

Dated: 4 March 2022

Board Charter

Virtus Health Limited (ABN 80 129 643 492) (“Virtus”)

Adopted by the Board on 16 March 2022

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1 Definitions and interpretation

1.1 Definitions

In this charter:

ASX means Australian Securities Exchange

Board means the board of directors of Virtus.

Code of Conduct or Code means Virtus' code of conduct.

Company means Virtus.

Constitution means the constitution of Virtus.

Corporations Act means *Corporations Act 2001* (Cth).

Disclosure Policy means Virtus' disclosure policy.

Securities Trading Policy means Virtus' securities trading policy.

Virtus means Virtus Health Limited and its controlled entities.

1.2 Interpretation

In this charter:

- (a) a reference to a function includes a reference to a power, authority and duty;
- (b) a reference to the exercise of a function includes, where the function is a power, authority or duty, a reference to the exercise of the power or authority of the performance of the duty;
- (c) words importing the singular include the plural and vice versa;
- (d) words importing any gender include other genders;
- (e) references to persons include corporations and bodies politic;
- (f) references to a person include the legal personal representatives, successors and permitted assigns of that person;
- (g) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether of the same or any legislative authority having jurisdiction);
- (h) a reference to 'writing' shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form, including messages sent by electronic mail; and
- (i) any doubt arising as to the application or meaning of any clause or wording

therein shall be decided by a vote at a General Meeting, which decision shall be final and conclusive.

2 Purpose of this charter

The Board is responsible for the governance of Virtus. This charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

3 Role and responsibilities of the Board

3.1 Role

The role of the Board is to act in the best interests of the Company as a whole and be accountable to shareholders for the overall direction, management and corporate governance of the Company. The role of the Board is to approve and monitor the strategic direction for Virtus and effective oversight of management. The Board is responsible for monitoring and procuring compliance with the Constitution, from which the Board derives its authority to act, and with legal and regulatory requirements.

To achieve this role, the Board has reserved to itself the following specific responsibilities.

3.2 Strategy

The Board is responsible for:

- (a) overseeing the development of Virtus' strategy through constructive engagement with senior executives;
- (b) reviewing and approving strategic plans including setting performance objectives of Virtus consistent with the strategy; and
- (c) monitoring implementation of the strategy.

3.3 Oversight of management

Taking into consideration the recommendations of the Nomination and Remuneration Committee, the Board is responsible for:

the appointment and if appropriate, removal of the chief executive officer ("CEO"), the chief financial officer ("CFO"), the Company Secretary and other senior executives;

- (a) approving, monitoring and reviewing succession plans for key individuals;
- (b) annually monitoring and assessing CEO and senior executives' performance; and
- (c) reviewing and approving Virtus' remuneration and termination framework and remuneration and termination policies and practices.

3.4 Shareholders

The Board is responsible for:

- (a) promoting effective communication with shareholders, including convening shareholders' meetings, listening and responding to shareholders views of management and of Virtus;
- (b) ensuring that all substantive resolutions at a meeting of shareholders are decided by a poll;
- (c) ensuring that the external auditor attends the annual general meeting;
- (d) reporting to shareholders and compliance with relevant regulatory requirements; and
- (e) overseeing the entity's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of Virtus securities.

3.5 Other stakeholders

The Board is responsible for:

- (a) establishing and monitoring policies governing Virtus' relationship with other stakeholders and the broader community;
- (b) establishing and maintaining environmental, employment and occupational, health and safety policies and other regulatory and statutory requirements; and
- (c) overseeing the management of Virtus' relationship and communications with stakeholders and the broader community.

3.6 Ethical and responsible decision-making

The Board is responsible for:

- (a) promoting a high standard of corporate governance practice and regulatory compliance;
- (b) actively promoting ethical and responsible decision-making and behaviour;
- (c) overseeing the implementation of and compliance with the Code of Conduct;
- (d) overseeing a system of accountability for unethical practices; and
- (e) promoting diversity and inclusion in the workplace and overseeing implementation of a framework to achieve Virtus' diversity goals.

3.7 Oversight of financial management and capital management

The Board is responsible for:

- (a) overseeing the integrity of Virtus' financial reporting, accounting and financial management systems;
- (b) reviewing and approving annual and half-yearly financial reports, having regard to, among other things, the information the directors know about Virtus;

- (c) monitoring financial results on an ongoing basis;
- (d) appointment or removal of the external auditors or the internal auditors;
- (e) approving operating budgets and major capital expenditure, monitoring the progress of capital expenditure, reviewing capital management, major acquisitions and divestitures and material commitments;
- (f) oversight of the tax affairs of Virtus;
- (g) approving decisions affecting the capital of Virtus, including capital structure or restructure and major financing arrangements; and
- (h) determining the dividend policy of Virtus and determining the details for payment of dividends.

3.8 Compliance and risk management

The Board is responsible for:

- (a) overseeing that senior management take necessary steps to monitor and manage all material risks consistent with the strategic objectives, risk appetite statement and policies approved by the Board;
- (b) overseeing that sufficient resources are dedicated to risk management;
- (c) overseeing and regularly reviewing systems of internal compliance, risk management and control, and systems of legal compliance that govern the operations of Virtus, and monitoring that they are operating effectively;
- (d) overseeing and regularly reviewing systems of clinical risk and monitoring that they are operating effectively; and
- (e) overseeing and regularly reviewing written policies, codes and procedures governing compliance and risk management.

3.9 Board Evaluation and Performance

The Board is responsible for ensuring that a performance review of the board, its committees and individual directors is undertaken on an annual basis, or as deemed appropriate.

4 Role and responsibilities of the Chair and Company Secretary

4.1 Chair

The Chair is an independent and non-executive director appointed by the Board. The Chair is responsible for:

- (a) providing leadership to the Board and the Company;
- (b) setting the agenda for Board meetings;
- (c) ensuring the Board meets regularly to consider the Company's performance and key issues;
- (d) chairing Board meetings and shareholder meetings;

- (e) promoting the efficient organisation and conduct of the Board's function;
- (f) facilitating Board discussions so that core issues facing the Company are addressed;
- (g) facilitating effective contribution by all directors and monitoring Board performance;
- (h) overseeing that membership of the Board is skilled and appropriate for Virtus' needs;
- (i) promoting constructive relations between Board members and between the Board and management;
- (j) ensuring that independent directors meet separately at least annually to consider, among other things, senior executive performance;
- (k) reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- (l) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

4.2 Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable to the Board through the Chair on all corporate governance matters.

The Company Secretary is responsible for:

- (a) organising Board meetings and director attendance;
- (b) monitoring compliance with Board policy and procedures;
- (c) coordinating the completion and dispatch of the Board agenda and briefing materials;
- (d) preparing minutes of meetings and resolutions of the Board and taking these to the Chair for approval and circulation;
- (e) circulating minutes from committee meetings to the Board; and
- (f) ensuring Virtus complies with its requirements under the Corporations Act regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission.

5 Delegations of authority

5.1 Delegation to committees

- (a) Under the Constitution, the Board may delegate responsibility to committees to consider certain issues in further detail to streamline the discharge of its responsibilities and then report back to and advise the Board.
- (b) Standing committees established by the Board have charters setting out the authority, responsibilities, membership and operation of the committee.
- (c) There are currently three standing committees appointed annually by the Board:

- (i) Risk Committee (governed by the Virtus Health Risk Committee Charter);
 - (ii) Audit Committee (governed by the Virtus Health Audit Committee Charter);
and
 - (iii) Nomination and Remuneration Committee (governed by the Nomination and Remuneration Committee Charter).
- (d) The Board may establish other committees from time to time to consider other matters of special importance.
- (e) Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

5.2 Delegation to CEO and MD and management

- (a) Subject to 4, the Board has delegated to the CEO and Managing Director the authority to manage the day-to-day affairs of Virtus and the authority to control the affairs of Virtus in relation to all matters other than those responsibilities reserved to itself in this charter.
- (b) The CEO and Managing Director is responsible for implementing strategic objectives, plans and budgets and instilling and reinforcing the entity's values, approved by the Board. The CEO and Managing Director will operate within the defined entity values, Code of Conduct, budget and risk appetite set by the Board.
- (c) The Board may impose further specific limits on CEO delegations. These Delegations of Authority will be clearly set out in writing and maintained by the Virtus Company Secretary. The Board will review the Delegation of Authority annually.
- (d) The CEO has authority to sub-delegate to the senior executives within the limitations prescribed in the Delegations of Authority to achieve the purpose and priorities of Virtus.

6 Board Membership

6.1 Board Composition and size

- (a) The Board is appointed by the shareholders.
- (b) The Board will consist of a majority of non-executive, independent directors. The Chair of the Board will be elected by the directors and must be an independent non-executive director. Ordinarily the Chair continues in their role unless the Board decides otherwise, or the Chair resigns their position or the Board determines to make a change.
- (c) The Board determines the size of the Board, subject to the Constitution, which provides that there can be no less than three directors. The number of directors and the composition of the Board must at all times be appropriate to Virtus to achieve efficient decision making and adequately discharge its responsibilities and duties.

- (d) Virtus will seek to have directors with an appropriate range of skills, experience, diversity and expertise and an understanding of and competence to deal with current and emerging issues of the business.

6.2 Appointment and re-election of directors

- (a) The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Constitution, but must stand for election by shareholders at the next annual general meeting.
- (b) Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in the induction and orientation programs on appointment, and any continuing education or training arranged for them. The induction plan is based on the group Board Induction Policy and Board Induction Checklist.
- (c) Directors must retire from office in accordance with the Constitution and the ASX listing rules. Retiring directors may be eligible for re-election.

6.3 Termination, removal or vacation of a directorship

A director, or a directorship, may be terminated, removed or vacated in accordance with the Corporations Act and the Constitution.

6.4 Independence

- (a) All directors - whether independent or not - should bring an independent judgment to bear on all Board decisions.
- (b) A director is considered independent by Virtus if the director is a non-executive director who is not a member of management and is free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or could reasonably be perceived to do so.

A director who:

- (c) is a substantial shareholder of Virtus or an officer of, or otherwise associated directly with, a substantial shareholder of Virtus;
- (d) is employed, or has previously been employed in an executive capacity by Virtus, or another group member and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- (e) within the last three years, has been a principal of a material professional adviser or material consultant to Virtus or another group member, or an employee materially associated with the service provided;
- (f) is a material supplier or customer of Virtus or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- (g) has a material contractual relationship with Virtus or another group member other than as a director of Virtus;

- (h) has close family ties with any person who falls within any of the categories described above; or
- (i) has been a director of the Company for such a period that their independence may have been compromised

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances.

- (j) The Board regularly reviews the independence of each director in light of the interests disclosed by them and the criteria for independence outlined in the Principles of Good Corporate Governance and Best Practice Recommendations published by the ASX Corporate Governance Council (4th edition). Each independent director must provide the Board with all relevant information for this. The conclusions resulting from the review are set out in the corporate governance statement.
- (k) Any change to a director's independent status will be disclosed to the market in a timely fashion.

6.5 Conduct of individual directors

- (a) Directors must at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors.

Directors must, at all times:

- (b) discharge their duties in good faith and in the best interests of Virtus and for a proper purpose;
- (c) act honestly, with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (d) must not participate in discussions or vote on any matter in which they have a material personal interest or conflict of interest or potential conflict of interest unless the Board resolves otherwise;
- (e) not make improper use of information gained through their position as a director;
- (f) not take improper advantage of their position as a director;
- (g) declare any conflict of interest or potential conflict of interest in respect of any matter;
- (h) are required to advise the Company Secretary of all directorships or executive positions held in other companies;
- (i) are bound by and must adhere to the Code of Conduct and Securities Trading Policy;
- (j) have a good understanding of strategies and the businesses conducted by Virtus;
- (k) give Virtus or ASX Limited all the information required by the Corporations Act; and
- (l) not permit Virtus to engage in insolvent trading.

7 Board process

7.1 Meetings

- (a) All Board meetings will be conducted in accordance with the Constitution and the Corporations Act.
- (b) The Board shall meet as often as the directors determine necessary to enable the directors and the Board to fulfil their duties and responsibilities to Virtus.
- (c) Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- (d) Board papers will be made available to Directors using an electronic system. Deletion of Board papers from the electronic system will occur twelve months from the date of a Board meeting. It is noted that the Board has access to Board papers which may have been deleted from the electronic system by application to the Company Secretary.
- (e) All directors are generally expected to prepare adequately, attend and participate at each Board meeting. All directors should actively consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution in order to examine the material provided to it for approval.
- (f) Non-executive directors will periodically meet without executive directors or management present. The Board may request or invite management or external parties to attend Board meetings, where necessary or desirable.
- (g) Subject to the Constitution, the Board may conduct meetings by telephone or video conference.

7.2 Independent professional advice

Subject to 10, directors may seek independent professional advice at Virtus' expense. Generally, this advice will be available to all directors unless the Chair determines otherwise.

7.3 Access to management

The directors have complete and open access to management following consultation with the Chair and CEO.

7.4 Notice, agenda and documents

Unless otherwise agreed or considered necessary by the Chair, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting documentation, will be circulated by the secretary to each Board member and any other individual invited to attend, not less than three business days before the meeting.

7.5 Confidentiality

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

7.6 Conflict of interest

Where at any meeting of Virtus it is proposed to discuss any matter which gives rise or may give rise to a conflict of interest or a reasonable possibility of a conflict of interest between

the duties and obligations of a director to Virtus and to another entity of which that director also holds a directorship, proposed directorship or interest (**Conflicted Director**), that director:

- (a) must not be present while that matter is being considered; and
- (b) must not vote on that matter, unless the other directors pass a resolution that states, effectively, that those directors, having considered the nature and extent of the conflict of interest or possible conflict of interest, are satisfied that the matter should not disqualify the Conflicted Director from being present or voting.

8 Ethical standards and legal duties

8.1 Duties

- (a) Each director shall abide by the terms of the Code of Conduct and are expected to uphold the ethical standards and corporate behaviour described in that Code.
- (b) Directors are required to act in a manner which is consistent with the best interests of Virtus as a whole, free of any actual or potential conflicts of interest
- (c) The Board will operate in a manner reflecting the values of Virtus and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.

8.2 Conflicts of interest

- (a) From time to time, some directors may hold directorships in other companies. Each director has a fiduciary and statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties.
- (b) Any information which a director possesses because of their directorship in another company and:
 - (i) is confidential to the other company, and which came into their possession in the course of the performance of their duties as an officer of the other company shall not be communicated to Virtus or any officer or employee of Virtus without the consent of the other company; or
 - (ii) relates to the other company and which is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities of the other company shall not be communicated to Virtus or any officer or employee of Virtus.
- (c) If a director considers that they might be in a position where there is a reasonable possibility of conflict of interest between the interests of Virtus or their duties to Virtus and:
 - (i) their personal or business interests;
 - (ii) the interests of any associated person; or
 - (iii) their duties to any other company,

then the director:

- (iv) must ensure that the Board is notified (whether by formal standing notice or notification to the Company Secretary or Board immediately on becoming aware) of any interest which may give rise to a real or substantial possibility of conflict, including any material personal interests; and
- (v) shall, if any matter is or likely to be brought before the Board which could give rise, or be perceived to give rise, to a real or substantial possibility of conflict of interest:
 - (A) disclose this to the Board;
 - (B) not continue to receive Board papers or other information which relates to the matter which is the subject of the conflict of interest or possible conflict of interest, unless the Chair determines, that he or she shall receive any or all of those documents; and
 - (C) withdraw from any part of a Board or Board committee meeting for the duration of any discussion and not vote on the matter, unless a majority of directors who do not have an interest in the matter resolve that the disclosed interest should not disqualify the director,
- (vi) must take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty;
- (vii) must comply with the Corporations Act and the Constitution in relation to disclosing material personal interests and restriction on voting; and
- (viii) in respect of any proposed appointment to the board or executive of another company, inform the Chair (or in their absence the Deputy Chair) of the Board as soon as practicable.

8.3 Material personal interest

Each director must give notice to the other directors of any matter in which they have a material personal interest that relates to the affairs of Virtus and must not participate in any discussions in relation to any such matter or participate in any vote in relation to the same, except to the extent and in the circumstances permitted by the Corporations Act.

8.4 Dealing in shares

Directors must ensure any dealings in shares are in strict compliance with the Securities Trading Policy and otherwise in accordance with the values of honesty and integrity.

9 Independent advice

- (a) The Board collectively, and each director individually, may obtain independent, external, professional advice at Virtus' expense subject to 10(b), as considered necessary to assist in fulfilling their relevant duties and responsibilities.
- (b) Individual directors who wish to obtain independent professional advice should seek the approval of the Chair (which will not be unreasonably withheld), and will be entitled to reimbursement of all reasonable costs in obtaining such advice. In the

case of a request made by the Chair, approval is required by the Chair of the Audit Committee.

- (c) A copy of any such advice received will be made available to all members of the Board, unless the Chair determines otherwise.

10 Review and publication of charter

- (a) The Board is responsible for reviewing this charter and the division of functions and responsibilities in Virtus so that it complies with the ASX Corporate Governance Principles and Recommendations, and determine its appropriateness to the needs of Virtus from time to time.
 - (b) The charter may be amended by resolution of the Board.
 - (c) The charter is available on Virtus' website.
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