

CHAIRMAN'S INTRODUCTION

Throughout our three-decade history, Mediclinic has always aspired to be a highly disciplined, well-run company, and this is reflected in our standards of governance. Since the earliest days, the Board has set out to lead by example. As a result, I believe that Mediclinic is respected by its shareholders and its wider stakeholders as a thoroughly ethical and transparent business that is focused on being the first choice for patient experience and providing superior clinical outcomes.

The Combination and the premium listing on the London Stock Exchange in February 2016 necessitated some governance changes. The Board's operations are conducted in London. The Board and Board committees have been reconstituted and a critical review of the Group's governance policies has been executed.

In making these changes, we have been following the guidance of our advisors, and are seeking to embed the highest standards of governance and reporting expected of a FTSE100 listed company. We have also applied the main principles and complied with the relevant provisions of the UK Corporate Governance Code, save as otherwise indicated in this report. In doing so, we continue to focus on the performance of the Board through, for example, a thorough induction process, regular briefings, and formal evaluation surveys. Overall, I would characterise the directors as a well-informed group of international business and healthcare experts with a strong team spirit, who work with responsibility and efficiency to guide Mediclinic towards its long-term strategic goals.

During 2015/16, the Board's attention was focused on the Combination and the seamless integration of the Al Noor operations into the Group. We have also been keen to ensure that our investment in Spire Healthcare brings two-way benefits to the respective organisations. These topics will continue to be a central focus for us in the year ahead.

At the same time, the disciplined allocation of capital is always a serious responsibility for the Board as, in this industry, it is vital to continually invest in new facilities and technologies, whilst maintaining our margins.

Another area of focus will be succession planning, to ensure that we continue to benefit from a strong, stable leadership team. In addition, we will continue to strengthen the Board by recruiting additional independent directors from a diverse range of backgrounds. In turn, this should add to our collective credentials, and bring more rigour to our governance.



Edwin Hertzog
Non-executive Chairman