excess of discretionary limits that it may have from time to time delegated to the Managing Director and senior management.
 - (o) managing the Company's capital structure.
 - (p) developing an investors relations program to facilitate effective two way communication with shareholders.
 - (q) performing such other functions as are required by law or as are assigned to the Board.

2.2 Performance of responsibilities

In the performance of the responsibilities set out in this Charter, the Board must:

- (a) be guided by the objective of maintaining and building the Company's capacity to generate value for Shareholders; and
- (b) act in accordance with the duties and obligations imposed upon them by the Company's Constitution and by law.

2.3 Delegation of responsibilities

- (a) The Board may delegate its responsibilities to committees are appointed by the Board. Each committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the committee. The Chairman may approve the initial charter of each committee. Thereafter each committee should review its charter and update it as appropriate.
- (b) The Board delegates to management the usual functions and responsibilities of management.

3. MEMBERSHIP OF BOARD

3.1 Membership

- (a) While the Company will aim to have a majority of independent non-executive Directors, this may not always be practicable given the size of the Board and the Company's circumstances. Accordingly, the Directors have absolute discretion to determine the appropriate composition of the Board from time to time, subject to the Company's Constitution, the Corporations Act and the ASX Listing Rules.
- (b) To the extent that the Board does not achieve this structure from time to time, the Board should establish a process to achieve this structure and measure itself against that process annually.
- (c) Where possible, the Board shall consist of at least two Directors with a broad range of business expertise. If possible, the Board should have an appropriate number of independent non-executive Directors who can challenge management and hold them to account, and also represent the best interests of the Company and shareholders as a whole rather than those of individual shareholders or interest groups. If possible, the majority of the Board should be independent Directors.
- (d) Directors should bring characteristics which allow a mix of skills and experience.
- (e) The principals set out in clause 3.1(a) for determining composition of the Board will be reviewed on an ongoing basis as the Company evolves and where the implementation of new principals are considered appropriate having regard to the size and nature of the Company's operations.

4. INDEPENDENCE OF DIRECTORS

4.1 Independence requirement

- (a) A Director may only to be regarded as independent if the Director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of the Director's unfettered and independent judgement.
- (b) In considering whether a Director is independent under section 4(a), the Board must have regard to:
 - (i) the criteria for assessing the independence of a Director in the 'Corporate Governance Principles and Recommendations' released by the ASX Corporate Governance Council, Fourth Edition (**Principles and Recommendations**);
 - (ii) any information, facts or circumstances that the Board considers relevant; and
 - (iii) any materiality thresholds, standards or guidelines that the Board may adopt from time to time.

4.2 Conflict and review of independence

- (a) If a Director is or becomes aware of any information, facts or circumstances which will or may affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and the Chairman.
- (b) The Board will regularly assess the independence of each Director in light of disclosures made in accordance with section 4(c) to ensure that the Board continues to comprise at least 2 independent Directors.

5. APPOINTMENT OF DIRECTORS

5.1 Appointment

- (a) The Company's Constitution and the ASX Listing Rules govern the election and re-election of directors. The Nomination & Remuneration Committee is responsible for making recommendations to the Board relating to the election and re-election of Directors.
- (b) The Board recognises that succession planning, and the progressive and orderly renewal of its Board membership, are an important part of the Board's governance process.
- (c) The Board, with the assistance of the Nomination & Remuneration Committee, together with external consultants where appropriate, will identify and assess the necessary and desirable competencies of potential candidates. Candidates identified as suitable will be interviewed by two Directors. Confirmation will be sought from prospective Directors that they will have sufficient time to fulfil their duties as a Director.
- (d) Non-executive Directors are engaged through a letter of appointment.
- (e) Directors participate in an induction programme on appointment and in continuing education and training arranged for them from time to time.
- (f) Non-executive Directors who are required to retire by rotation in accordance with the Constitution will take into account the views of the other non-executive Directors when deciding whether to stand for re-election.
- (g) The Board does not regard nominations for re-election of Directors as being automatic but rather being based on the individual performance of Directors and the needs of the Company. Before the business to be conducted at the Annual General Meeting is finalised, the Board discusses the performance of Directors standing for re-election in the absence of those Directors. Each Director's suitability for re-election is considered on a case-by-case basis, having regard to individual performance. Tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

- (h) The Chief Executive, who is also a Director, is not subject to retirement by rotation and is not to be taken into account in determining the retirement by rotation of Directors.

6. CHAIRMAN AND COMPANY SECRETARY

6.1 Chairman of the Board

- (a) The Board will appoint a Chairman.
- (b) The Chairman of the Board is responsible for:
 - (i) leadership and performance of the Board;
 - (ii) setting the Agenda for Board meetings, in consultation with the Managing Director and Company Secretary;
 - (iii) overseeing the provision of information by management to the Board, and using reasonable endeavours to ensure the adequacy of that information; and
 - (iv) arranging regular performance evaluation of the Board, Board Committees and Directors.

6.2 Secretary of the Board

- (a) The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
- (b) The Company Secretary will circulate minutes of Board Meetings.

7. NON-EXECUTIVE DIRECTORS

7.1 General

Non-Executive Directors collectively should:

- (a) constructively challenge and contribute to the development of strategy;
- (b) scrutinise the performance of management, particularly in relation to meeting agreed objectives, and monitor the reporting of performance;
- (c) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust;
- (d) appoint and, where necessary, remove, the Managing Director;
- (e) prepare or ratify senior management succession plans;
- (f) review and where appropriate, constructively challenge proposals presented by management; and

- (g) request additional information where they consider that the information supplied by management is inadequate to support informed decision-making.

7.2 Informing themselves

Non-Executive Directors individually should inform themselves to a reasonable extent about the subject matter of all decisions they are called upon to make as Directors of the Company.

7.3 Disclosure

Before appointment, Non-Executive Directors must disclose to the Chairman the nature and extent of their other appointments and activities and, when advising their willingness to accept appointment, demonstrate that they understand what is expected of them, and confirm that they have sufficient time to meet the Company's expectations of them.

8. MEETINGS

8.1 Frequency of meetings

The Board will meet at least four times per annum, preferably at least once in each calendar quarter and preferably in Melbourne. Under the Constitution, the number of Directors whose presence is necessary to constitute a quorum is as determined by the Directors and, unless so determined, is 2.

8.2 Notice of meeting

- (a) Each Director must be given reasonable notice of a Board meeting or the resumption of a Board meeting and relevant material (if any) relating to the items to be considered by the Board.
- (b) Board papers should, where possible, be provided to Directors at least 3 days prior to the relevant meeting.

8.3 Convening meetings

The Board may at any time, and the Company Secretary must, on the request of:

- (a) the Chairman; or
- (b) any Director,

convene an unscheduled meeting of the Board on notice that is reasonable in the circumstances. Individual Directors proposing to call meetings should first inform and consult with the Chairman. Urgent decisions, where it is not practical to convene a meeting, may be made by resolution circulated in writing, in accordance with the Company's Constitution, although it is recognised as desirable that the use of circular resolutions should be kept to a minimum.

8.4 Board agendas

Board agendas should be settled by the Chairman in conjunction with the Managing Director and Company Secretary.

9. CONFLICTS OF INTEREST

9.1 Notification of conflicts

A Director must inform the Board or, in advance, the Chairman, if he or she has a conflict or potential conflict of interest in relation to any particular item of business to be considered by the Board. Unless decided otherwise by the other Board Members, the Director should be absent from discussion and decision on that matter.

9.2 Compliance with the Corporations Act and Board policy

- (a) Directors must comply strictly with Corporations Act requirements and Board policy for the avoidance of conflicts.
- (a) Without limiting paragraph 9.2(a), a director who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting or vote on the matter, unless directors who do not have a material personal interest in the matter have passed a resolution that identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the Company and states that those directors are satisfied that the interest should not disqualify the director from voting or being present..

10. REVIEW AND RETIREMENT

10.1 Review

Non-Executive Directors are expected to review their membership of the Board from time to time, taking into account their length of service on the Board, age, qualifications and experience (in light of developing best practice standards and the Company's then current policies), together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

10.2 Retirement from the Board

- (a) Non-Executive Directors should have regard to recommendations of the Nomination and Remuneration Committee with respect to retirement.
- (b) An Executive Director must resign from the Board immediately if the Director ceases to be employed by the Company.

11. OUTSIDE DIRECTORSHIPS

11.1 Non-Executive Directors

- (a) Non-Executive Directors should continually evaluate their ability to discharge their commitments to the Company, in the light of the other directorships or similar offices they hold.
- (b) Non-Executive Directors must notify the Chairman and the Nomination and Remuneration Committee in writing before accepting appointment as a Director of any company (other than the Company or any related body corporate of the Company) or to

any similar office. Before accepting the appointment, the Director must have regard to:

- (i) the views and wishes of the Chairman on the Director acting simultaneously as a Director of the Company and as a Director of another company or entity (whether in competition with the Company or not);
- (ii) any current policies of the Board on multiple directorships; and
- (iii) developing best practice standards on multiple directorships.

11.2 Executive Directors

An Executive Director shall not accept appointment as a Director of any company (other than the Company or any related body corporate of the Company), or to any similar office, without the prior approval of the Board.

12. INDEPENDENT ADVISORS

The Board may have access to independent advisers where the need arises. If it becomes appropriate for a Director to obtain external professional advice separate from advice obtained on behalf of the Company, that advice should be arranged in consultation with the Chairman, and the advice so obtained should ordinarily be provided to all Directors. The cost of obtaining the advice will be met by the Company.

13. GENERAL TERMS

13.1 Submissions and papers

A record of Board submissions and papers, and of material presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings and is accessible to Directors.

13.2 New members

New Board Members should be provided with background material on the Company's business activities and be offered management briefings on strategic, financial and other matters.

13.3 Site visits

- (a) Periodic site visits, by all Directors, to aid their understanding of the business of the Company, should be scheduled and coordinated by management.
- (b) Directors are expected to give priority to attendance at these visits.

13.4 Deeds

- (a) Deeds are to be entered into between all Directors and the Company recording confirming arrangements for indemnity, insurance and access to Company documents.
- (b) The Board will ensure that the company maintains the directors and officers insurance required by those deeds.

14. ACCESS TO THE COMPANY SECRETARY AND EMPLOYEES

- (a) Each Director has a right of access to the Company Secretary at all times.
- (b) Any Director may:
 - (i) request the attendance at a meeting of the Board of any employee of the Company or a related body corporate; and
 - (ii) subject to the law, have access to any document, report, material or information belonging to the Company or a related body corporate.

15. WRITTEN AGREEMENTS

The Company will enter into written agreements with Directors and senior executives employed by the Company.

This Charter was adopted by the Board on the date set out below.

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Chair

Name: Wei Huang

Date: 12 March 2020