

CLINICAL PERFORMANCE AND SUSTAINABILITY COMMITTEE REPORT



Edwin Hertzog

Chairman of the Clinical Performance and Sustainability Committee

Dear Shareholder,

Following the completion of the Combination of Al Noor Hospitals Group plc (“Al Noor”) and Mediclinic International Limited on 15 February 2016, a Quality Committee was established by the Board, with materially the same terms of reference as the Al Noor Quality Committee prior to the Combination. The Quality Committee was subsequently renamed to the Clinical Performance and Sustainability Committee (the “Committee”) and its role was expanded to also include the monitoring of the Group’s sustainable development and to fulfil the statutory duties of a social and ethics committee in terms of the SA Companies Act, which role was fulfilled by the Social and Ethics Committee of Mediclinic International Limited prior to the Combination. It is my pleasure to report on the activities of the Committee for the reporting period ended 31 March 2016, as further detailed herein.

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The Committee is chaired by Dr Edwin Hertzog and comprises two independent non-executive directors, one non-executive director and one executive director, who are suitably skilled and experienced. The Chief Clinical Officer, Dr Ronnie van der Merwe, and the Group Services Executive (who is also responsible for the Group’s sustainable development management), Gert Hattingh, are invited on a permanent basis to attend and speak at all Committee meetings. Other relevant members of management are invited to attend Committee meetings from time to time. The Company Secretary is Secretary to the Committee and attends all meetings.

The composition and attendance of Committee meetings during the period under review are set out in the table on page 105.

 As referred to on page 64, the Board is considering making further appointments to the Board. The composition of the Committee will be reviewed thereafter to consider the appointment of a further Committee member with suitable clinical background.

CLINICAL PERFORMANCE AND SUSTAINABILITY COMMITTEE MEETING ATTENDANCE

NAME	ROLE	NUMBER OF COMMITTEE MEETINGS ATTENDED PRIOR TO COMBINATION	NUMBER OF COMMITTEE MEETINGS ATTENDED AFTER COMBINATION ²
Dr Kassem Alom ¹	Non-executive director	3 of 3	n/a
Ahmad Nimer ¹	Non-executive director	3 of 3	n/a
William J. Ward ¹	Independent non-executive director	3 of 3	n/a
William S. Ward ¹	Independent non-executive director	3 of 3	n/a
Dr Edwin Hertzog (Committee Chairman)	Non-executive director	n/a	-
Nandi Mandela	Independent non-executive director	n/a	-
Danie Meintjes	Chief Executive Officer	n/a	-
Ian Tyler	Independent non-executive director and Senior Independent Director	3 of 3	-

¹ These Committee members served during the year and were appointed in 2013 to the entity when it was known as Al Noor Hospitals Group plc, prior to the Combination. They retired on the date of completion of the Combination on 15 February 2016.

² One Committee meeting was held since the Company's financial year end.

ROLE AND RESPONSIBILITIES

The responsibilities and functioning of the Committee are governed by a formal terms of reference approved by the Board, which is subject to regular review, but at least annually.

The Committee is responsible for (a) promoting a culture of excellence in patient safety, quality of care and patient experience, by *inter alia*, monitoring the clinical performance of the Group; and (b) ensuring that the Group is and remain a good and responsible corporate citizen by monitoring the sustainable development performance of the Group.

CLINICAL PERFORMANCE

In relation to its clinical performance functions, the Committee is responsible for, *inter alia*:

- monitoring the clinical performance of the Group;
- evaluating patient safety, infection prevention and control performance and quality improvement performance;
- evaluating compliance with the Company's patient safety and quality clinical care standards, policies and procedure and regulation and accreditation standards at the operating platforms; and
- evaluating the annual Clinical Services Report and other publicly reported clinical content.

SUSTAINABILITY

In relation to its sustainability functions, the Committee is responsible for, *inter alia*:

- developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance, including the Group Sustainable Development Policy, Group Environmental Policy and Code of Business Conduct and Ethics, which are available on the Company's website at www.mediclinic.com;
- monitoring the sustainable development performance of the Group, with specific regard to stakeholder engagement, health and public safety, broad-based black economic empowerment (in South Africa only), labour relations and working conditions, training and skills development of our employees, management of the Group's environmental impacts, ethics and compliance and corporate social investment;
- annually revising, in conjunction with management, the material sustainability issues;
- reviewing and approving the annual sustainability content included in the Annual Report and the **Sustainable Development Report** published on the Company's website; and
- determining and making recommendations to the Board on the need for external assurance of the Group's public reporting in sustainable development performance.



CLINICAL PERFORMANCE AND SUSTAINABILITY COMMITTEE REPORT (continued)

As referred to above, certain South African subsidiaries of the Company are required to appoint a social and ethics committee in terms of the SA Companies Act, unless such companies are subsidiaries of another company that has a social and ethics committee, and the social and ethics committee of that company will perform the functions required by this regulation on behalf of that subsidiary company. The Committee also performs the statutory functions required of a social and ethics committee in terms of the SA Companies Act.

The Committee is satisfied that the current level of combined assurance provides the necessary independent assurance over the quality and reliability of the information presented. The Committee will continue to monitor whether additional forms of assurance are required in future.

ANNUAL GENERAL MEETING

In terms of the SA Companies Act, a social and ethics committee must, through one of its members, report to the shareholders at the company's annual general meeting on the matters within its mandate. As the Committee is performing the role and function of a social and ethics committee in terms of the SA Companies Act, the Committee will fulfil this function by referring shareholders to this report by the Committee, read with the **Sustainable Development Report**, at the Company's annual general meeting on 20 July 2016. Any specific questions to the Committee may be sent to the Company Secretary prior to the meeting.



MAIN ACTIVITIES

The Committee, in its current form, has only met once since the Combination and up to the reporting period ended 31 March 2016, at which meeting the main focus was on:

- refining the Committee's terms of reference;
- reviewing and approving the annual **Clinical Services Report** and clinical performance information included in the Annual Report;
- reviewing and approving the annual **Sustainable Development Report** and the sustainability information included in the Annual Report;
- confirming the key sustainability priorities reported on pages 47 to 54 and the **Sustainable Development Report** published on the Company's website; and
- reviewing the Company's first slavery and human trafficking statement in terms of the Modern Slavery Act 2015.



COMMITTEE EVALUATION

Due to the timing of the Combination, a formal evaluation of the Committee was not possible this year. An internal evaluation will be conducted during the year ahead and annually thereafter.

The Committee is satisfied with the Group's performance in each of the areas listed above, as further reported on in the Annual Report on pages 30 to 33 and 46 to 54, as well as in the **Clinical Services Report** and the **Sustainable Development Report** published on the Company's website.

Signed on behalf of the Clinical Performance and Sustainability Committee

A handwritten signature in black ink, appearing to read 'Edwin Hertzog'.

Edwin Hertzog

Chairman of the Clinical Performance and Sustainability Committee
25 May 2016

