

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The corporate governance disclosures in this report set out the governance structure of the Company prior to the Combination, whilst known as Al Noor Hospitals Group plc; but are predominantly focused on the Company since the Combination on 15 February 2016, now named Mediclinic International plc. Throughout this report, where ongoing responsibilities and arrangements are disclosed, it is in respect of the Company post-Combination. The governance structure of the Company prior to the Combination, is materially the same as previously disclosed in the 2014 Al Noor Annual Report and Financial Statements.

COMPLIANCE WITH UK CORPORATE GOVERNANCE CODE

The Board is committed to maintaining the highest standards of corporate governance and the highest standards of integrity and ethics. With the exceptions as noted below, the Company is compliant with the provisions of the UK Corporate Governance Code published in September 2014 by the Financial Reporting Council (the "**UK Corporate Governance Code**" or the "**Code**");

- i) *Provision A.3.1: the Chairman should on appointment meet the independence criteria set out in provision B.1.1.*

Under the Code, the Company's Chairman, Dr Edwin Hertzog, is not considered to be an independent director given his involvement as Chief Executive of Mediclinic International Limited until his appointment as Chairman, in 1992. Nonetheless, given his in-depth industry knowledge and experience, the Board considers it is in the best interests of the Company that he serves as Chairman.

- ii) *Provision B.2.1: a Nomination Committee should lead the process for board appointments and make recommendations to the Board.*

Appointments to the Board are recommended by the Nomination Committee and further details on the Committee and the appointment process can be found on pages 100 to 103. In accordance with the Company's relationship agreement with its principal shareholder, Remgro Limited ("**Remgro**"), Remgro is entitled to appoint up to a maximum of three directors to the Board. Mr Jannie Durand represents Remgro on the Board of Directors and was appointed by Remgro at the time of the Combination. His appointment was therefore not led by the

Nomination Committee. With the exception of this appointment in terms of the relationship agreement, the Nomination Committee considers and recommends all other appointments to the Board. On 7 April 2016, the Board appointed, after consideration by the Nomination Committee, Mr Pieter Uys as an alternate director to Mr Jannie Durand.

The Board is currently considering further appointments to the Board and the recruitment for any additional appointments will be led by the Nomination Committee, which will be considering overall Board composition and how female representation on the Board and diversity in general can be increased.

- iii) *Provision B.6: The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.*

Due to the timing of the Combination, an evaluation of the Board, its Committees and individual directors was not undertaken during the year as the reconstituted Board and its Committees had either only met once or not at all prior to the financial year end. An internal evaluation is planned for the year ahead, as further explained on page 71.

In addition to complying with applicable corporate governance requirements in the UK in accordance with its primary listing on the LSE, the Board is also satisfied that the Company meets all relevant requirements of the JSE Listings Requirements as a result of its secondary listing on the South African securities exchange, the JSE Limited ("**JSE**").

Prior to the Combination, the Company was also compliant with the provisions of the UK Corporate Governance Code, except with regard to the following, as reported on in the prospectus dated 19 November 2015 issued by the Company in relation to the Combination:

- i) a majority of the members of the Nomination, Remuneration and Audit and Risk Committees were not independent non-executive directors;
- ii) Ian Tyler, who was the Chairman of the Board prior to the Combination, was also the Chairman of the Remuneration Committee; and
- iii) Ian Tyler was also a member of the Audit and Risk Committee.



BOARD STRUCTURE AND ROLES

The roles of the Chairman, CEO (and the separation of these two roles), the non-executive directors and the Company Secretary are outlined below.

CHAIRMAN

The principal role of the Chairman is to lead the Board effectively and provide direction and focus to its discussions. The Chairman is the guardian of the Board's decision-making processes and also promotes high standards of integrity, probity and corporate governance throughout the Group and at Board level. He also facilitates effective contributions by the non-executive directors, promotes a culture of openness and debate, and, encourages constructive relations between executive and non-executive directors. Dr Edwin Hertzog works closely with Mr Danie Meintjes, the CEO, to ensure that the actions and strategies proposed and agreed by the Board are implemented efficiently.



The Chairman's other significant commitments are indicated in his biography on page 60.

CHIEF EXECUTIVE OFFICER ("CEO")

Mr Danie Meintjes, as the Group CEO, leads the management team, manages the business of the Group, develops and oversees the implementation of all Board approved actions, the strategic direction of the Group and its commercial objectives. The CEO also supports the Chairman to ensure that appropriate governance standards are spread throughout the Group. Mr Meintjes also oversees the executive management team, which assists him in carrying out management of the business. Further details on the executive management team can be found on page 62.



SEPARATION OF CHAIRMAN AND CEO ROLES

In compliance with the Code, there is a distinct division of responsibilities between the Chairman and the CEO, which has been agreed by the Board. The roles are separate, and the Company has a policy which clearly establishes the distinction between the running of the Board and the executive responsibility for the running of the Company's business. The partnership and relationship of Dr Edwin Hertzog and Mr Danie Meintjes is based on mutual trust and is facilitated by regular contact between the two. The separation of authority enhances independent oversight of executive management by the Board and helps to ensure that no one individual on the Board has unfettered powers or authority.

NON-EXECUTIVE DIRECTORS

The non-executive directors are suitably placed to constructively challenge Board discussion and decisions. They provide a strong, independent element to the Board's composition and support management on the development of strategic

direction and proposals. As explained in more detail below, the non-executive directors collectively add independent judgement and a range of skills and experience which contribute to Board discussion and debate. The Board believes that the non-executive directors bring a wide range and balance of skills and international business experience to Mediclinic.

SENIOR INDEPENDENT DIRECTOR ("SID")

Mr Ian Tyler was appointed as a director and served as Chairman to the Board of what was known as Al Noor Hospitals Group plc from 2013, until completion of the Combination. Following the Combination, Mr Ian Tyler was appointed as the SID, and in this role he principally acts as a sounding board to the Chairman and as an intermediary for the other directors.

Mr Ian Tyler has extensive experience with investors and maintains an active understanding of the Company's major shareholders and in respect of any concerns they may have, which he does through face-to-face meetings. In addition, the SID receives updates from the Executive Committee which reports on any issues they have been made aware of by investors and receives briefings from the Company Secretary on corporate governance issues which relate to investors.

The SID has not yet met privately with the non-executive directors to appraise the performance of the Chairman, as there have only been three Board meetings held since the Combination. The SID will convene a private meeting by February 2017 at the latest, which will coincide with the evaluation of the Board and its Committees.

COMPANY SECRETARY

Capita Company Secretarial Services Limited served as the Company Secretary of the Company prior to the Combination and continues to do so following the Combination. The Company Secretary is responsible for providing guidance to the Board collectively and to the directors individually with regard to their duties, responsibilities and powers; and ensuring the proper administration of the proceedings and matters relating to the Board, the Company and the shareholders of the Company in accordance with applicable legislation and procedures.

The Board has unlimited access to the Company Secretary, who advises the Board and the Board Committees on relevant matters, including compliance with the Group's policies and procedures, the Listing Rules, legislation and regulations relevant to the Company and the UK Corporate Governance Code and other governance standards. The Board is of the opinion that the Company Secretary is competent and has the requisite qualifications and experience to effectively execute its duties.

CORPORATE GOVERNANCE STATEMENT (continued)

BOARD COMPOSITION AND DIVERSITY



A list of the Company's current directors, including their biographies, who were in office during the year and up to the date of signing the financial statements, can be found on pages 60 to 61.

Following the Combination, the Board comprises seven independent non-executive directors, two non-executive directors and two executive directors from wide-ranging backgrounds and with varying industry and professional experience. This is compliant with the Code, which recommends that at least half the Board should be independent. The Company regards all of the non-executive directors other than Dr Edwin Hertzog and Mr Jannie Durand to be independent in character and judgement, and therefore free from any business or other relationship or circumstances that could potentially materially interfere with the exercise of their respective and collective independent judgement.

Mediclinic recognises the importance and benefits of having a diverse Board, and believes diversity at Board level is an essential element in maintaining a competitive advantage. Diversity covers various skills, regional and industry experience, background, race, gender and other distinctions between directors. The Board seeks to build an effective, robust, well balanced and complementary Board, whose capability is appropriate for the nature, complexity and strategic demands of the business. The Nomination Committee leads the process for Board appointments as further detailed in the Nomination Committee Report included in this Annual Report.



The Board and the Nomination Committee actively consider the structure, size and composition when contemplating succession planning for the year ahead. They remain cognisant of the need to balance the composition of the Board and its Committees, and the need to refresh this progressively over time so that the experience of existing and longer serving directors can be complemented by new external perspectives and insights from new appointees.

The incumbent non-executive directors come from a wide range of industries, backgrounds and geographic locations and have appropriate experience of organisations with international reach. Whilst we recognise that the existing skills and expertise of the current Board are extensive, the Board intends to recruit two additional non-executive directors during the year ahead to further deliver a diverse range of core skills (including financial, clinical, healthcare industry and operations expertise) and increase female representation on the Board. Whilst no quota regarding gender balance is imposed, the Nomination Committee and Board remain committed to ensuring that the business reflects a diverse Board (including from a perspective of ethnicity and gender), at all levels of seniority, when considering Board appointments and internal promotions, whilst always seeking to ensure that each post is offered strictly on merit to the best available candidate.

The Board's diversity policy statement is set out on page 66. For details on the diversity of the Group, including a breakdown by gender, age and race (only for purposes of South Africa) on the Board and senior management roles see the Directors' Report on page 120.



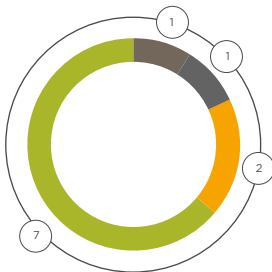
BOARD FUNCTIONING

HOW THE BOARD OPERATES

The Board is responsible for the effective oversight of the Group. It also agrees the strategic direction and governance structure that helps to achieve the delivery of long-term success of the Company and wider Group, and in turn to deliver value to its investors. The full responsibilities of the Board are outlined in the matters reserved for the Board. The Board also delegates authority to its Committees to carry out certain tasks on its behalf, so that it can operate efficiently and give the right level of attention and consideration to relevant matters. Further information on the Committees of the Board can be found on pages 69 to 70, and, in the Committee reports on pages 74 and 100 to 115.

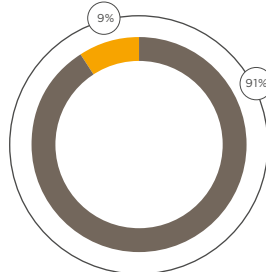


BOARD COMPOSITION



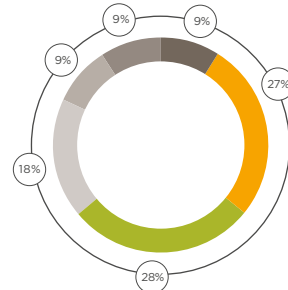
- Non-executive Chairman
- Non-executive director
- Executive directors
- Independent non-executive directors

GENDER



- Male
- Female

INDUSTRY SECTOR EXPERIENCE



- Academia
- Finance
- Healthcare
- Infrastructure
- Insurance
- Consumer goods

BOARD PROGRAMME

The agendas for the Board meetings held since the Combination and prior to the publication of this report are detailed below. The agendas were shaped to ensure focused consideration of our strategic priorities in the year ahead.

FEBRUARY	APRIL	MAY
<ul style="list-style-type: none"> Update on Combination Review of Group policies and procedures Review of Board Committees and their composition Investor relations update in respect of UK and South African shareholders 	<ul style="list-style-type: none"> Review of strategic Group goals, objectives and budgets Review of five-year forecasts Feedback on risk management Review of shareholder movements on the UK and South African shareholder registers 	<ul style="list-style-type: none"> Review and approval of financial results for 2016, as well as annual report and financial statements, notice of annual general meeting, annual clinical services report and annual sustainable development report Recommendation of final dividend payment to shareholders Review of going concern and viability statement Re-appointment of auditor Review of principal risks and uncertainties Regulatory, legal and governance update Review of shareholder movements on the UK and South African shareholder registers In depth clinical governance presentation

BOARD MEETING ATTENDANCE

During the period under review, the directors met face-to-face seven times prior to the Combination, and once subsequent thereto.

The non-executive directors have the opportunity to meet without the executive directors present after each Board meeting. Since the Combination, the Chairman met three times with the Board's non-executive directors after each of the three Board meetings held, without the executive directors or any executive management team being present.

For attendance of the Board Committee meetings, please refer to the respective Committee reports which follow this section, on pages 82, 101, 105 and 108 respectively.



ATTENDANCE OF BOARD MEETINGS

NAME	DATE OF APPOINTMENT	DATE OF RESIGNATION	NUMBER OF BOARD MEETINGS ATTENDED PRIOR TO COMBINATION	NUMBER OF BOARD MEETINGS ATTENDED AFTER COMBINATION ⁴
Faisal Belhou ¹	5 June 2013	21 April 2015	5 of 5	n/a
Seamus Keating	5 June 2013	-	7 of 7	1 of 1
Sheikh Mansoor Bin Butti Al Hamed ¹	5 June 2013	15 February 2016	0 of 7	n/a
Mubarak Matar Al Hamiri ¹	5 June 2013	15 February 2016	5 of 7	n/a
Ahmad Nimer ¹	5 June 2013	15 February 2016	6 of 7	n/a
Ian Tyler	5 June 2013	-	7 of 7	1 of 1
William J. Ward ¹	5 June 2013	15 February 2016	7 of 7	n/a
Dr Kassem Alom ¹	20 June 2013	15 February 2016	7 of 7	n/a
Khaldoun Haj Hasan ¹	7 November 2013	21 April 2015	5 of 5	n/a
William S. Ward ¹	7 November 2013	15 February 2016	7 of 7	n/a
Ronald Lavater ¹	1 October 2014	15 February 2016	7 of 7	n/a
Jannie Durand ²	15 February 2016	-	n/a	1 of 1
Alan Grieve ²	15 February 2016	-	n/a	1 of 1
Dr Edwin Herzog ²	15 February 2016	-	n/a	1 of 1
Prof Dr Robert Leu ²	15 February 2016	-	n/a	1 of 1
Nandi Mandela ²	15 February 2016	-	n/a	1 of 1
Danie Meintjes ²	15 February 2016	-	n/a	1 of 1
Trevor Petersen ²	15 February 2016	-	n/a	1 of 1
Desmond Smith ²	15 February 2016	-	n/a	1 of 1
Craig Tingle ^{2, 3}	15 February 2016	-	n/a	1 of 1

¹ These directors served during the period under review and were appointed 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, unless retired earlier as indicated in the table above.

² These directors were appointed following completion of the Combination on 15 February 2016, all of whom are previous directors of Mediclinic International Limited.

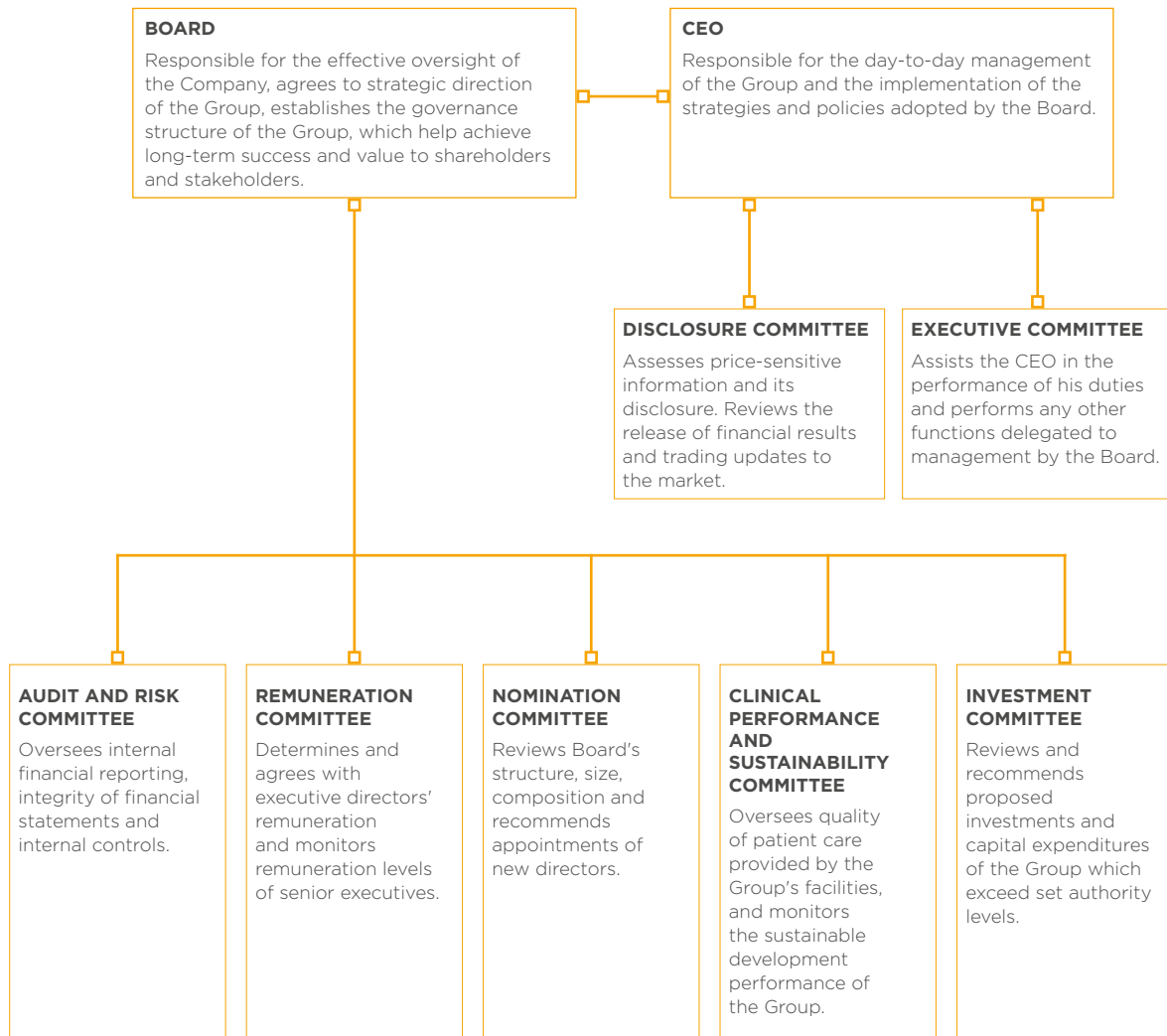
³ Craig Tingle will retire on 15 June 2016. His successor, Jurgens Myburgh, will be appointed to the Board with effect from 1 August 2016.

⁴ Two Board meetings were held since the Company's financial year end.

CORPORATE GOVERNANCE STATEMENT (continued)

GOVERNANCE FRAMEWORK

The Board has adopted a robust corporate governance framework with clearly defined responsibilities in order to support the Group's strategic direction and continue to facilitate long-term shareholder value. Subsequent to the Combination, the Board and its Committees paid focus to evaluating and assessing the policies governing the Board and its Committees. A diagram outlining the governance framework is shown below.



EXECUTIVE COMMITTEE

The Executive Committee is established as a management committee and not a committee of the Board. It is managed and overseen by the Group CEO in support of his responsibility for the overall management of the Company's business. The committee meets on a regular basis to consider, *inter alia*, investment opportunities, operational matters and other aspects of strategic importance to the Group. They are continuously in contact with the Group's management teams of Southern Africa, Switzerland and the United Arab Emirates to ensure effective communication, decision-making and execution of strategies. The terms of reference of the Executive Committee are codified setting out their role and responsibilities, specifically with regard to their authority levels, which are reviewed annually by management and communicated to the Board. The biographies of the Executive Committee members are provided on page 62.



The current composition of the Executive Committee is as follows:

Danie Meintjes	Chief Executive Officer and Chairman of Executive Committee
Craig Tingle ¹	Chief Financial Officer
David Hadley	Chief Executive Officer: Mediclinic Middle East
Gert Hattingh	Group Services Executive
Dr Dirk le Roux	Group ICT Executive
Koert Pretorius	Chief Executive Officer: Mediclinic Southern Africa
Dr Ronnie van der Merwe	Chief Clinical Officer
Dr Ole Wiesinger	Chief Executive Officer: Hirslanden (Switzerland)

DISCLOSURE COMMITTEE

The Disclosure Committee is established as a management committee, to assist and inform the decisions of the Board concerning the identification of price sensitive information and is responsible for making recommendations about how and when the Company should disclose such information. The Committee comprises two executive directors, one independent non-executive director and one Executive Committee member. The Disclosure Committee is chaired by Mr Ian Tyler. The membership of the Committee is set out below:

Ian Tyler	Senior Independent Director and Chairman of the Committee
Danie Meintjes	Chief Executive Officer
Craig Tingle ¹	Chief Financial Officer
Gert Hattingh	Group Services Executive

¹ Craig Tingle will retire on 15 June 2016. His successor, Jurgens Myburgh, will be appointed to the Board with effect from 1 August 2016.

COMMITTEES OF THE BOARD

The Board has established five Committees, so that it can delegate matters and operate effectively giving full consideration to some key matters which should be considered by and dealt with by the Board only. The full terms of reference of each Committee of the Board are available in the corporate governance section of the Company's website at www.mediclinic.com. Reports on the role, composition and activities undertaken during the year of the Audit and Risk Committee, Remuneration Committee, Nomination Committee and the Clinical Performance and Sustainability Committee are detailed on pages 74 to 115.



AUDIT AND RISK COMMITTEE

The Audit and Risk Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Group's annual and interim financial statements. It also reviews and monitors the Group's relationship with its external auditors, reviews the effectiveness of the external audit process, and reviews the effectiveness of the Group's internal control review function. The Committee comprises five independent non-executive directors and the Committee has sufficient relevant and financial experience, in accordance with the requirements of the Code. The Committee is chaired by Mr Desmond Smith and more detail on the functioning of the Committee can be found in the Committee report on pages 107 to 115.



NOMINATION COMMITTEE

The Nomination Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as directors or committee members as the need may arise. The Committee comprises four independent non-executive directors and two non-executive directors, and is in full compliance with the Code as the majority of the Committee's members are deemed to be independent. The Committee is chaired by Mr Ian Tyler and more detail on the functioning of the Committee can be found in the Committee report on pages 100 to 103.



CORPORATE GOVERNANCE STATEMENT (continued)

REMUNERATION COMMITTEE

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration. The Committee is responsible for establishing the parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Company's executive directors and other members of executive management. The Committee comprises three independent non-executive directors, which is fully compliant with the Code. The Committee is chaired by Mr Trevor Petersen and more details on the functioning of the Committee can be found in the Remuneration Report on pages 74 to 99.



CLINICAL PERFORMANCE AND SUSTAINABILITY COMMITTEE

The Board has established a Clinical Performance and Sustainability Committee, which although not a requirement of the Code, assists the Board in:

- (i) promoting a culture of excellence in patient safety, quality of care and patient experience, by *inter alia*, monitoring the clinical performance of the Group;
- (ii) ensuring that the Group is, and remains, a good and responsible corporate citizen by monitoring the sustainable development performance of the Group.

The Committee is chaired by Dr Edwin Hertzog and comprises two independent non-executive directors, one non-executive director and one executive director. More detail on the functioning of the Committee can be found in its report on pages 104 to 106.



INVESTMENT COMMITTEE

The Board has established an Investment Committee, which is primarily responsible for reviewing and making recommendations to the Board regarding proposed investments and capital expenditures of the Group that exceed set authority levels. The Committee is chaired by Dr Edwin Hertzog and meets on an *ad hoc* basis. The membership of the Committee is set out below:

Dr Edwin Hertzog	Non-executive director and Chairman of Committee
Jannie Durand	Non-executive director
Alan Grieve	Independent non-executive director
Seamus Keating	Independent non-executive director
Danie Meintjes	Chief Executive Officer
Craig Tingle ¹	Chief Financial Officer

¹ Craig Tingle will retire on 15 June 2016. His successor, Jurgens Myburgh, will be appointed to the Board with effect from 1 August 2016.

DIRECTORATE MATTERS

APPOINTMENT AND TENURE

All non-executive directors serve on the basis of letters of appointment which are available for inspection at the Company's registered office. The letters of appointment set out the time commitment expected of non-executive directors who, on appointment, undertake that they will have sufficient time to meet what is required of them.

The non-executive directors are appointed for a term of three years, subject to earlier termination, including provision for early termination by either the Company or the non-executive director on three months' notice. In accordance with the Company's Articles of Association, all directors must retire by rotation and seek re-election by shareholders every three years. However, it is intended that the directors will each retire and submit themselves for re-election by shareholders annually.

DIRECTORS' INDUCTION AND TRAINING

The Chairman, with the support of the Company Secretary, is responsible for the induction of new directors and ongoing development of all directors. The training needs of the directors are periodically discussed at Board meetings and briefings are arranged on issues relating to corporate governance and other areas of importance.

Following appointment to the Board, directors receive a comprehensive induction tailored to their individual needs and requirements. The induction includes face-to-face meetings with executive management and operational site visits to provide an understanding of the business, strategy, commercial objectives and key risks.

The Board is kept up to date on legal, regulatory and governance matters by the Company Secretary who prepares papers for Board meetings, and also by presentations from internal and external advisers. Additional training is available on request, where appropriate, so that Directors can update their skills and knowledge as applicable. As part of the Combination the directors were provided with training in respect of their legal, regulatory and governance responsibilities and obligations in accordance with the UK regulatory regime.

INDEPENDENT PROFESSIONAL ADVICE

All directors may seek independent professional advice in connection with their roles as directors. All directors have access to the advice and services of the Company Secretary. The Company has provided for both indemnities and directors officers' insurance to the directors in connection with their duties and responsibilities.

DIRECTOR ELECTION/RE-ELECTION

Following recommendations from the Nomination Committee, the Board considers that all directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. As set out in the Nomination Committee report on page 103, and in accordance with the Code, all of the directors appointed during the year will be submitting themselves for election at the 2016 annual general meeting, this being their first annual general meeting since appointment. Mr Ian Tyler and Mr Seamus Keating, who, this being their third annual general meeting since appointment, will be submitting themselves for re-election in accordance with the Articles of Association, and the Code.



DIRECTORS' CONFLICTS OF INTEREST

In accordance with the Companies Act 2006 (the "Act") and the Company's Articles of Association (the "Articles"), the Board may authorise any matter that otherwise may involve any of the directors breaching his or her duty to avoid conflicts of interest. The Board has adopted a procedure to address these requirements, which includes the directors completing detailed conflict of interest questionnaires on appointment. The matters disclosed in the questionnaires are reviewed by the Board following the directors appointment and annually thereafter and, if considered appropriate, authorised in accordance with the Act and the Articles.

Conflicts of interest as well as any gifts and hospitality received by and provided by directors are kept under review by the Board.

BOARD, COMMITTEE AND INDIVIDUAL DIRECTOR EVALUATION

The Board intends to undertake an internal performance evaluation in order to address the performance and effectiveness of it and its Committees. Due to the timing of the Combination, an evaluation of the Board, its Committees and individual directors was not undertaken during the year as the reconstituted Board and Committees had either only met once or not at all prior to the financial year end. An internal evaluation by way of questionnaire will be conducted next year and an

externally facilitated performance evaluation will be conducted every three years thereafter. The SID, who is responsible for conducting the performance appraisal of the Chairman, intends on convening a meeting with the non-executive directors, without the Chairman being present, by February 2017, which will coincide with the annual evaluation of the Board and its Committees.

SHAREHOLDER ENGAGEMENT

Responsibility for shareholder relations rests with the Chairman, the CEO, CFO and SID. Collectively, they ensure that there is effective, regular and clear communication with shareholders on matters such as governance and strategy. In addition, they are responsible for ensuring that the Board understands the views of shareholders on matters such as governance and strategy. The Board is supported by the Company's corporate brokers with whom we are in constant dialogue. It is intended that an investor relations programme be formally established and which will include formal meetings with investors to discuss the Group's interim and final results. It is also intended that, during intervening periods, the Company will continue its dialogue with the investor community by meeting key investor representatives and holding investor roadshows. The directors will also be available at the Company's annual general meeting and look forward to meeting shareholders then. Further details on how the SID engages with shareholders are detailed on page 65. The Company is in the process of recruiting an investor relations specialist, who will be responsible for leading the Company's annual investor relations programme which will include roadshows.



ANNUAL GENERAL MEETING ("AGM")

The Company's first AGM since the Combination will take place at 15:00 (UK time) on 20 July 2016 at the Rosewood London Hotel, 252 High Holborn, London, WC1V 7EN, United Kingdom. All ordinary shareholders have the opportunity to attend and vote, in person or by proxy. The Notice of AGM, can be found on the investor relations section of the Company's website www.mediclinic.com, and is being posted in a separate booklet at the same time as this report. The Notice of AGM sets out the business of the meeting and provides explanatory notes on all resolutions. Separate resolutions are proposed in respect of each substantive issue. The AGM is the Company's principal forum for communication with private shareholders. The Chairman of the Board and the Chairmen of the Board Committees, together with senior management will be available to answer shareholders' questions at the AGM.

CORPORATE GOVERNANCE STATEMENT (continued)

ACCOUNTABILITY

INTERNAL CONTROLS AND PROCEDURES

The Group has in place a comprehensive system of internal controls, designed to ensure that risks are mitigated and that the Group's objectives are attained. The Board recognises its responsibilities to present a fair, balanced and understandable assessment of the Group's position and prospects. It is accountable for reviewing and approving the effectiveness of internal controls operated by the Group, including financial, operational and compliance controls, and risk management. The Board also recognises its responsibility in respect of the Group's risk management process and system of internal control, and, oversees the activities of the Group's external auditors and the Group's risk management function which have been delegated to the Audit and Risk Committee.

The Audit and Risk Committee assists the Board in keeping under review the effectiveness of the Company's internal controls and risk management systems, reviewing and approving the internal controls and risk management disclosures made by the Group and matters relating to compliance, whistleblowing and fraud. The Board has a process in place which, with assistance from the Audit and Risk Committee, includes the review of internal controls systems and risk management arrangements. This follows the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. A review of the Group's risk management approach is further discussed in the Strategic Report on pages 24 to 29. For detail on the management and mitigation of each principal risk see pages 24 to 26. The Group's viability statement is detailed on page 29 of the Strategic Report. Please also refer to pages 107 to 115, for further detail in relation to the Audit and Risk Committee's role.

The Company's Enterprise-Wide Risk Management Policy is benchmarked against the international Committee of Sponsoring Organisations of the Treadway Commission framework, which defines the risk management objectives, methodology, process and the responsibilities of the various risk management role-players for the Group. The objective of risk management within the Group is to establish an integrated and effective risk management framework where important risks are identified, quantified and managed in order to achieve an optimal risk/reward profile. The use of an integrated approach ensures that risk management is incorporated into daily operational management processes and therefore allows management to focus on core activities.

Compliance with all relevant laws, regulations, accepted standards or codes is integral to the Group's risk management process and is monitored.

The Group's governance structure of risk management is illustrated below.

GOVERNANCE STRUCTURE OF RISK MANAGEMENT



ETHICS AND COMPLIANCE

Conducting business in an honest, fair and legal manner is a fundamental guiding principle in Mediclinic, which is actively endorsed by the Board and management, ensuring that the highest ethical standards are maintained in all our dealings with stakeholders. The Group's commitment to ethical standards is set out in the Group's values, and is supported by the Company's Code of Business Conduct and Ethics (the "**Ethics Code**") which is available on the website at www.mediclinic.com. The Code provides a framework of the standards of business conduct and ethics that are required of all business divisions, directors and employees within the Group in order to promote and enforce ethical business practices and standards throughout the Group. The Code is available to all staff and also communicated to new employees as part of the on-boarding process.



SLAVERY AND HUMAN TRAFFICKING

The Board has considered the Modern Slavery Act 2015, which aims to address slavery, servitude, forced or compulsory labour and human trafficking; and introduced a new disclosure obligation requiring the Company to publish a slavery and human trafficking statement for each financial year of the Company reporting on the steps the Group has taken during the financial year to ensure that slavery and human trafficking is not taking place. A link to the Company's slavery and human trafficking statement can be found on the home page of the Company's website at www.mediclinic.com.

FRAUD AND CORRUPTION

The Group adopts a no-tolerance policy with regard to unethical business conduct, in particular also fraud and corruption, which is addressed in the Ethics Code and the Company's Anti-bribery Policy. Strict policies relating to any invitations, gifts or donations received from suppliers or any other party, in terms of which personnel are compelled to declare these to management for approval, apply throughout the Group.

The Audit and Risk Committee assesses incidents of attempted fraud or corruption throughout the Group at each committee meeting. Depending on the nature of an incident, the incident is investigated either by contracted forensic investigators or by internal audit or by management. These investigations will determine the nature of the corrective action taken, which may include formal criminal action against the perpetrator and/or disciplinary action or possible dismissal in case of employee involvement as well as a review of the controls of the affected business process area.

No new material incidents of fraud or corruption were reported throughout the Group during the reporting period.

COMPETITION LAWS

The Group supports and adheres to the relevant competition and anti-trust laws applicable in the various countries in which the Group operates. These laws are complex and the Group has therefore issued guidelines to its employees on competition law compliance within their relevant jurisdiction, which are reviewed and updated at least annually.

The South African Competition Commission is currently undertaking a market inquiry into the private healthcare sector in South Africa. Mediclinic is participating in the inquiry, with the assistance of expert competition attorneys and advocates who guide Mediclinic through the process.

No legal action for anti-competitive, anti-trust or similar conduct was instituted against the Group during the reporting period.

INFORMATION SECURITY AND CUSTOMER PRIVACY

Information security policies and controls are in place throughout the Group regulating, *inter alia*, the processing, use and protection of own and third-party information. There were no substantiated complaints regarding a breach of customer privacy or loss of customer data against the Group during the reporting period.

COMPLIANCE

Compliance with all relevant laws, regulations, accepted standards or codes is integral to the Group's risk management process and is monitored. As in previous years, there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes applicable to the Group or fines against the Group during the reporting period.

The Corporate Governance Statement, comprising pages 64 to 73 was approved by the Board on 25 May 2016 and signed on its behalf by:



Edwin Hertzog
Non-executive Chairman