

ASX ANNOUNCEMENT

VIRTUS HEALTH LIMITED (ASX: VRT)

24 January 2020

APPOINTMENT OF NEW GROUP CHIEF EXECUTIVE OFFICER

The Board of Virtus Health Limited (ASX: VRT) is pleased to announce that Ms Kate Munnings will commence as Group Chief Executive Officer of Virtus Health Limited on 4 May, 2020.

Sonia Petering, Chair of Virtus Health Limited said "Kate brings a depth of professional experience, most recently as Chief Operating Officer with Ramsay Health Care Limited's (ASX: RHC) Australian business, leading the operational performance of the Australian organisation including 73 public and private hospitals and community services nationally, with more than 30,000 clinical and support staff, as well as a significant number of specialist medical practitioners".

Kate has demonstrated a successful track record leading commercial improvement, organisational and business transformation across multiple sectors & industries.

Kate's relevant experience in working alongside specialist doctors, means she is well equipped to lead Virtus Health and the continued delivery of exceptional services to patients.

Prior to working with Ramsay Health Care, Kate was the Chief Executive, Operations at ASX listed Transfield Services Limited, now Broadspectrum Limited, leading the Logistics, Construction & Consulting business which provided diversified services, largely to State and Commonwealth Government agencies across Australia and internationally.

A lawyer and a registered nurse by qualification, Kate said "I am very excited to be joining Virtus Health, and to work with the talented people across 43 fertility clinics in five countries; an Australian network of general pathology, specialist fertility and genetic testing services and seven day hospitals, helping couples and single women achieve their aspirations to create a family. A market leader in Assisted Reproductive Services ("ARS") in Australia and Ireland, Virtus Health is recognised as being at the forefront of patient care applying new technology and advanced solutions to provide high quality service and leading pregnancy success rates.

Virtus Health, as one of the first publicly listed fertility businesses in the world, has great opportunities ahead to leverage a significant global footprint and its diversified services."

Sonia Petering said "I would like to thank Sue Channon for her contribution to the development of Virtus Health as its inaugural Group Chief Executive Officer since listing in 2013. Sue is held in the highest regard by our fertility specialists, professional staff and the ARS industry globally. We wish Sue well for her future."

The Board has appointed Glenn Powers, Chief Financial Officer as acting Chief Executive Officer during the period from the time Sue Channon leaves at the end of February and the date Kate Munnings is able to commence on 4th May 2020. Dharmendra Singh will be acting Chief Financial Officer during this time. Mr Powers' key terms of employment were disclosed in the Company's 2019 Remuneration Report. During the period he is acting Chief Executive Officer, his fixed remuneration will be same as that previously disclosed for Ms Channon.

This announcement has been authorised for release by the Board.

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For further information

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About Virtus Health

Virtus Health Limited (ASX: VRT) brings together leading clinicians, scientists, researchers and support staff to provide the very best in fertility care and related specialised diagnostic and day hospital services.

We have developed one of the most successful medical collaborations in the world. With 127 of the world's leading fertility specialists supported by over 1300 professional staff, we are the largest network and provider of fertility services in Australia and Ireland with a growing presence in the UK, Denmark and Singapore.

Key Terms of Executive Service Agreement between Ms Kate Munnings and Virtus Health Limited

Role: Group Chief Executive Officer

Commencement: 4 May 2020

Term: Ms Munnings' employment is ongoing with no fixed term. Employment will continue until terminated by either party in accordance with the termination provisions detailed below.

Remuneration: Ms Munnings' remuneration involves a combination of fixed and variable (at risk) remuneration components and is comprised of:

- (i) Total Fixed Remuneration of \$700,000 per annum (including superannuation). The Total Fixed Remuneration will be reviewed annually in accordance with Virtus' remuneration policy, with the first review to occur after 1 July 2021.
- (ii) Short Term Incentive (STI). An annual STI opportunity equal to a maximum of 50% of Ms Munnings' Total Fixed Remuneration, subject to key performance metrics to be determined by the Virtus Health Board on an annual basis and other terms and conditions determined by the Board from time to time. The STI key performance metrics will include financial and non-financial measures. Ms Munnings will not be eligible to receive an STI payment for FY20. Any STI payable for FY21 will be payable in cash.
- (iii) Long Term Incentive (LTI). An annual LTI opportunity equal to 100% of Ms Munnings' Total Fixed Remuneration to be awarded (subject to necessary shareholder approvals being obtained) as performance rights under the Virtus Health Executive Option Plan and Specialist Option Plan (the **LTI Plan**). Subject to the terms of the LTI Plan and achievement of performance metrics to be determined by the Board, each LTI award will vest 3 years from the date of the granting of the award i.e. any rights granted to the Executive in FY21 will be eligible to vest after completion of FY23.

Under the LTI Plan, unvested performance rights lapse on termination unless employment terminates for a permitted reason (including death, serious disability or other cessation of employment without cause) in which case some unvested rights will be retained according to the formulae outlined in the LTI Plan, which is based on the period of service from grant date until vesting date. Unvested performance rights are not eligible to receive dividends.

- (iv) One off compensation for incentive foregone. In recognition of incentives Ms Munnings has foregone as a result of her leaving her current employment and accepting employment with Virtus Health Limited, of a grant of performance rights under the LTI Plan valued at \$700,000 to be granted on Ms Munnings commencing employment with Virtus. Vesting of the performance rights will be subject to the Board's

assessment of Ms Munnings' performance over each year of a 3 year vesting period and will vest as follows:

- i. 1/3rd in FY21 on the first anniversary of the date of commencement of employment;
- ii. 1/3rd in FY22 on the second anniversary of the date of commencement of employment; and
- iii. 1/3rd in FY23 on the third anniversary of the date of commencement of employment.

Termination Provisions: Ms Munnings may resign from her employment with Virtus Health by giving six months' notice or Virtus Health may terminate her employment by giving six months' notice. At any time, Virtus Health may terminate Ms Munnings employment immediately without notice in certain circumstances including for serious breach or misconduct.

Non-compete: A non-compete provision of 6 months will be applicable post termination.

Other Terms: The Executive Service Agreement includes standard terms addressing duties and responsibilities, confidentiality, intellectual property and moral rights.

Kate Munnings recent Executive Positions:

2016 – 2020	Chief Operating Officer, Ramsay Health Care Limited (ASX: RHC) based in Sydney.
2014 – 2016	Chief Executive Operations (Logistics, Construction, Consulting) Transfield Services Limited (formerly ASX: TSE, now Broadspectrum Limited), Sydney
2006 – 2014	Chief Risk & Legal Officer/Company Secretary Transfield Service Limited (formerly ASX: TSE, now Broadspectrum Limited), Sydney
2004 – 2005	Partner, Baker McKenzie Sydney.
1999 – 2004	Senior Associate & Partner, Corrs Chambers Westgarth, Sydney
1994 – 1998	Solicitor, Clayton Utz
1992 – 1994	Paralegal, GIO General Insurance Law
1991 – 1992	Registered Nurse, Royal North Shore Hospital
1989 – 1991	Registered Nurse, Albion Street AIDS Clinic
1987 – 1989	Registered Nurse, St. Vincent's Hospital

Kate's professional experience spans more than 30 years across nursing, law, risk management, operations, logistics and healthcare operations, most recently leading the operational performance of ASX 50 Ramsay Health Care's Australian business to ensure the provision of continued service excellence to clients, growth and financial success.

Prior to Ramsay, Kate spent ten years with the ASX listed Transfield Services Limited (now Broadspectrum Limited). Kate was also a partner in two law firms, Corrs Chambers Westgarth and the international firm Baker McKenzie. Her working life started out in health care, as a registered nurse where she worked with St Vincent's Hospital, Royal North Shore Hospital and Albion Street AIDS clinic over a period of 9 years. Kate also spent 4 years as a Board member of South East Sydney Local Health District and is currently an independent director of the Digital Health Co-operative Research Centre.

Kate's qualifications include Bachelor of Laws (LLB), Bachelor of Health Science (Nursing) and Advanced Management Program from INSEAD.