

**PRIMARY HEALTH CARE LIMITED
(ACN 064 530 516)**

PRIMARY HEALTH CARE LIMITED

BONUS SHARE PLAN

This is an important document.
A Shareholder considering participating in this Plan should seek independent advice on the financial and taxation implications of such participation.

Registered Office:
30 - 38 Short St
Leichhardt NSW 2040

ENQUIRIES

Enquiries in relation to the Bonus Share Plan should be directed to the Company Secretary at:

*Primary Health Care Ltd
30 – 38 Short St
Leichhardt*

*Telephone: 02 9561 3300
Facsimile: 02 9561 3301*

Any enquiries relating to specific Shareholder information should be directed to:

*Computershare Investor Services Pty Ltd
Level 3
60 Carrington Street
Sydney NSW 2000*

*Telephone: 02 8234 5000
Facsimile: 02 8234 5050*

TO JOIN THE BONUS SHARE PLAN

To join the Bonus Share Plan, read this booklet and complete and return the enclosed form in the envelope provided.

RULES OF THE BONUS SHARE PLAN

1. The Plan

Commencement

- 1.1 This Plan and these Rules will commence operation on such date as the Directors in their sole discretion determine.

Dividends forgone, bonus Shares issued

- 1.2 A Shareholder, while they are a Participant in this Plan, requests Primary that in respect of all of the Plan Shares held by that Participant:

- (a) the Shareholder not be entitled to participate in any Dividend declared by Primary; and
- (b) the Shareholder be issued the number of bonus Shares determined in accordance with Rule 5.1.

- 1.3 Bonus Shares issued under this Plan are fully paid ordinary Shares for whose issue no consideration is payable to Primary. An issue of bonus Shares to which Participants become entitled under this Plan shall be effected by the allotment and issue of such bonus Shares without any amount being credited to Primary's share capital amount and without profits being capitalised.

Participation optional

- 1.4 Participation by Shareholders in this Plan:

- (a) is optional; and
- (b) may be varied or withdrawn at any time; and
- (c) cannot be transferred.

2. Eligibility and participation

- 2.1 Subject to Rule 2.2, Primary will invite all Shareholders to participate in this Plan.

- 2.2 The Directors may determine that a Shareholder:

- (a) whose registered address is in a country or place (other than Australia) where participation in this Plan would or may be unlawful, impractical or impossible; or
- (b) who is not resident in Australia and whose participation in this Plan may be subject to legal requirements applying to his or her country of residence,

cannot, or will not be invited to participate in this Plan.

- 2.3 A Shareholder may apply to participate in this Plan:

- (a) after receiving an invitation to participate in this Plan; and
 - (b) by delivering an Application Form to Primary signed and completed in accordance with the instructions on the form.
- 2.4 If the Directors determine that a Shareholder cannot participate in this Plan for a reason specified in Rule 2.2, Primary must notify that Shareholder of the rejection of any application made by that Shareholder under Rule 2.3 as soon as practicable after the application is made.
- 2.5 A Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in this Plan.
- 2.6 Ordinary shares in Primary which are not fully paid may not participate in this Plan.

3. Levels of participation

DRP Shares not eligible

- 3.1 A Shareholder may:
- (a) participate in this Plan as to none, some, or all, of his or her Shares;
 - (b) participate in the DRP as to none, some, or all, of his or her Shares;
 - (c) but those Shares participating in the DRP cannot contemporaneously participate in this Plan.

Minimum or maximum number

- 3.2 The Directors may at any time in their absolute discretion set a minimum or maximum limit on the number of Shares which Shareholders may nominate for participation in this Plan.

Full participation

- 3.3 Subject to Rules 3.1(c) and 3.2, a Shareholder may nominate all of the Shareholder's Shares from time to time to participate in this Plan (a "**Full Participant**").
- 3.4 Subject to Rules 3.1(c) and 3.2, if a Shareholder does not specify on the Application Form the number of Shares to be subject to this Plan, the Shareholder is taken to have applied for all of that Shareholder's Shares to be subject to this Plan.

Limited participation

- 3.5 Subject to Rules 3.1(c) and 3.2, a Shareholder may nominate a specific number of the Shareholder's Shares (less than that Shareholder's total holding) to participate in this Plan (a "**Limited Participant**").

Record of level of participation

3.6 Primary must record:

- (a) the number of Plan Shares held by a Participant; and
- (b) changes to the number of Plan Shares held by a Participant.

3.7 Primary's records kept under Rule 3.6 are conclusive evidence of the matters recorded.

4. Duration of participation

4.1 Subject to Rule 2.4, Rule 7.5 and Rule 12.5, a duly completed and signed Application Form to participate in this Plan is effective :

- (a) from the date the Application Form is received by Primary;
- (b) in respect of a Dividend, only if it is received prior to the record date for that Dividend; and
- (c) until:
 - (i) the Participant formally varies or terminates participation in this Plan; or
 - (ii) the termination of this Plan; or
 - (iii) the termination of the Participant's participation in this Plan in accordance with these Rules.

4.2 Each Shareholder to whom an invitation is made to participate in this Plan will be given a reasonable opportunity to apply to participate in this Plan.

5. Operation of this Plan

5.1 Whenever Primary declares a Dividend on its Shares, each person who is a Participant at the record date, by the terms of this Plan:

- (a) waives his or her right to receive the cash Dividend on the Plan Shares held by the Participant; and
- (b) is entitled to have issued to him or her the number of bonus Shares (issued on the basis set out in Rule 1.3) determined by the application of the following formula:

$$\frac{N \times D}{P}$$

where:

"N" equals the number of Plan Shares held by the Participant on the record date for the purpose of the relevant Dividend;

“D” equals the amount of that Dividend, expressed in cents per Share;

“P” is the Market Price of a Share, expressed in cents per Share, either rounded down to the nearest cent or discounted by an amount to be determined by the Directors in their absolute discretion.

If the application of the formula results in a number which is not a whole number, the entitlement shall be rounded to the nearest whole number.

5.2 In this Plan “**Market Price**” of a Share means:

- (a) the arithmetic average of the daily volume weighted average price per Share of all Shares sold in the ordinary course of trading on the ASX on the 10 trading days commencing one clear trading day after the record date for the relevant Dividend; or
- (b) if no Shares have been sold in that 5 business day period, the price determined by the Directors in their absolute discretion as representing the fair market value of Shares.

5.3 The determination by Directors of a market price under Rule 5.2(b) is final and binding on all Participants.

6. Status of bonus Shares issued under this Plan

6.1 All bonus Shares issued under this Plan are issued on the terms disclosed in this Plan and will, from the date of issue, rank equally in every respect with the existing Shares.

6.2 Bonus Shares issued under this Plan will be registered on the Share register on which the Participant already holds Shares or, if the Participant holds Shares on more than one Share register, on the Share register which the Directors in their absolute discretion determine.

6.3 Primary must issue either:

- (a) a Share certificate; or
- (b) a list of allotments to the Participant’s uncertificated account,

to each Participant for the total number of bonus Shares issued to that Participant under Rule 5.1.

7. Effect of acquisition of Shares by a Participant

Directions by Participant can override

7.1 A Participant may give Primary directions contrary to the effect of Rules 7.2 to 7.6.

All acquisitions by a Full Participant become Plan Shares

- 7.2 All Shares acquired (by whatever means, including those means referred to in Rules 7.4 to 7.6) by a Full Participant automatically become Plan Shares on being registered in the Participant's name.

Acquisitions by Limited Participants

- 7.3 Whether Shares acquired by a Limited Participant become Plan Shares is determined by Rules 7.4 to 7.6.

Bonus Shares issued under this Plan

- 7.4 Where bonus Shares are issued under this Plan to a Limited Participant, the bonus Shares automatically become Plan Shares on being registered in the Participant's name.

Rights issues

- 7.5 Where Shares are issued to a Limited Participant as part of a pro rata issue, a proportion of those Shares (being the same proportion as the number of Plan Shares held by the Participant bears to that Shareholder's total holding immediately prior to the pro rata issue being made) automatically become Plan Shares on being registered in the Participant's name.

Other acquisitions

- 7.6 Shares acquired by a Limited Participant by any means other than those referred to in Rules 7.4 or 7.5 (including by purchase or other transfer) only participate in this Plan if those Shares are the subject of a further Application Form under Rule 10.

Pre-registration

- 7.7 An Application Form from a transferee or transmittee of Shares may be accepted by Primary despite the fact that the Shares are not yet registered in the name of the transferee or transmittee at the time the Application was received by Primary. Such Application Form becomes operative from the time the Shares become registered in the name of that transferee or transmittee.

8. Effect of disposal of Shares by a Participant

- 8.1 If a Limited Participant sells or transfers Shares (or otherwise ceases to be the holder of Shares), the parcel of Shares concerned shall be taken to:

- (a) first, reduce the Shares (if any) held by the Shareholder which are neither Plan Shares nor participating in the DRP;
- (b) second, reduce the Shares (if any) held by the Shareholder which are participating in the DRP;
- (c) third, reduce the Shares which are Plan Shares held by the Participant.

- 8.2 The preceding Rule applies unless the Participant advises Primary to the contrary.

9. Plan statements

Primary shall send to each Participant, as soon as practicable after each issue of bonus Shares under this Plan, a Plan statement detailing:

- (a) the number of Plan Shares held by the Participant at the relevant record date;
- (b) the number of bonus Shares issued to the Participant under this Plan and the date of issue of those Shares; and
- (c) the relevant information as to the calculation made under Rule 5.1 which resulted in the issue of that number of bonus Shares.

10. Variation to participation in this Plan

Subject to Rules 3.2 and 4.1, a Participant may at any time increase or decrease the number of that Participant's Shares in this Plan by completing and returning to Primary an Application Form specifying the variation.

11. Termination of participation

11.1 Subject to Rule 4.1, a Participant may at any time terminate participation in this Plan by completing and returning to Primary an Application Form indicating the Participant's wish to terminate participation in this Plan.

11.2 Subject to Rule 4.1, a Participant is taken to have terminated participation in this Plan:

- (a) on receipt by Primary of an Application Form in accordance with Rule 11.1; or
- (b) on registration of a transfer of all of the Participant's Plan Shares; or
- (c) on termination of this Plan by the Directors in accordance with Rule 12; or
- (d) on receipt by Primary of the notice of death, bankruptcy or liquidation of the Participant; or
- (e) on the Participant ceasing to be eligible to participate in this Plan.

11.3 For the purposes of Rule 11.2, the death of any one, two or more joint Shareholders does not automatically terminate participation by the remaining Shareholder or joint Shareholders.

11.4 A Share which has ceased to be a Plan Share is not prohibited from subsequently becoming a Plan Share.

12. Modification, suspension and termination of this Plan

12.1 The Directors may at any time in their absolute discretion resolve to:

- (a) vary this Plan and any agreement relating to this Plan; or

- (b) suspend the operation of this Plan; or
 - (c) recommence the operation of this Plan; or
 - (d) terminate this Plan.
- 12.2 Primary will give each Participant notice of any:
- (a) termination of this Plan at least 3 months before the effective date of the termination;
 - (b) variation of this Plan at least one month before the effective date of the variation; and
 - (c) suspension or recommencement of this Plan as soon as reasonable practicable after the effective date of the suspension or recommencement.
- 12.3 If the Directors vary these Rules, a Participant continues to participate under the modified Plan unless Primary is notified by the Participant to the contrary by an Application Form.
- 12.4 Any suspension of this Plan under Rule 12.1 will be effective:
- (a) on the date determined by the Directors and notified to the Participants (“**the Suspension Date**”); and
 - (b) until such time as the Directors resolve either to recommence or terminate this Plan.
- 12.5 From the Suspension Date until the suspension ceases to have effect under Rule 12.4(b), all Plan Shares will automatically cease to be Plan Shares.
- 12.6 If the Directors resolve to recommence the operation of this Plan they may direct that Shares which were recorded as Plan Shares immediately prior to the Suspension Date be reinstated as Plan Shares with effect from the date of the recommencement of this Plan.
- 12.7 Primary will give notice to Participants of the conditions of recommencement and any directions made under Rule 12.6.
- 12.8 The accidental omission to give notice of any variation, suspension or termination of this Plan to any Participant or the non-receipt of any notice by any Participant does not invalidate the variation, suspension or termination of this Plan.
- 12.9 Any variation, suspension, recommencement or termination of this Plan under Rule 12.1 will not give rise to any liability on the part of, or right of action against, Primary or the Directors.

13. Costs to participating Shareholders

No brokerage, commission or other transaction costs and no stamp or other duties are payable by Participants on bonus Shares allotted under this Plan.

14. Administration and disputes

14.1 The Directors have absolute discretion to:

- (a) resolve any dispute concerning this Plan in such manner as they see fit; and
- (b) adopt any administrative procedures as they think appropriate; and
- (c) delegate to any one or more persons the exercise of any of their powers or discretions arising under this Plan.

14.2 Any such decision of the Directors is final and binding on the Participants.

15. Participants bound

Participants are bound by these Rules.

16. Taxation

Neither Primary nor the Directors, its officers, employees, representatives or agents:

- (a) take any responsibility or assume any liability for, or as a consequence of, the taxation liabilities of Participants; or
- (b) represent or warrant that a Participant will gain any taxation advantage, or will not incur a taxation liability or disadvantage,

as a result of participation in this Plan.

17. Notices

The provisions of Primary's Constitution relating to notices apply to these Rules.

18. Plan does not apply if withholding required

This Plan does not apply in any case where, in accordance with Primary's Constitution or otherwise by law, the Directors are entitled to retain all or part of a Dividend payable in respect of Shares which a Participant has nominated as participating in this Plan or where Primary is entitled to a charge over those Shares or over any Dividend payable in respect of those Shares.

19. Governing law

This Plan and these Rules are governed by the laws of New South Wales.

20. Definitions

In this Plan:

"**Application Form**" means a form (approved by the Directors) by which:

- (a) a Shareholder may apply to join this Plan; or

(b) a participating Shareholder may apply to vary the level of, or withdraw from, participation in this Plan;

“**ASX**” means Australian Stock Exchange Limited (ACN 008 624 691);

“**at any time**” means at any time and from time to time;

“**Directors**” means the directors of Primary acting as a board or a duly appointed committee of the board;

“**Dividend**” means a cash dividend payable by Primary;

“**DRP**” means the Primary Health Care Limited Dividend Reinvestment Plan as amended from time to time;

“**Full Participant**” means a Participant who participates in this Plan in respect of all of the Shares held by him or her, including:

- (a) Shares currently held; and
- (b) bonus Shares issued under this Plan; and
- (c) any other Shares acquired subsequently;

“**Limited Participant**” means a Participant who participates in this Plan in respect of some, but not all, of the Shares held by him or her;

“**Market Price**” has the meaning given in Rule 5.2;

“**Participant**” means a Shareholder whose application to participate in this Plan is effective under Rule 4.1;

“**Plan**” means the Primary Health Care Limited Bonus Share Plan, and any amendments to the Plan;

“**Plan Shares**” means Shares which have been nominated by a Participant for participation in this Plan and are subject to this Plan;

“**Primary**” means Primary Health Care Limited (ACN 064 530 516);

“**Rules**” means the Rules set out in this document, and any amendments to the Rules;

“**Share**” means a fully paid ordinary Share in the capital of Primary; and

“**Shareholder**” means a person registered as the holder of Shares.

21. Interpretation

In this Plan, unless the contrary intention appears:

- (a) except for the definitions in Rule 20, an expression in these Rules given a particular meaning in the ASX Listing Rules has the same meaning in these Rules;
- (b) the singular includes the plural and vice versa;
- (c) other grammatical words of defined words or expressions have corresponding meanings;
- (d) a reference to 'A\$' or '\$A', 'dollar' or '\$' is a reference to Australian currency;
- (e) words and expressions importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies; and
- (f) headings are for ease of reference only and do not affect the construction of this Plan.