

1. Purpose

The purpose of this policy is to provide the guidelines that govern Sigma's Board renewal process in relation to the tenure of a Non-Executive Director. This policy is designed to assist the Board achieve the right balance between:

- a) maintaining stability and knowledge in the Board of the business; and
- b) refreshing the Board composition to obtain diverse perspectives and ensure the Board's skills and expertise reflect any change in the circumstances of the business.

2. Scope

This policy applies to the Sigma Healthcare Limited's (**Sigma's**) Board and if and where applicable, any Subsidiary Boards where a Non-executive Director has been appointed to that Board.

In accordance with ASX Listing Rule 14.4 and Rule 3.6 of Sigma's Constitution (which aligns with ASX Listing Rule 14.4), a Director of an entity should not hold office (without re-election) past the third annual general meeting following the Director's appointment, or 3 years, whichever is longer.

This rule does not extend to the Managing Director, unless there is more than one Managing Director, in which case only one is entitled to be not subject to re-election. However, alternate (casual vacancy) Directors should not hold office (without re-election) past the next annual general meeting.

3. Definitions

NED: refers to Non-Executive Directors.

Sigma: means all companies within the Sigma Healthcare Group including Sigma Company Limited (Sigma), Central Healthcare Services Pty Ltd (CHS), MPS Hold Co. Pty Ltd (MPS) and MIA Hold Co. Pty Ltd (MIA).

Sigma's Constitution: refers to the Company constitution of Sigma Healthcare Limited.

Subsidiary Boards: includes the boards of Sigma's wholly owned subsidiary entities.

4. Policy

The Board approved policy on Director tenure is:

- The maximum tenure for which a Director (other than the Chairman) should remain appointed to the Board is 9 years from the date of first election by shareholders.
- The maximum tenure for which the Chairman should remain appointed to the Board is 12 years (including any term served as a Director prior to being elected Chairman) from the date of first election by shareholders.
- Recommendations to shareholders to re-elect directors to be made only after peer review.

The Board reserves the discretion to extend the maximum terms specified above in exceptional circumstances and where it considers such an extension would benefit to Sigma. Such discretion may be exercised on an annual basis and the Director concerned will be required to stand for re-election annually.

Subsidiary Boards

Subsidiary Boards may comprise of both Directors and NEDs.

Non-executive Directors (NEDs) may be appointed to subsidiary boards in only the following circumstances:

- a. where there is an explicit regulatory requirement to do so;
- b. where there is demonstrated market demand for NEDs; or
- c. where the Sigma People & Remuneration Committee is satisfied that it is appropriate for the NED to do so.

The Board approved policy on Director tenure for Subsidiary Boards is:

- The maximum tenure for which NEDs (other than the Chairman) can remain appointed to Subsidiary Boards is 3 years, subject to ongoing performance reviews and relevance of their skills and expertise as assessed by the Board.
- The maximum tenure for which the Chairman can remain appointed to a Subsidiary Board is 9 years (including any term served as an NED of the same Subsidiary Board prior to being elected Chairman).

The Board reserves the discretion to extend the maximum terms specified above where it considers such an extension would significantly benefit the company. The Board will periodically review the composition of all Subsidiary Boards, having regard to innovation, independence, diversity and adequate expertise.

5. Disclaimer

This policy sets out Sigma's general approach to the matters it covers but is not intended to bind Sigma. Accordingly, this policy acknowledges that Sigma may, at its absolute discretion, amend, vary or terminate the policy at any time and in any individual case, may depart from the policy wholly or in part.

6. Document control and related documents

This policy will be periodically reviewed in accordance with the table below to check that it is operating and effectively and whether any changes are required to the policy.

Name of document	Board Renewal Policy		
Document Author	Legal Counsel		
Document Approver	Board	August 2022 Meeting	
Document Reviewers	Legal	P&RC	
	General Counsel & Company Secretary	Chief People Officer	
Review Period	Two-yearly		
Related documents	Code of Conduct, Conflict of Interest Policy, Board Charter, RMAC Charter, P&RC Charter		
Change record	Version	1.0	Change Notes
	Publish date	15 August 2022	See policy version register

Policy Version Register

Version	Modified by	Description of changes	Authorised by	Effective date
1.0	Legal Counsel, General Counsel & Company Secretary	Original Policy	Board of Directors	15 August 2022