BOARD OF DIRECTORS

Dr Edwin Hertzog | Ian Tyler | Seamus Keating

Danie Meintjes | Craig Tingle | Desmond Smith

Dr Edwin Hertzog

Non-executive director and Chairman of the Board

Appointed
15 February 2016

As a specialist anaesthetist, Dr Edwin Hertzog was invited to join the then Rembrandt Group (now Remgro) in 1983 and became the first Managing Director of Mediclinic International Limited at its establishment during that year. In 1992 he became executive Chairman of the Company until August 2012 when he retired from his executive role, but remained on the Board as non-executive Chairman. He continues as the Chairman of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He continues to serve as non-executive Deputy Chairman of Remgro and is a past non-executive director of the Distell, Total (SA) and Transhex groups. He is also a past Chairman of the Hospital Association of South Africa as well as the Council of Stellenbosch University and holds the following qualifications: M.B. Ch.B., M.Med., F.F.A. (SA) and Ph.D. (honoris causa).

Dr Edwin Hertzog's non-executive directorships listed above qualify as his other significant commitments, for the purposes of Provision B.3.1 of the UK Corporate Governance Code.

Committee memberships: Investment Committee (Chairman), Nomination Committee, Clinical Performance and Sustainability Committee (Chairman)

Danie Meintjes

Chief Executive Officer

Appointed
15 February 2016

Danie Meintjes has been the Chief Executive Officer of Mediclinic International Limited since May 2010 and continues as the Chief Executive Officer of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He served in various management positions in the Remgro group, before joining the Mediclinic Group in 1985 as the Hospital Manager of Mediclinic Sandton. Mr Meintjes was appointed as a member of Mediclinic's Executive Committee in 1995 and as a director in 1996. He holds an Honours degree in Industrial Psychology from the University of the Free State and completed the Advanced Management Program at Harvard Business School.

Committee memberships: Disclosure Committee, Investment Committee, Clinical Performance and Sustainability Committee

Ian Tyler

Senior Independent Director

Appointed
5 June 2013

Ian Tyler undertakes the role of Senior Independent Director for the Company. He served as Chief Executive Officer of Balfour Beatty plc from January 2005 to March 2013, having been the Chief Operating Officer since August 2002 and prior to that, Finance Director. He is currently the Chairman of Bovis Homes Group plc and Cairn Energy plc and is a non-executive director of BAE Systems plc. Until 14 February 2016 he was Chairman of Al Noor Hospital Group plc and he continues to serve as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He is also Chairman of AWE Management Limited, a joint venture between Lockheed Martin, Jacobs and Serco. Mr Tyler is qualified as a Chartered Accountant.

Committee memberships: Nomination Committee (Chairman), Audit and Risk Committee, Disclosure Committee (Chairman), Remuneration Committee and Clinical Performance and Sustainability Committee

Craig Tingle

Chief Financial Officer

Appointed
15 February 2016

Craig Tingle joined the Mediclinic Group in 1990 and has a career spanning over 25 years in the healthcare industry in executive and non-executive capacities. He was appointed as the Financial Director of Mediclinic International Limited in 1992 and continues as the Chief Financial Officer of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. After his resignation from the position of Financial Director in 1999, he stayed on as a non-executive director until 2005, when he was appointed Chief Financial Officer of Mediclinic's operations in Dubai. Mr Tingle was appointed Chief Financial Officer of Mediclinic in September 2010. He holds a B.Sc. (Forestry) degree from the University of Stellenbosch and an Honours degree in Accounting Science from the University of South Africa. He is also a qualified Chartered Accountant with the South African Institute of Chartered Accountants.

As previously announced, Mr Tingle will retire on 15 June 2016.

Committee memberships: Disclosure Committee, Investment Committee

Seamus Keating

Independent non-executive director

Appointed
5 June 2013

Seamus Keating has over 20 years' experience in the global technology sector in both finance and operational roles and was a main board director of Logica plc from 2002 until April 2012 having joined Logica as Group Finance Director in 1999. He was Logica plc Chief Financial Officer from 2002 until 2010 when he became Chief Operating Officer and head of its Benelux operations. Prior to his role at Logica plc, he worked for the Olivetti Group from 1989 until 1999 in senior finance roles in the UK and Italy. Mr Keating was non-executive director and chairman of the audit committee of Mouchel plc from November 2010 to September 2012. He is currently Chairman of First Derivatives plc and a non-executive director of BGL Group. He has been Chairman of Mi-pay Group plc since April 2014. He continues to serve as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He is a fellow of the Chartered Institute of Management Accountants.

Committee memberships: Audit and Risk Committee, Investment Committee

Desmond Smith

Independent non-executive director

Appointed
15 February 2016

Desmond Smith was the Chief Executive Officer of the Sanlam Group from April 1993 to December 1997 and of the Reinsurance Group of America (South Africa) from March 1999 to March 2005. He is the present Chairman of both companies. During his career he has served on various boards. Mr Smith was appointed as an independent non-executive director of the Mediclinic International Limited in 2008 and also as the Lead Independent Director of Mediclinic in 2010. Mr Smith continues as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He is an actuary by profession having qualified as a Fellow of the Institute of Actuaries (London) and is a past-president of both the Actuarial Society of South Africa (1996) and the International Actuarial Association (2012).

Committee memberships: Audit and Risk Committee (Chairman), Nomination Committee

Alan Grieve
Nandi Mandela
Jannie Durand
Prof Dr Robert Leu
Trevor Petersen

Alan Grieve

Independent non-executive director

Appointed
15 February 2016

Alan Grieve worked with Price Waterhouse & Co (now PricewaterhouseCoopers) and Arthur Young (now Ernst & Young) prior to joining Compagnie Financière Richemont S.A.'s predecessor companies in 1986. He is a former Director of Corporate Affairs of Compagnie Financière Richemont SA, as well as non-executive director of Reinet Investments Manager SA. Mr Grieve holds a degree in business administration from Heriot-Watt University and is a member of the Institute of Chartered Accountants. Mr Grieve was appointed as an independent non-executive director of Mediclinic International Limited in September 2012 and continues as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited.

Committee memberships:
Audit and Risk Committee, Investment Committee

Prof Dr Robert Leu

Independent non-executive director

Appointed
15 February 2016

Robert Leu is professor emeritus of the University of Bern in Switzerland. Complementary to his academic career as full professor in economics at the Universities of St. Gallen and Bern, Prof Leu has acted as economic adviser to executive and legislative bodies on all policy levels in Switzerland and to international institutions, in particular to the WHO, the OECD and the World Bank. Since 1993 he has served on the Board of Directors of various companies, in particular Hirslanden, Arcovita (President) and Visana (Vice President since 2014). He is also President of the Alliance for a Free Health Care System in Switzerland since 2013. Prof Leu was appointed as an independent non-executive director of Mediclinic International Limited in 2010 and continues as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He obtained both his master's degree and his doctorate in economics from the University of Basel.

Committee memberships:
Nomination Committee, Remuneration Committee

Nandi Mandela

Independent non-executive director

Appointed
15 February 2016

Nandi Mandela is a director of Linda Masinga & Associates, a town planning and consultancy firm since 2003. Prior to that she was employed by the Tongaat-Hulett Group from 1992 to 1997, before joining BP where she worked in various sales and public affairs positions from 1997 to 2003. Ms Mandela was appointed as an independent non-executive director of Mediclinic International Limited in 2012 and continues as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. Ms Mandela holds a Bachelor's degree in Social Science from the University of Cape Town, completed the Associate in Management programme at the University of Cape Town and obtained a Certificate in Strategic Management from the New York New School University.

Committee memberships:
Clinical Performance and Sustainability Committee

Trevor Petersen

Independent non-executive director

Appointed
15 February 2016

In 1996 Mr Petersen resigned from the University of Cape Town ("UCT") to take up a partnership in the merged firm of PricewaterhouseCoopers Inc. He served as a partner of the national firm from 1997 to 2009 and served as the Partner-in-Charge of Cape Town and as Chairman of the Western Cape Region. Mr Petersen currently serves as the Chairman of the Finance Committee of UCT. He is an independent non-executive director on the boards of Petmin Ltd and Media24 (Pty) Ltd (a subsidiary of Naspers Ltd) and is currently the Managing Trustee of the Woodside Village Trust. Trevor has served professional membership associations such as the South African Institute of Chartered Accountants and was elected the Chairman of the national body in 2006 and 2007. He was appointed as an independent non-executive director of Mediclinic International Limited in 2012 and continues as an independent non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He holds an Honours Degree in Accountancy from the University of Cape Town and is also a qualified Chartered Accountant with the South African Institute of Chartered Accountants.

Committee memberships:
Remuneration Committee (Chairman), Audit and Risk Committee, Nomination Committee

Jannie Durand

Non-executive director

Appointed
15 February 2016

Jannie Durand joined the Rembrandt group on 1 April 1996. He was appointed as the Chief Executive Officer of Remgro Limited on 7 May 2012. In his current role with more than 19 years' experience in the investment industry, he acts as non-executive director of various companies, including, Distell Group Limited, FirstRand Limited, Grindrod Limited, RCL Foods Limited and RMI Holdings Limited. Mr Durand was appointed as a non-executive director of Mediclinic International Limited in June 2012 and continues as a non-executive director of the Company subsequent to the reverse takeover by the Company of Mediclinic International Limited. He holds an Honours Degree in Accountancy from the University of Stellenbosch and a Masters of Philosophy in Management Studies from Oxford University. He is also a qualified Chartered Accountant with the South African Institute of Chartered Accountants.

Committee memberships:
Investment Committee, Nomination Committee

SENIOR MANAGEMENT

AS AT 31 MARCH 2016

The Group Chief Executive Officer, Danie Meintjes, is supported by an experienced and capable executive management team, with extensive industry experience and organisational knowledge. The continued growth of Mediclinic is testament to the strong management team and their ability to successfully execute the Group's strategy.

The biographies of Danie Meintjes, Chief Executive Officer, and Craig Tingle, Chief Financial Officer (retiring on 15 June 2016) are provided on pages 60 to 61.

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Gert Hattingh

Group Services Executive

Gert Hattingh joined the Mediclinic Group in 1991 as group accountant. He served in various management positions in the Mediclinic Group and was appointed as the Company Secretary in 2010 and Group Services Executive in 2011. He holds an Honours Degree in Accountancy from the University of Stellenbosch and completed the Advanced Management Program at Harvard Business School. He is also a qualified Chartered Accountant with the South African Institute of Chartered Accountants.

Dr Dirk le Roux

Group ICT Executive

Dr Dirk le Roux joined Mediclinic in August 2014 as the Group ICT Executive. Prior to joining Mediclinic, he served in various managerial roles including as Managing Director of ThinkWorx Consulting, Chief Information Officer at Media24, General Manager for IT Strategy and Risk at ABSA Bank Limited, as well as the Head of IT at the Development Bank of Southern Africa. He holds a DCom (Informatics) degree from the University of Pretoria, a Master in Business Administration (cum laude), a Postgraduate Diploma in Data Metrics and a Bachelor in Civil Engineering.

Dr Ronnie van der Merwe

Chief Clinical Officer

Dr Ronnie van der Merwe is a specialist anaesthetist who worked in the medical insurance industry before joining the Group in 1999 as Clinical Manager. He established the Clinical Information, Advanced Analytics, Health Information Management and Clinical Services functions at Mediclinic, and is currently appointed as the Mediclinic Group's Chief Clinical Officer since 2007. He was appointed as a director of Mediclinic International Limited in 2010 up to the Combination. He holds the medical degree M.B.Ch.B from the University of Stellenbosch, a diploma in Anaesthetics from the College of Anaesthetists of South Africa (DA (SA)) and completed the Fellowship of the College of Anaesthetists of South Africa (FCA (SA)). He also completed the Advanced Management Programme at Harvard Business School.

David Hadley

Chief Executive Officer: Mediclinic Middle East (including Al Noor)

David Hadley joined the Mediclinic Group in 1993, and worked in a variety of administrative roles in human resources, finance, operations and hospital management before being seconded to Dubai in 2007 to oversee the opening of Mediclinic City Hospital. He was appointed as the Chief Executive Officer of Mediclinic Middle East in 2009 and has also served as a member of Mediclinic's Executive Committee since 2011. Mr Hadley holds a Bachelor's degree in Commerce from the University of South Africa and a Master in Business Administration (with distinction) from the University of Liverpool.

Koert Pretorius

Chief Executive Officer: Mediclinic Southern Africa

Koert Pretorius joined the Group in 1998 as the regional manager of the central region of Mediclinic's operations in South Africa, after which he was appointed as the Chief Operating Officer of the Mediclinic Group in 2003. He was appointed as the Chief Executive Officer of Mediclinic Southern Africa in 2008 and also served as a director of Mediclinic International Limited in 2006 up to the Combination. He holds a Bachelor degree in Accounting Science from the University of the Free State and a Master of Business Leadership degree from the University of South Africa.

Dr Ole Wiesinger

Chief Executive Officer: Hirslanden

Dr Ole Wiesinger joined the Hirslanden group in 2004 as the Hospital Manager of Klinik Hirslanden. He was appointed as the Chief Executive Officer of the Hirslanden group and also served as a director of Mediclinic International Limited from 2008 up to the Combination. Prior to joining Hirslanden, he served in various management positions of the MGS-Euromed Group in Germany from 1995 and was appointed as the Chief Executive Officer of MGS-Euromed Group from 2003 to 2004. He holds a doctorate in medicine from the University of Erlangen, Germany and a Postgraduate Diploma in Health Economics from the European Business School, Germany.

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

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.

AR 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.

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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.

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.

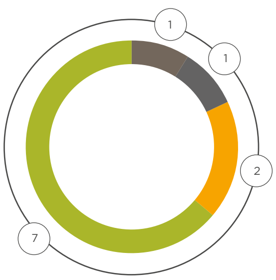
The Board's diversity policy statement is set out on page 66. For details on the diversity of the Group, including a breakdown by gender, age and race (only for purposes of South Africa) on the Board and senior management roles see the Directors' Report on page 120.

BOARD FUNCTIONING

HOW THE BOARD OPERATES

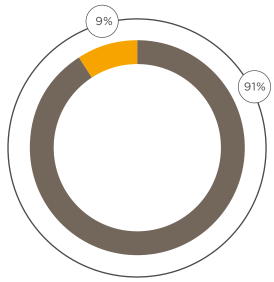
The Board is responsible for the effective oversight of the Group. It also agrees the strategic direction and governance structure that helps to achieve the delivery of long-term success of the Company and wider Group, and in turn to deliver value to its investors. The full responsibilities of the Board 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



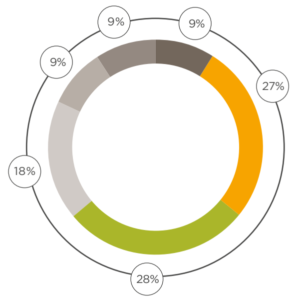
- Non-executive Chairman
- Non-executive director
- Executive directors
- Independent non-executive directors

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
• 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	• 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	• 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.

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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 Belhoul[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.*

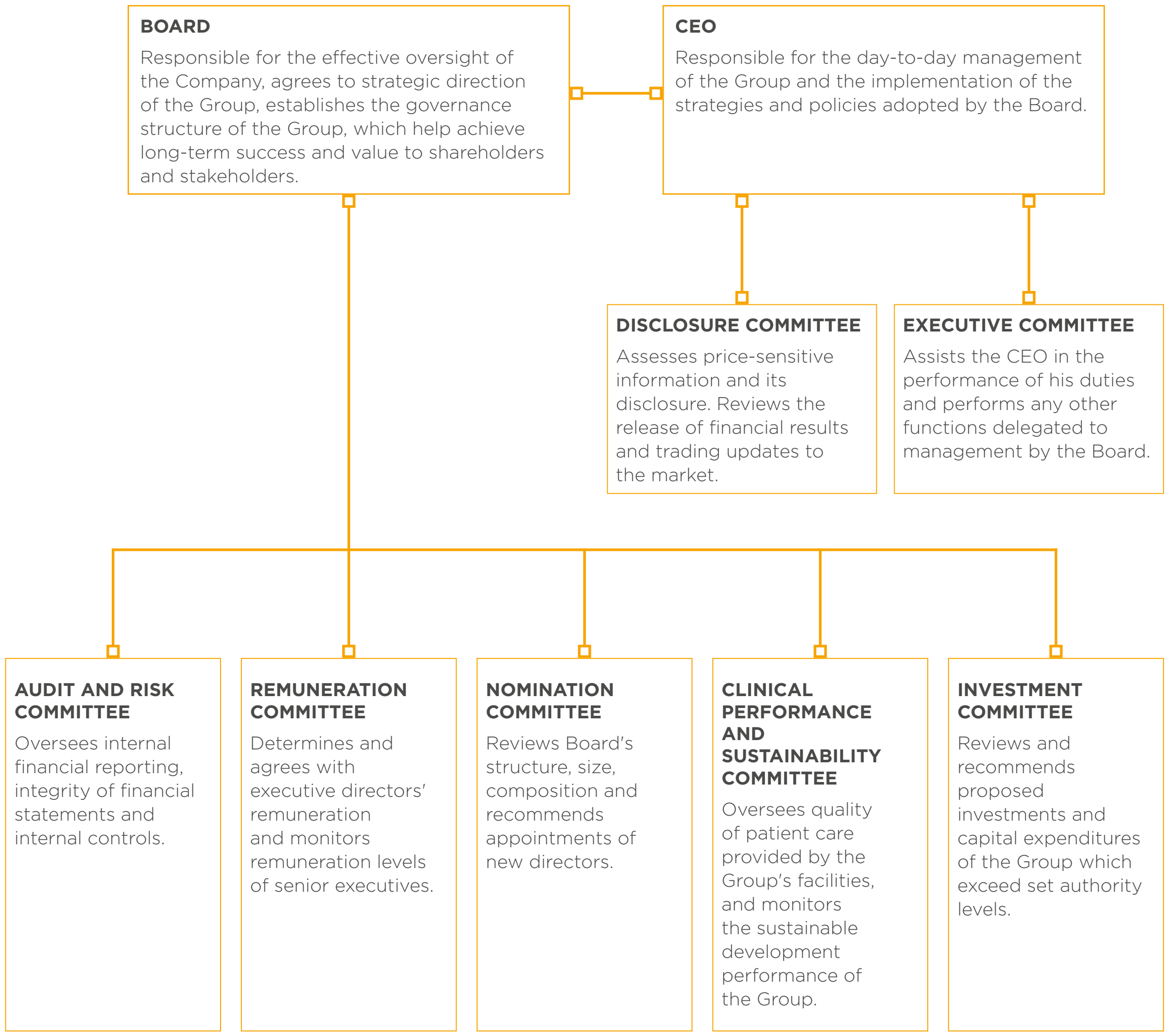
[3] *Craig Tingle will retire on 15 June 2016. His successor, Jurgens Myburgh, will be appointed to the Board with effect from 1 August 2016.*

[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.

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.

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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.

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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.

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

MEDICLINIC INTERNATIONAL PLC
("**Mediclinic**" or "**the Company**")

CORRECTION TO 2016 ANNUAL REPORT

A typographical error has been identified in the Remuneration Report on page 91 of the Company's Annual Report and Financial Statements for the year ended 31 March 2016 ("**2016 Annual Report**") under the heading "Implementation of the Remuneration Policy for the 2016/17 Financial Year" where the maximum STI opportunity for the CFO was incorrectly stated at 100% of annual salary. The correct figure is 133% of annual salary. This typographical error was repeated on page 93, regarding the bonus opportunity for the newly appointed CFO, Jurgens Myburgh, which should also have been 133%. This typographical error does not have any effect on the total remuneration for the CFO that could result from the remuneration policy in 2016/2017, as illustrated in the graph set out on page 79, where the maximum figure for the short-term incentive ("**STI**") was calculated based on 133% of annual salary.

There was a further typographical error on page 91 of the Company's 2016 Annual Report, which incorrectly stated that the 2017 STI has a three-year holding period. This should have stated a two-year holding period, as per the approved remuneration policy on page 76, which indicates that "*A portion of the bonus paid (the amount at the discretion of the Committee) may be deferred in shares, which are released ratably over two years, subject to continued employment.*"

The Company sincerely apologises for any inconvenience caused.

17 July 2017

For further information, please contact:
Capita Company Secretarial Services Limited
Victoria Dalby / Caroline Emmet
+44 (0)207 954 9600

DIRECTORS' REMUNERATION REPORT

LETTER FROM THE REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholder,

In February 2016, the Combination of Mediclinic International Limited and Al Noor Hospitals Group plc by way of a reverse takeover of Mediclinic International Limited was completed, resulting in the continued listing of the enlarged Company, renamed to Mediclinic International plc, on the LSE and the secondary listing of the Company on the JSE and NSX (the "**Combination**"). Shortly before the Combination of the businesses, a new Directors' Remuneration Policy was put to shareholders, which was intended to serve the needs of the combined Group, recognising the structures and governance expected of a FTSE-100 listed company. This policy remains in place and the Remuneration Committee considers it fit for purpose. No changes are therefore proposed to the policy, which is presented for information in the first half of this report.

The second half of this report contains information on payments and awards made, and cover the 15-month period up to 31 March 2016 for the Company. In addition, *pro forma* information relating to Mediclinic International Limited has been included in a separate section at the end.

Comment on the overall performance in the year and resulting variable pay awards are dealt with extensively in the Remuneration Policy document that follows.

The Combination triggered the vesting of ANHG's long-term incentives ("**LTI**") and the way in which these were treated (including the performance against targets) is reported below. Vesting in respect of the Mediclinic's incentives was also accelerated with performance being tested on 30 September 2015 as reported herein. The vesting date of the incentive remains unchanged subject to service conditions being met. A special bonus was also awarded to the CEO of Al Noor in connection with the transaction and the details of this are set out herein.

Following the Combination, we announced that our CFO, Craig Tingle, was to retire in June 2016. The Committee has yet to make a final determination on how the outstanding awards held by Craig Tingle will be treated, and will announce this at the time and in next year's Remuneration Report. Shortly before the production of this report, we announced that Jurgens Myburgh would replace Mr Tingle. Details of his remuneration are set out in the section dealing with the coming year.

Remuneration for 2016

In reviewing remuneration for executive directors for 2016, the Committee has adopted the following structure:

- The base compensation for the executive directors has been reviewed against the market for UK-listed company executives operating in similar international companies. As a result, we have decided to make an exceptional and significant increase in base compensation levels.
- The structure and quantum of the annual bonus for the executive directors is set in line with market practice, with performance measures selected to drive alignment with shareholders' interests. Deferral of half of annual bonus into equity is now required, with shares held for three years.
- Performance shares will be granted annually under LTI, with vesting after three years based on earnings per share ("**EPS**") growth and relative total shareholder return ("**TSR**") conditions, which we believe provide strong alignment between the executives and shareholders. This alignment is further strengthened by share ownership guidelines.

The Committee believes these structures are appropriate for the Company and are in the best interests of shareholders. We look forward to your support for the Remuneration Report.

Trevor D Petersen

Chairman of the Remuneration Committee
25 May 2016

The approach to disclosure in this Remuneration Report is to show results for the period 1 January 2015 to 31 March 2016 for the entity Mediclinic International plc ("**MIP**"), including the period it was formerly known as Al Noor Hospitals Group plc ("**ANHG**"). ANHG became known as MIP from 15 February 2016 as a result of the Combination.

Additionally, appended are the remuneration of the former directors of Mediclinic International Limited ("**MIL**") who are now directors of MIP for the period 1 April 2015 to 15 February 2016 for the entity MIL together with results for the period 15 February 2016 to 31 March 2016 for MIP to show a 12-month *pro forma* period for MIL and the combined entity MIP.

DIRECTORS' REMUNERATION POLICY

At the ANHG general meeting held in December 2015, 98.6% of shareholders approved a revised Remuneration Policy. The policy was developed taking into account the principles of the UK Corporate Governance Code and takes account of the views of major shareholders and proxy agencies, as expressed during previous engagement on remuneration matters.

There is no requirement to hold a vote on the policy in 2016, since no changes are proposed to that previously approved. The policy is set out below for information only. The remuneration scenarios on page 79 have been updated, as have details of the executives' service contracts.

POLICY CHANGES APPROVED IN DECEMBER 2015 COMPARED TO THE ANHG 2014 APPROVED POLICY

Annual short-term incentive ("**STI**")	The portion of the STI which is deferred is at the discretion of the Committee (previously 50% was specified).
Long-term incentive plan ("**LTIP**")	Flexibility was introduced to vary the weightings of the EPS and TSR components (previously the policy specified 50% of the awards to be subject to EPS and 50% subject to TSR). The new policy allows for the introduction of a broader range of companies in the TSR comparator group(s). Weighting of EPS and TSR measures has not been specified (previously the policy allowed only for 50% of the awards to be subject to EPS and 50% subject to TSR). The new policy allows for more flexibility with regards to the TSR comparator groups.
Benefits and pension	Previously ANHG had no Group-wide pension scheme, but did allow for an end-of-service gratuity as required by UAE Labour Law. The new policy allows for a defined pension contribution scheme, under which whereby directors can receive a Company contribution up to 10% of salary. Some changes were made to the benefits provided under the policy. Previously the ANHG policy allowed for private medical insurance, use of a company car and driver, car insurance, private fuel card, airfare tickets and housing and utility expenses. See policy table on pages 76 to 78 for benefits provided for under the new policy.
Service contracts	The executive directors' notice periods may be up to 12 months (previously no more than six months).

The changes made to the policy provide increased flexibility in a number of areas; however, in general the Committee has not sought to use this flexibility in practice, as will be seen from the proposed remuneration for 2016/17.

POLICY OVERVIEW

The Committee is responsible, on behalf of the Board, for establishing appropriate remuneration arrangements for the executive directors and other senior management in the Group.

In setting the Remuneration Policy for the executive directors, the Committee will ensure that the structures are in the best interest of both the Group and its shareholders, by taking into account the following general principles:

- To lead our chosen markets in medical quality by attracting, retaining and motivating the best person for each position, without paying more than is necessary.
- To ensure total remuneration packages are simple and fair in design so that they are valued by participants.
- To ensure that the fixed element of remuneration is determined in line with local market rates, taking account of individual performance, responsibilities and experience; and that a significant proportion of the total remuneration package is linked to financial rewards.
- To balance performance pay between the achievement of financial performance objectives and delivering sustainable stock market out-performance; creating a clear line of sight between performance and reward and providing a focus on sustained improvements in profitability and returns.
- To provide a significant proportion of performance-linked pay in shares allowing senior management to build shareholding in the business and therefore, aligning management with shareholders' interests and the Group's performance, without encouraging excessive risk taking.

CONSIDERATION OF SHAREHOLDER VIEWS

The Company is committed to maintaining good communications with investors. The Committee considers the annual general meeting to be an opportunity to meet and communicate with shareholders, giving investors the opportunity to raise any issues or concerns they may have. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Directors' Remuneration Policy.

SUMMARY OF THE DIRECTORS' REMUNERATION POLICY

The following table sets out the key aspects of the Directors' Remuneration Policy.

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE CRITERIA
BASE COMPENSATION[1]	• To attract, retain and motivate talented individuals who are critical to the Group's success	• Reviewed annually by the Committee or, if appropriate, in the event of a change in an individual's position or responsibilities • Base compensation levels set to reflect the experience and capabilities of the individual as well as the scope and scale of the role • Increases to base compensation may reflect individual performance as well as the pay and conditions in the workforce	• There is no prescribed maximum annual increase. The Committee takes into account remuneration levels in comparable organisations in the geographies in which the Company operates and in which it competes for talent. It is guided by the increase for the workforce generally. • On occasion, it may also recognise other factors such as additional responsibility, or an increase in the scale or scope of the role	• Not applicable
ANNUAL STI[3]	• To encourage and reward delivery of the Group's annual financial and operational objectives • To encourage share ownership and provide further alignment with shareholders	• Performance targets are reviewed annually by the Committee and are set to ensure they are linked to strategic objectives and are appropriately demanding, taking into account economic conditions and risk factors • A portion of the bonus paid (the amount at the discretion of the Committee) may be deferred in shares, which are released ratably over two years, subject to continued employment • Dividends that accrue on the deferred shares during the vesting period may be paid in cash or shares at the time of vesting • Clawback[2] provisions will apply for overpayments due to misstatement or error and other circumstances in respect of future bonus payments and also apply to previous payments made under the ANHG bonus scheme	• Maximum opportunity of 150% of base compensation	• At least 75% of the STI will be based on Group financial performance[2] • Performance below threshold results in zero payment. Payments increase from 0% to 100% of the maximum opportunity for levels of performance between threshold and maximum performance targets

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE CRITERIA
LTIP[4]	• To balance performance pay between the achievement of financial performance objectives and delivering sustainable stock market out-performance • To encourage share ownership and provide further alignment with shareholders	• Annual awards of conditional shares with vesting dependent on the achievement of performance conditions over a three-year period • Performance targets are reviewed annually by the Committee and are set appropriate to the economic outlook and risk factors prevailing at the time, ensuring that such targets remain challenging in the circumstances, whilst remaining realistic enough to motivate and incentivise management • Dividends that accrue during the vesting period may be paid in cash or shares at the time of vesting, to the extent that shares vest • Clawback[2] provisions apply for overpayments due to misstatement or error and other circumstances	• Maximum opportunity of 200% of base compensation	• Performance is assessed against EPS growth and relative TSR metrics, which are measured independently[4] • No more than 25% of an award will vest for achieving threshold performance, increasing *pro rata* to full vesting for achievement of maximum performance targets
PENSION/ RETIREMENT BENEFITS	• To help recruit and retain high-performing executives • To provide employees with long-term savings via pension provisions	• Participation into a defined contribution pension scheme	• Directors can receive a Company contribution (of up to 10% of salary)	• Not applicable
BENEFITS	• To provide a market-competitive level of benefits to ensure the executive directors' well-being	• Benefits may include but are not limited to: – private medical insurance – death and disability insurance – leave and long service awards • Other ancillary benefits, including relocation and travel expenses, may be offered, as required, including an allowance towards reasonable fees for professional services such as legal, tax and financial advice	• Actual value of benefits provided	• Not applicable

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE CRITERIA
NON-EXECUTIVE DIRECTORS' FEE	• Set to attract, retain and motivate talented individuals through the provision of market competitive fees	• Reviewed periodically by the Committee or, if appropriate, in the event of a change in an individual's position or responsibilities • Fee levels are set by reference to market rates, responsibility and time commitments and the pay and conditions in the workplace	• As for the executive directors there is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader workforce, but on occasion may recognise an increase in certain circumstances, such as assumed additional responsibility or an increase in the scale or scope of the role	• N/A

Notes:

1 *Base compensation may include base salary plus fixed cash allowances, which are a normal part of the fixed remuneration package for employees in some countries in which the Company operates.*

2 *There are no malus provisions as the Company believes that the current clawback provisions appropriately address the risk of non-payment.*

3 *The Annual STI is focused predominantly on key financial performance indicators, to reflect how successful the Group has been in managing its operations. The balance is determined on how well the executive directors performed against annual Group operational targets including measures of clinical excellence.*
The current executive directors STI is calculated on the combined financial EBITDA performance of the three Platforms, weighted relative to their respective EBITDA contribution. The threshold and stretch targets are based on a percentage of the respected approved budgeted EBITDA.

4 *The LTIP incentive rewards significant long-term returns to shareholders and long-term financial growth.*
Targets are set on sliding scales that take account of internal strategic planning and external market expectations for the Company. Only modest rewards are available for achieving threshold performance with maximum rewards requiring substantial out-performance of challenging strategic plans approved at the start of each year or on the date of award, as the case may be.
The Committee operates LTI arrangements for the executive directors in accordance with their respective rules, the Listing Rules and the rules of relevant tax authorities where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans. These include (but are not limited to) the following:
- *Who participates;*
- *The timing of the grant of award and/or payment;*
- *The size of an award (up to plan limits) and/or a payment;*
- *Discretion relating to the measurement of performance in the event of a change of control or reconstruction;*
- *Determination of a good leaver (in addition to any specified categories) for incentive plan purposes;*
- *Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends); and*
- *The ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose.*

The relative weights between TSR and EPS are determined annually by the Remuneration Committee. For the current reporting period TSR and EPS carried a weight of 50% respectively. For the 2016/2017 allocations EPS weight is 60% and TSR 40%.

PREVIOUS AWARDS

Authority was given to the Company to honour any commitments entered into with current or former directors before they became a director (such as, the vesting or exercise of past share awards) or before this policy came into effect, including those granted by companies in the Group prior to that company becoming part of the Group. For example, certain directors continue to hold awards granted under the terms of the Mediclinic Forfeitable Share Plan.

THE COMMITTEE CONSIDERS PAY AND EMPLOYMENT CONDITIONS OF EMPLOYEES IN THE GROUP WHEN DETERMINING EXECUTIVE DIRECTORS' REMUNERATION POLICY

When considering the executive directors' remuneration structure and levels, the Committee reviews base compensation and STI arrangements for the management team, to ensure that there is a coherent approach across the Group. The STI arrangements operate on a similar basis across the senior management team. The key difference in the policy for executive directors is that remuneration is more heavily weighted towards long-term variable pay than other employees. This ensures that there is a clear link between the value created for shareholders and the remuneration received by the executive directors.

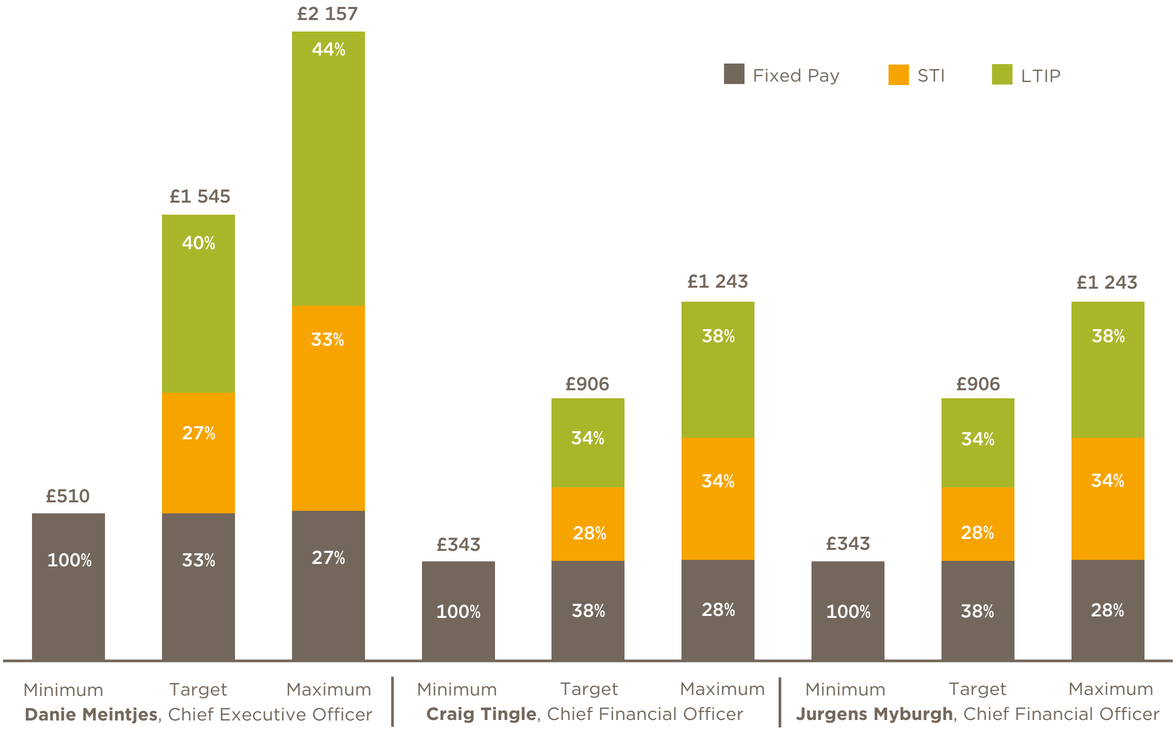
The Committee does not formally consult with employees in respect of the design of the executive director Remuneration Policy, although the Committee will keep this under review.

REMUNERATION SCENARIOS FOR THE EXECUTIVE DIRECTORS

The total remuneration for each of the executive directors that could result from the remuneration policy in 2016/2017 is shown below under three different performance levels – below threshold (when only fixed pay is receivable), on target and maximum. The chart highlights that the performance-related elements of the package comprise a significant portion of total remuneration at on-target and maximum performance.

Remuneration is earned in pounds sterling (GBP) and South African rand (ZAR). The ZAR portion of the remuneration package is translated into GBP at a rate of £1: ZAR20.73.

EXECUTIVE DIRECTOR REMUNERATION (£'000)



Assumptions:

1. *Salary levels applying as at 1 April 2016.*
2. *The value of taxable benefits is based on the expected cost in the year ended 31 March 2017 of benefits and cash allowances.*
3. *The value of pension contribution is based on a Company contribution of 9% of salary.*
4. *Minimum performance assumes no award is earned under the STI plan and no vesting is achieved under the LTIP; at on-target, 60% of a maximum bonus is earned under the STI plan and 65% of a maximum bonus is achieved under the LTIP; and at maximum full vesting under both plans.*
5. *Share price movement and dividend accrual have been excluded from the above analysis.*

DIRECTORS' REMUNERATION REPORT (continued)

DIRECTORS' RECRUITMENT AND PROMOTIONS

The policy on the recruitment or promotion of an executive director takes into account the need to attract, retain and motivate the best person for each position, while at the same time ensuring a close alignment between the interests of shareholders and management.

If a new executive director were appointed, the Committee would seek to align the remuneration package with the Remuneration Policy approved by shareholders, save that there would be discretion to award a combined STI and LTIP of up to 400% of base compensation inclusive of potential buyout rewards. Flexibility would be retained to set base compensation at the level necessary to facilitate the hiring of candidates of appropriate calibre in external markets and make awards or payments in respect of deferred remuneration arrangements forfeited on leaving a previous employer. In terms of remuneration to compensate for forfeited awards, the Committee would look to replicate the arrangements being forfeited as closely as possible and in doing so, would take account of relevant factors including the nature of the deferred remuneration, performance conditions and the time over which they would have vested or been paid. The face and/or expected values of the award(s) offered will not materially exceed the value ascribed to the award(s) foregone.

For an internal appointment, any incentive amount awarded in respect of a prior role may be allowed to vest on its original terms, or adjusted as relevant to take into account the appointment. Any other ongoing remuneration obligations existing prior to appointment may continue.

The Committee may also agree that the Company will meet certain relocation and incidental expenses as appropriate.

For the appointment of a new Chairman or non-executive director, the fee arrangement would be set in accordance with the approved Remuneration Policy at that time.

DIRECTORS' SERVICE AGREEMENTS AND PAYMENTS FOR LOSS OF OFFICE

The Committee seeks to ensure that contractual terms of the executive director's service agreement reflect best practice. It is the Company's policy that all executive directors have rolling contracts that can be terminated by the employee in line with his service agreement.

The revised service agreements of the current and future executive directors are terminable on six months' notice, a change effective from the date of the Combination.

In circumstances of termination on notice, the Committee will determine an equitable compensation package, having regard to the particular circumstances of the case. The Committee may require notice to be worked or to make payment in lieu of notice or to place the director on garden leave for the notice period. Such a decision would be made to ensure the protection of the Company's and shareholders' interests.

In case of payment in lieu or garden leave, salary, benefits and end of service gratuity will be paid for the period of notice served on garden leave or paid in lieu. If the Committee believes it would be in shareholders' interests, payments would be made in phased instalments and in the case of payment in lieu will be subject to be offset against earnings elsewhere.

An STI payment may be made in respect of the period of the incentive year worked by the director; there is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked. The bonus payment will be scaled back *pro rata* for the period of the incentive year worked by the director and would remain payable at the normal payment date.

Shares under the deferred STI and LTI arrangements are subject to the rules which contain discretionary provisions setting out the treatment of awards

where a participant leaves for designated reasons (i.e. participants who leave early on account of injury, disability or ill health, death, a sale of their employer or business in which they were employed, statutory redundancy, retirement or any other reason at the discretion of the Committee). In these circumstances a participant's awards will not be forfeited on cessation of employment and instead will continue to vest on the normal vesting date or earlier at the discretion of the Committee, subject to the performance conditions attached to the relevant awards. The awards will, other than in exceptional circumstances, be scaled back *pro rata* for the period of the incentive year worked by the director.

In addition to the above payments, the Committee may make any other payments determined by a court of law in respect of the termination of a director's contract. The Company may, however terminate the contract of any executive director summarily in accordance with the terms of their service agreement.

In the event of a change of control, all unvested awards under the deferred STI and LTI arrangements would vest, to the extent that any performance conditions attached to the relevant awards have been achieved. The awards will, where the Committee dictates, be scaled back *pro rata* for the period of the incentive year worked by the director.

Executive directors may, on nomination from Mediclinic, take on outside appointments, however all fees will be retained by the Company.

The dates of the executive directors' service contracts are:

Danie Meintjes	01 April 2016 – Joined Group 01/08/1981
Craig Tingle	01 April 2016 – Joined Group 01/02/2006

The service contracts are available for inspection during normal business hours at the Company's registered office, and available for inspection at the annual general meeting.

NON-EXECUTIVE DIRECTORS' TERMS OF ENGAGEMENT

Non-executive directors are appointed by letter of appointment for an initial period of three years, which are terminable by three months' notice on either side. However, the Company intends on complying provision B.7.1 of the UK Corporate Governance Code and accordingly all directors will stand for annual re-election by shareholders at future annual general meetings until the Board determines otherwise.

All non-executive directors, except for Dr Edwin Hertzog and Mr Jannie Durand were considered to be independent of the Company.

The dates of the terms of engagement of the non-executive directors are:

Dr Edwin Hertzog	15 February 2016
Desmond Smith	15 February 2016
Ian Tyler	15 February 2016
Seamus Keating	15 February 2016
Trevor Petersen	15 February 2016
Nandi Mandela	15 February 2016
Prof Dr Robert Leu	15 February 2016
Alan Grieve	15 February 2016
Jannie Durand	15 February 2016

All the non-executive directors listed above, excluding Ian Tyler and Seamus Keating, previously served on the Board of MIL. At the time of the Combination they resigned from the Board of MIL and were appointed as directors of MIP pursuant to letters of appointment on terms in line with those above. Ian Tyler and Seamus Keating previously served on the Board of ANHG and also signed new letters of appointment at the time of the Combination.

DIRECTORS' ANNUAL REMUNERATION REPORT

This part of the report has been prepared in accordance with Part 4 of The Large and Medium-sized Companies and Groups (Financial Statements and Reports) (Amendment) Regulations 2013 and 9.8.6R of the Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at the 2016 annual general meeting. Certain specified information on pages 84 to 89 has been audited.

Information contained in this section relates to ANHG for the period from 1 January 2015 up to the date of the Combination (15 February 2016), and to MIP from the Combination to 31 March 2016. A separate section which follows this report describes the arrangements for MIL for the period from 1 April 2015 to 31 March 2016. This additional disclosure is provided for information only and does not form part of this report for the purposes of the reporting regulations. Furthermore, due to an overlap in the reporting periods; it includes some payments which are also disclosed in this main section of this report. Providing this *pro forma* this information is intended to provide shareholders with clear information about the remuneration of MIL directors appointed to the MIP Board for the financial year ended 31 March 2016.

RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for determining and agreeing with the Board the policy on executive directors' remuneration, including setting the over-arching principles, parameters and governance framework and determining the initial remuneration package of each executive director. In addition, the Committee monitors the structure and level of remuneration for the senior management team and is aware of pay and conditions in the workforce generally. The Committee also ensures full compliance with the UK Corporate Governance Code in relation to remuneration.

MEMBERS AND ACTIVITIES OF THE COMMITTEE

The Committee members prior to the Combination (ANHG) were Ian Tyler (Chairman), Seamus Keating and, up to his resignation on 22 April 2015, Faisal Belhoul. Following the Combination, the Committee members were Trevor Petersen (Chairman), Robert Leu and Ian Tyler. All members were independent non-executive directors, save Ian Tyler, who was non-executive Chairman before the Combination but considered independent thereafter. Following the Combination, Jannie Durand attends Committee meetings at the invitation of the Committee, but is not a voting member.

None of the Committee members have day-to-day involvement with the business, nor do they have any personal financial interest, except as shareholders, in the matters to be recommended. The Company Secretary acts as Secretary to the Committee. The number of formal meetings held during the period under review and the attendance by each member is shown in the table below. The Committee also held informal discussions as required.

REMUNERATION COMMITTEE MEETING ATTENDANCE

NAME	ROLE	NUMBER OF ANHG COMMITTEE MEETINGS ATTENDED PRIOR TO THE COMBINATION (01/01/2015 – 15/02/2016)	NUMBER OF MIP COMMITTEE MEETINGS ATTENDED AFTER THE COMBINATION (15/02/2016 – 31/03/2016)[4]
Ian Tyler	Senior Independent Director	2 of 2	1 of 1
Trevor Petersen[1] (Committee Chairman)	Independent non-executive director	n/a	1 of 1
Seamus Keating[2]	Independent non-executive director	2 of 2	n/a
Faisal Belhoul[3]	Non-executive director	2 of 2	n/a
Prof Dr Robert Leu[1]	Independent non-executive director	n/a	1 of 1

[1] *Appointed following the Combination on 15 February 2016. Their biographies can be found on page 61 of the report.*
[2] *Following the Combination, Seamus Keating continued to serve as a director of the Company, but no longer as a member of the Remuneration Committee.*
[3] *Faisal Belhoul resigned as a director and a member of the Committee on 21 April 2015.*
[4] *One Committee meeting was held since the Company's financial year end.*

EXTERNAL ADVICE RECEIVED

During the 15-month period to 31 March 2016, the ANHG and MIP Committees received independent advice on remuneration matters from New Bridge Street ("**NBS**"), a trading name of Aon plc. NBS was selected through a competitive tendering process at the time of the initial public offering of ANHG and their appointment has been reviewed annually by the ANHG Committee and again following the Combination. The Committee remains of the opinion that NBS remains independent and provides robust and objective advice. NBS is a member of the Remuneration Consultants Group and adheres to the Voluntary Code of Conduct in relation to executive remuneration consulting in the UK. The fees paid to NBS for advice to the Committees for the 15-month period to 31 March 2016, based on time charges for work completed, were £222 538. No additional fees were paid by the Company to NBS in respect of other services.

SHAREHOLDER VOTING AT AGM

The Policy Report was put to a binding shareholder vote at the ANHG general meeting held on 15 December 2015. At the same meeting, a resolution was approved to pay a special bonus to the CEO. At the previous AGM, the 2014 Annual Report on Remuneration was put to an advisory shareholder vote.

At last year's ANHG annual general meeting held on 12 May 2015, the following votes were received from shareholders:

	FOR	%	AGAINST	%	WITHHELD	TOTAL
Remuneration Report	95 193 433	99.63	348 867	0.37	496 231	95 542 300

At the ANHG general meeting held on 15 December 2015, the following votes were received from shareholders:

	FOR	%	AGAINST	%	WITHHELD	TOTAL
Remuneration Policy	85 445 949	98.62	1 194 996	1.38	0	86 640 945
CEO special bonus	54 533 333	63.61	31 192 548	36.39	915 064	86 640 945

DIRECTORS' REMUNERATION EARNED IN THE 15-MONTH PERIOD TO 31 MARCH 2016 AT MEDICLINIC INTERNATIONAL PLC (FORMERLY AL NOOR HOSPITALS GROUP PLC) (AUDITED)

The table below summarises the directors' remuneration received in the 15-month period to 31 March 2016 for directors serving on the Boards of ANHG and MIP. The comparative figures for the previous financial year are the 12-month period to 31 December 2014, as disclosed in the 2014 Directors' Remuneration Report for ANHG.

		SALARY AND FEES £000	BENEFITS £000	ANNUAL BONUS £000	LONG-TERM INCENTIVES £000	PENSION £000	OTHER £000	TOTAL REMUNERATION £000
EXECUTIVE DIRECTORS								
Ronald Lavater[1]	2015/16	583	42	155	960	57	1 070	2 867
	2014	129	12	22	0	0	7	170
Danie Meintjes[2]	2015/16	37	0	38	0	3	0	79
	2014	0	0	0	0	0	0	0
Craig Tingle[2]	2015/16	28	0	22	0	3	0	53
	2014	0	0	0	0	0	0	0
NON-EXECUTIVE CHAIRMAN								
Ian Tyler[3]	2015/16	239						239
	2014	200						200
Edwin Hertzog[3]	2015/16	31						31
	2014	0						0
NON-EXECUTIVE DIRECTORS								
Dr Kassem Alom[4]	2015/16	101						101
	2014	318						318
Seamus Keating[3]	2015/16	100						100
	2014	80						80
William J. Ward[5]	2015/16	84						84
	2014	75						75
Mubarak Matar Al Hamiri[5]	2015/16	73						73
	2014	65						65
William S. Ward[5]	2015/16	73						73
	2014	65						65
Sheikh Mansoor Bin Butti[5]	2015/16	0						0
	2014	0						0
Ahmad Nimer[5]	2015/16	0						0
	2014	0						0
Faisal Belhoul[5]	2015/16	0						0
	2014	0						0
Khaldoun Haj Hasan[5]	2015/16	0						0
	2014	0						0

		SALARY AND FEES £000	BENEFITS £000	ANNUAL BONUS £000	LONG-TERM INCENTIVES £000	PENSION £000	OTHER £000	TOTAL REMUNERATION £000
Desmond Smith[3]	2015/16	9						9
	2014	0						0
Trevor D Petersen[3]	2015/16	11						11
	2014	0						0
Nandi Mandela[3]	2015/16	8						8
	2014	0						0
Robert Leu[3]	2015/16	9						9
	2014	0						0
Alan Grieve[3]	2015/16	10						10
	2014	0						0
Jannie Durand[3]	2015/16	8						8
	2014	0						0
Non-Executive Director Total	2015/16	755						755
	2014	803						803

[1] *Ronald Lavater's remuneration includes payments for the period 1 January 2015 – 15 February 2016 when he held the role of CEO of ANHG. His remuneration was set in US dollars (USD) and is reported in pound sterling (GBP) using an exchange rate of £1: USD1.45. Mr Lavater's reported bonus payment includes his 2015 annual bonus; a special bonus relating to the Combination, which is described in this report included under "other" payments.*

[2] *Danie Meintjes and Craig Tingle's remuneration includes payments for the period 15 February – 31 March 2016 when they held the roles of CEO and CFO of MIP. Their remuneration is paid in South African rand (ZAR) and reported in GBP using an exchange rate of £1: ZAR20.73. The annual bonus if a pro rated amount of 46 days for the period 15 February 2016 to 31 March 2016. Full details of their annual bonuses are disclosed as part of the pro forma statement of Directors' remuneration.*

[3] *Ian Tyler and Seamus Keating's remuneration consists of the period 1 January 2015 – 31 March 2016 and relates to their roles at both ANHG and MIP. Edwin Hertzog, Desmond Smith, Trevor D Petersen, Nandi Mandela, Robert Leu, Alan Grieve and Jannie Durand's remuneration consists of the period after Combination and until 31 March 2016. They are paid in GBP.*

[4] *Dr Kassem Alom's remuneration includes payments for the period 1 January 2014 – 1 October 2014 when he held the role of CEO of ANHG as well as the period 1 January 2015 – 15 February 2016, when he held the role of Vice Chairman of ANHG. His remuneration is paid in UAE dirhams (AED) and reported in GBP using an exchange rate of £1: AED5.95 for 2014 and £1: AED5.32 for 2016.*

[5] *William J. Ward, Mubarak Hamiri, William S. Ward served as non-executive Directors at ANHG for the period 1 January 2015 to 15 February 2016 . Sheikh Mansoor Bin Butti, Ahmad Nimer, Khaldoun Haj Hasan and Faisal Belhoul (all of whom were shareholder representatives) received no payment from the Company for their services as a director in the period 1 January 2015 – 15 February 2016. Faisal Belhoul stepped down from his position on 22 April 2015.*

DIRECTORS' REMUNERATION REPORT (continued)

The sections below provide further detail of the remuneration shown in the table on pages 84 to 85.

SALARIES FOR 2015/16 (AUDITED)

Ronald Lavater's salary during the period up to the Combination was USD750 000 per annum.

Danie Meintjes and Craig Tingle's salary in the table on pages 84 to 85 reflects a pro rated amount for their salaries in the period from the Combination to 31 March 2016. Their salaries for the period were R762 000 and R570 847 respectively. All numbers have been converted to pounds sterling.

BENEFITS FOR 2015/16 (AUDITED)

Ronald Lavater's benefits included private medical insurance, the use of a company car and a driver, car insurance, private fuel card, airfare tickets, housing and utility expenses.

Danie Meintjes and Craig Tingle's benefits include private medical insurance.

DIRECTORS' PENSION ENTITLEMENT (AUDITED)

ANHG did not operate a pension scheme and accordingly no element of remuneration was pensionable. Retirement benefits were, however, provided in accordance with the local labour law of the UAE. The value of statutory end-of-service benefits payable to Ronald Lavater as an employee based in the UAE is included in the table.

Mediclinic offers membership of a defined contribution fund for its Mediclinic Southern Africa employees and a defined benefit fund for its Hirslanden employees. Retirement benefits are provided to employees of Mediclinic Middle East according to the local labour laws of the UAE.

The executive directors participate in the Mediclinic Southern Africa defined contribution fund and are eligible for a 9% Company pension contribution, in line with the policy. No executive director has a prospective entitlement to a defined benefit pension.

ANHG ANNUAL BONUS FOR 2015 (AUDITED)

The maximum bonus payable for 2015 for the ANHG CEO was 150% of salary. The annual bonus was assessed at 80% against financial and 20% against operational objectives, including measures of clinical excellence, to provide a rounded assessment of the Group's and the individual's performance.

The measures, targets and performance against them are set out in the table below.

The resulting bonus was paid in February 2016 and, in light of the vesting of all share awards at the time of the Combination, was paid in cash and not required to be deferred. Clawback provisions apply to the payment.

ANHG SPECIAL BONUS (AUDITED)

In light of the proposed combination with Mediclinic, the Remuneration Committee of ANHG determined that a special bonus should be offered to the CEO, Ronald Lavater in order to incentivise performance up to the Combination and promote stability among the senior population at this time. The amount of the special bonus was to be up to USD1.5m (i.e. two times annual salary) paid in cash, and would be contingent on the Committee's assessment of the execution of the transaction and the organisational stability and continued strong performance of the Company in the period up to the Combination. In order to promote the retention of Mr Lavater in the period immediately following the Combination, the payment was to be paid in two equal instalments three and nine months after the Combination completed.

MEASURE	WEIGHTING	SUMMARY OF TARGETS	RESULT	% OF MAXIMUM	% OF SALARY
Adjusted EBITDA[1]	70%	Threshold: USD106.4m Target: USD112.0m Maximum: USD123.2m	Threshold not achieved	0%	0%
Cash conversion	10%	Threshold: 84.0% Target: 87.5% Maximum: 89.0%	Threshold not achieved	0%	0%
Operational and quality measures	20%	Achievement of key strategic milestones, including those relating to medical quality, patient satisfaction and corporate development.	All milestones were fully achieved	100%	30%
TOTAL	**100%**				**30%**

[1] *The bonus amounts are audited, however, the adjusted EBITDA, cash conversion, and operational and quality measures all relate to the legacy Al Noor Hospitals Group plc and have not been audited as part of the financial statements.*

Since this proposed payment fell outside the ANHG Remuneration Policy at the time it was required to be put to shareholders. It was approved at the ANHG general meeting on 15 December 2015.

Shortly prior to the Combination, the ANHG Remuneration Committee confirmed that the performance conditions attaching to the special bonus had been fully achieved.

At the ANHG general meeting on 15 December 2015, shareholders approved a payment to Ronald Lavater of a retention bonus of USD1.5m.

ANHG LTI AWARDS GRANTED IN 2015/16 (AUDITED)

A conditional share award under the LTIP was made to Ronald Lavater on 28 April 2015 with a value at grant of 175% of salary.

	DATE OF GRANT	NUMBER OF SHARES[1]	FACE VALUE	FACE VALUE AS A PERCENTAGE OF SALARY	END OF PERFORMANCE PERIOD	PERFORMANCE CONDITIONS
Ronald Lavater	28 April 2015	97 398	USD1 312 500	175%	31 December 2017	See table below

[1] *The number of shares to be granted was determined based on the average share price over the five dealing days prior to grant, which was £8.87 and translated at the exchange rate at grant £1: USD1.52.*

At grant, vesting of 50% of the award was based on EPS growth and the remaining 50% would be determined by TSR, with half of that amount measured relative to the FTSE World Healthcare Index and the other half against a tailored group of healthcare companies operating in markets similar to the Company.

PERFORMANCE CONDITION	WEIGHTING	THRESHOLD TARGET (25% VESTING)	STRETCH TARGET (100% VESTING)
EPS growth	50%	6% per annum	15% per annum
TSR vs Healthcare sector peers	25%	In line with index	8.5% per annum above the index
TSR vs Healthcare sector peers	25%	Median of peers	Upper quartile of peers

EPS and relative TSR are considered to be the most appropriate measures of long-term performance, in that they ensure the CEO is incentivised and rewarded for the underlying financial performance of the Group as well as creating value for shareholders. The award was subject to clawback provisions.

The treatment of this award as a result of the Combination is set out in a separate section below.

ANHG LTI AWARDS VESTING IN 2015/16 – RONALD LAVATER (AUDITED)

Under the rules of the LTIP, the Committee had discretion as to the treatment of outstanding awards as a result of the financial events which followed the Combination. The Committee judged that it was appropriate that awards should vest subject to the extent that the relevant performance conditions had been achieved.

For all awards, the final value has been calculated using £11.68 (the mid-market closing price on 10 February 2016, being the last relevant trading day before the shares went ex-dividend) and, where relevant, the impact of dividends foregone in the vesting periods elapsed has been taken into consideration.

2014 ANHG Deferred Annual Bonus (audited)

Ronald Lavater held an award of 1 231 shares under the 2014 deferred bonus plan whose vesting was subject only to continued service. This award vested in full and the value of the award on 15 February 2016 was £14 585.

2014 ANHG LTIP (audited)

Conditional share awards granted under the 2014 LTIP were subject to an EPS condition and TSR conditions relative to a sector-specific group and an index:

PERFORMANCE CONDITION	THRESHOLD TARGET (25% VESTING)	STRETCH TARGET (100% VESTING)	ACTUAL	% VESTING
EPS growth (50%)	6% per annum	15% per annum	12.38% per annum	**39.1%** (50% of 78.15% vesting)
TSR vs World Healthcare Index (25%)	In line with index	8.5% per annum above the index	4.9% per annum above the index	**16.8%** (25% of 67.36% vesting)
TSR vs Healthcare sector peers (25%)	Median of peers	Upper quartile of peers	Between median and upper quartile	**9.5%** (25% of 37.91% vesting)
TOTAL VESTING				**65.4%**

EPS performance was measured over the two financial years from grant. The TSR performance condition was tested based upon performance to 10 February 2016.

At the time of the Combination, Ronald Lavater held an award of shares under the 2014 cycle of the ANHG LTIP, which was treated as shown in the table below, and settled in cash.

	DATE OF GRANT	NUMBER OF SHARES	% VESTING	NUMBER OF SHARES VESTING	VALUE OF VESTING SHARES	NUMBER OF SHARES LAPSING
Ronald Lavater	25 November 2014	20 978	65.4%	13 719	£162 024	7 259

2015 ANHG LTIP (audited)

The 2015 awards were granted subject to conditions similar to the 2014 awards. However, as only one financial year had elapsed since grant, the Committee understood that the EPS performance period could not be tested robustly and therefore exercised its discretion under the plan rules to exclude this element and test the award based wholly on the TSR performance conditions.

PERFORMANCE CONDITION	THRESHOLD TARGET (25% VESTING)	STRETCH TARGET (100% VESTING)	ACTUAL	% VESTING
TSR vs World Healthcare Index (50%)	In line with index	8.5% per annum above the index	13.6% per annum above the index	**50%** (50% of 100% vesting)
TSR vs Healthcare sector peers (50%)	Median of peers	Upper quartile of peers	Between median and upper quartile	**19.9%** (50% of 39.75% vesting)
TOTAL VESTING				**69.9%**

The TSR vesting outcomes are based upon performance to 10 February 2016.

At the time of the Combination, Ronald Lavater held an award of shares under the 2015 cycle of the ANHG LTIP, which was treated as shown in the table below, and settled in cash.

	DATE OF GRANT	NUMBER OF SHARES	% VESTING	NUMBER OF SHARES VESTING	VALUE OF SHARES VESTING	NUMBER OF SHARES LAPSING
Ronald Lavater	28 April 2015	97 398	69.9%	68 081	£797 711	29 317

TERMINATION ARRANGEMENTS FOR RONALD LAVATER

Ronald Lavater stepped down from the role of Chief Executive Officer on the date of the Combination. He received normal pay and benefits up to this date and six months' salary in lieu of notice. He received a bonus of £155 000 in February 2016 which, in light of the Combination, was not required to be deferred. He also received a special bonus, approved at the ANHG general meeting on 15 December 2015 of USD1.5m. There are conditions attached to the bonus whereby he would lose his entitlement to the bonus if he does not meet the required service conditions.

Upon the date of the Combination, Ronald Lavater's outstanding LTIP awards vested and he received £162 024 for the 2014 LTIP and £797 711 for the 2015 LTIP, in cash. He also received awards vesting under the deferred bonus plan on 15 February 2016 with a value of £14 585.

PAYMENTS TO FORMER DIRECTORS (AUDITED)

In addition to the amounts disclosed above, no further payments were made to former directors of MIP or ANHG in the 15-month period to 31 March 2016.

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

No payments were made in respect of loss of office during the 15-month period to 31 March 2016.

DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

The following table sets out the directors' beneficial shareholding, whether held directly or indirectly, and share interests.

	BENEFICIALLY OWNED AT 31 MARCH 2016[1]	OUTSTANDING LTIP AWARDS	OUTSTANDING DEFERRED ANNUAL BONUS AWARDS[2]	SHAREHOLDING REQUIREMENT MET[3]
EXECUTIVE DIRECTORS				
Danie Meintjes	118 215	0	83 372	Yes
Craig Tingle	68 969	0	47 516	Yes
Ronald Lavater[4]	0	0	0	n/a
NON-EXECUTIVE DIRECTORS				
Dr Edwin Hertzog	3 754 855	–	–	n/a
Desmond Smith	–	–	–	n/a
Ian Tyler[5]	–	–	12 090	n/a
Seamus Keating	–	–	–	n/a
Trevor Petersen	–	–	–	n/a
Nandi Mandela	–	–	–	n/a
Prof Dr Robert Leu	–	–	–	n/a
Alan Grieve	–	–	–	n/a
Jannie Durand	–	–	–	n/a

[1] There were no changes to the interests of the directors in the ordinary shares of the Company in the period from 31 March 2016 to 25 May 2016. Full details of the Directors' shareholdings and share allocations are given in the Company's Register of Directors' Interests, which is open to inspection at the Company's registered office during business hours.
[2] The DAB awards above includes conditional and forfeitable share awards where the performance has been tested but shares have not yet been released and are subject to service conditions only.
[3] The shareholding requirements for directors of MIP are 225% (CEO) and 200% (CFO) of salary respectively.
[4] All conditional share options allocated to Ronald Lavater was settled in cash.
[5] On 20 June 2013, the Board granted Ian Tyler £50 000 (8 695) ordinary shares at a share price of £5.75. To preserve his position after the Combination of Al Noor and Mediclinic, and the subsequent expected drop in share price, the Company has increased the number of shares allocated to 12 090. The shares will vest net of any tax on the third anniversary of grant subject to Ian's continued service to the Group as a non-executive director on the Board.

PERCENTAGE CHANGE IN REMUNERATION LEVELS

The table below shows salary, benefits and annual bonus for the CEO Ronald Lavater in the 12-month period to 31 December 2015 versus the prior 12 months, compared to the change over the same period for the other ANHG employees:

	% CHANGE
Chief Executive Officer	
Salary	0%
Benefits	(22.9%)
Bonus	76%
All employees	
Salary	13.8%
Benefits	(0.6%)
Bonus	(32.8%)

RELATIVE IMPORTANCE OF THE SPEND ON PAY

The table below shows the spend on staff costs in the 12-month period to 31 December 2015, compared to returns to shareholders over the same period:

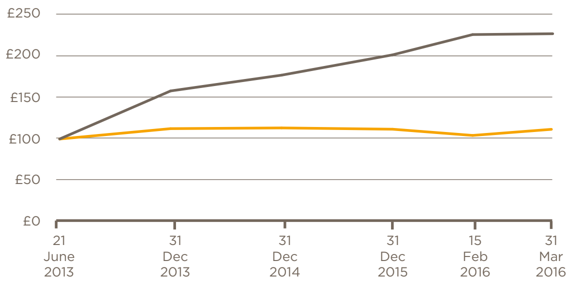
	2015/16 £000	2014/15 £000	% CHANGE
Staff costs	150 044	136 790	9.7%
All employees	14 878[1]	15 702	(5.2%)

[1] *Excludes the special dividend of £383.3 million paid on Combination.*

PERFORMANCE GRAPH AND CEO PAY

This graph shows the value, at 31 March 2016, of £100 invested in MIP (and previously Al Noor Hospitals Group) since inception compared with the value of £100 invested in the FTSE 100 Index on the same date. The intervening points are the financial year ends prior to the data of Combination and the date of the Combination.

TOTAL SHAREHOLDER RETURN



Mediclinic International plc

FTSE 100 Index

Source: Thomson Reuters

The table below shows the total remuneration for the CEO over the same period. Consistent with the calculation methodology for the single figure for total remuneration, the total remuneration figure includes the total annual bonus award based on that year's performance and the LTIP award based on the three-year performance period ending in the relevant year. The annual bonus payout and LTIP award vesting level as a percentage of the maximum opportunity are also shown for this year for both Ronald Lavater and Danie Meintjes for the period in which they served as CEO.

	YEAR ENDING 31 DECEMBER						
	2012	2013	2014	2014	2015	1 JAN 2016 – 15 FEB 2016	15 FEB 2016 – 31 MARCH 2016
Chief Executive Officer	Dr Kassem Alom	Dr Kassem Alom	Dr Kassem Alom	Ronald Lavater	Ronald Lavater	Ronald Lavater	Danie Meintjes
Total remuneration £000	326	361	290	170	702	2 165	79
Annual bonus %				11.8%	20.0%	n/a	78%
DAB				100%			0%
LTIP vesting %				65.4%	69.9%	n/a	

IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE 2016/2017 FINANCIAL YEAR

SALARY

Following the Combination, the salaries of the CEO and CFO were reviewed. The Committee considered their remuneration packages in the context of other London-listed companies of similar size and international footprint. The incumbents' pay in their previous roles at MIL had been set with reference to both local South African pay levels and a broader international comparison, but given the widening geographic footprint of the Group, the Committee was minded to place greater weight on the international comparators going forward. As a result the salaries for Danie Meintjes and Craig Tingle have been increased by 40% and 22% respectively.

	SALARY FROM 1 APRIL 2016 £000	SALARY FROM 1 APRIL 2015 £000	% INCREASE
Danie Meintjes	471	337	40%
Craig Tingle	319	261	22%

Translated into GBP at a rate of £1: ZAR20.73 at 1 April 2016 and £1: ZAR17.82 at 1 April 2015.

STI 2017

The executive directors have a maximum STI opportunity of 150% (CEO) and 100% (CFO) of annual salary. Of the achieved award, 50% will be deferred in equity with a three-year holding period subject to continued employment.

The performance measure for the executive directors' STI is calculated on a weighted average of the Company's three operating platforms.

	FINANCIAL	CLINICAL AND PATIENT QUALITY
Southern Africa (24.8%)	EBITDA Hospital EBITDA margin Employment costs Debtor days	Clinical care quality indicator Patient expenses indicator Employment Equity
Switzerland (46.6%)	EBITDA Regional EBITDA margin Cash conversion	Patient satisfaction Safe surgery rate Patient mix
Middle East (28.6%)	EBITDA Employment costs Debtor days	Inpatient and outpatient satisfaction

For each platform, EBITDA outcome determines the total amount of available bonus, with the other financial and clinical/patient measures used to adjust this number.

We do not publish details of the financial targets in advance since these are commercially confidential. We will publish achievement against these targets at the same time as we disclose bonus payments in the annual report, so that shareholders can evaluate performance against those targets.

DIRECTORS' REMUNERATION REPORT (continued)

LTIP TO BE GRANTED IN 2016

The Committee intends to grant an LTIP conditional award to the executive directors in 2016 over shares with a value of 200% (CEO) and 150% (CFO) of salary. Upon vesting, awards will be settled in shares, dependent on the achievement of performance conditions over a three-year period. Vesting of 60% of the award will be based on EPS growth and the remaining 40% will be determined by TSR measured relative to the FTSE 100.

Vested shares are subject to a holding period of two years following the vesting date and dividends that accrue during the vesting period may be paid in cash or shares at the time of vesting, to the extent that shares vest.

EPS and relative TSR are considered to be the most appropriate measures of long-term, in that they ensure the directors are incentivised and rewarded for underlying the financial performance of the Group as well as creating value for shareholders.

The award will be subject to clawback provisions.

PERFORMANCE CONDITION	THRESHOLD TARGET (25% VESTING)	STRETCH TARGET (100% VESTING)
EPS growth (60%) TSR vs FTSE 100 (40%)	5% per annum Median of peers	12% per annum Upper quartile of peers

PENSION ENTITLEMENT

Mediclinic offers membership of a defined contribution fund for its Mediclinic Southern Africa and a defined benefit fund for its Hirslanden employees. Retirement benefits are provided to employees of Mediclinic Middle East according to the local labour laws of the UAE.

The executive directors partake in the Mediclinic Southern Africa defined contribution fund and will be eligible for a 9% Company pension contribution, in line with the policy.

FEES FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

The Chairman and non-executive directors remuneration is determined by the Board, based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. Individual non-executive directors do not take part in decisions regarding their own fees. The Chairman and non-executive directors receive no other benefits and do not participate in short-term or long-term reward schemes.

In light of the Combination, a review of non-executive and Chairman fees has been undertaken and a summary of the current fees and those for 2016/17 are set out below:

BASE FEES	FEE FROM 15 FEBRUARY 2016	FEE FROM 1 APRIL 2015	% INCREASE
Chairman	**£250 000**	£200 000	25%
Base Board Fee	**£60 000**	£65 000	(8%)
Audit and Risk Committee Chair	**£15 000**	£10 000	50%
Remuneration Committee Chair	**£15 000**	£10 000	50%
Nomination Committee Chair	**£0**	£0	–
Clinical Performance and Sustainability[3] Committee Chair	**£10 000**	£10 000	0%
Investment Committee Chair	**£10 000**	n/a	–
Senior Independent Director	**£25 000**	£5 000[1]	400%
COMMITTEE MEMBER FEES			
Audit and Risk Committee	**£10 000**	n/a[2]	–
Remuneration Committee	**£10 000**	n/a[2]	–
Nomination Committee	**£0**	n/a[2]	–
Clinical Performance and Sustainability[3] Committee	**£6 600**	n/a[2]	–
Investment Committee	**£6 600**	n/a[2]	–

[1] *Ian Tyler, previously the ANHG Chairman, has been appointed as the Senior Independent Director for MIP subsequent to the Combination.*
[2] *The Committee member fees were previously included in the fixed base Board fee.*
[3] *The Quality Committee was reconstituted as the Clinical Performance and Sustainability Committee in May 2016.*

TERMINATION ARRANGEMENTS FOR CRAIG TINGLE

Craig Tingle will step down from the role of Chief Financial Officer on 15 June 2016.

He will receive normal pay and benefits up to this time. No further payments have been agreed at this time. Any such payments, if made, would be disclosed shortly after his departure.

PACKAGE FOR JURGENS MYBURGH

Jurgens Myburgh takes on the role of Chief Financial Officer from 1 August 2016. He will receive a base salary of £319 000 per annum and receive benefits including private medical insurance. The Company will provide pension contributions of 9% of salary.

His bonus opportunity will be up to 100% of base salary (*pro rata* in the first year of appointment) and he will be eligible for awards under the 2016 LTIP grant, with his first award granted as soon as is practicable post joining and on similar terms to the 2016 awards granted to other executive directors.

Signed on behalf of the Remuneration Committee.

Trevor D Petersen
Chairman of the Remuneration Committee
25 May 2016

PRO FORMA STATEMENT OF DIRECTORS' REMUNERATION AT MEDICLINIC INTERNATIONAL LIMITED FOR THE FINANCIAL YEAR ENDING 31 MARCH 2016 (including Mediclinic International plc (formerly Al Noor Hospitals Group plc) in respect of the period from 15 February 2016 to 31 March 2016)

This part of the report is not required under the reporting regulations. It is provided for information only and does not form part of the Directors' Remuneration Report that will be subject to a vote at the annual general meeting.

The table below summarises Directors' remuneration received in the financial year ended 31 March 2016 for all MIL directors' appointed to the MIP Board. For the period from 1 April 2015 up to the Combination (15 February 2016) payments in respect of MIL are captured. From the date of the Combination until 31 March 2016, payments in respect of MIP are captured. The comparative figures for the previous financial year are the 12-month period to 31 March 2015, as disclosed in the 2015 Directors' Remuneration Report for MIL.

		SALARY £000	PENSION £000	ANNUAL BONUS £000	LONG-TERM INCENTIVES £000	OTHER BENEFITS £000	TOTAL REMUNERATION £000
EXECUTIVE DIRECTORS							
Danie Meintjes	2015/16	286	26	395	439	1	1 146
	2014/15	314	28	208	0	4	554
Craig Tingle	2015/16	215	20	249	250	2	736
	2014/15	245	22	162	0	2	431
NON-EXECUTIVE CHAIRMAN							
Edwin Hertzog	2015/16	72					72
	2014/15	37					37

		SALARY £000	PENSION £000	ANNUAL BONUS £000	LONG-TERM INCENTIVES £000	OTHER BENEFITS £000	TOTAL REMUNERATION £000
NON-EXECUTIVE DIRECTORS							
Alan Grieve	2015/16	124					124
	2014/15	78					78
Robert Leu	2015/16	123					123
	2014/15	78					78
Nandi Mandela	2015/16	35					35
	2014/15	16					16
Trevor D Petersen	2015/16	48					48
	2014/15	27					27
Desmond Smith	2015/16	58					58
	2014/15	31					31
JJ Durand	2015/16	30					30
	2014/15	22					22
NON-EXECUTIVE DIRECTOR TOTAL	2015/16	490					490
	2014/15	289					289

The sections below provide further detail of the remuneration shown in the table above.

SALARIES FOR 2015/16

Danie Meintjes' and Craig Tingle's salary in the table above reflects their salaries in the period from 1 April 2015 to 31 March 2016. Their salaries for the year were R14 780 167 and R10 118 970 respectively, translated into GBP at a rate of £1:ZAR20.73 at 31 March 2016.

BENEFITS FOR 2015/16

Danie Meintjes' and Craig Tingle's benefits include private medical insurance.

The executive directors participated in the Mediclinic Southern Africa defined contribution fund and received a 9% Company pension contribution, in line with the policy.

DIRECTORS' REMUNERATION REPORT (continued)

MIL ANNUAL BONUS FOR 2015/16

For 2015/16, the annual bonus opportunity for the CEO and CFO was 133% and 100% of salary respectively. The bonuses of Mediclinic International management are determined by a weighted average of the platform bonuses achieved.

The full annual bonus payable in the 2015/16 financial year will be paid in cash, subject to employment. Clawback provisions will apply.

The measures, targets and performance against them are set out below:

DANIE MEINTJES

MEASURE	WEIGHTING	ACHIEVED % OF MAXIMUM	WEIGHTED ACHIEVED % OF MAXIMUM	% OF SALARY
MCSA Bonus achieved	36%	58%	21%	28%
MCCH Bonus achieved	50%	94%	47%	63%
MCME Bonus achieved	14%	75%	10%	14%
TOTAL	**100%**		**78%**	**105%**

Consequently, the annual bonus achieved was 78% of a maximum bonus, therefore the amount awarded to Danie Meintjes was £236 163 (105% of salary, i.e. 78% of his 133% of salary). Translated into GBP at an exchange rate of £1: ZAR22.81 at 15 February 2016.

CRAIG TINGLE

MEASURE	WEIGHTING	ACHIEVED % OF MAXIMUM	WEIGHTED ACHIEVED % OF MAXIMUM	% OF SALARY
MCSA Bonus achieved	36%	58%	21%	21%
MCCH Bonus achieved	50%	94%	47%	47%
MCME Bonus achieved	14%	75%	10%	11%
TOTAL	**100%**		**78%**	**80%**

Consequently, the annual bonus achieved was 78% of a maximum bonus, therefore the amount awarded to Craig Tingle was £137 544 (78% of salary, i.e. 78% of his 100% of salary). Translated into GBP at a rate of £1: ZAR22.81 at 15 February 2016.

MIL LTI AWARDS VESTING IN 2015/16 – DANIE MEINTJES AND CRAIG TINGLE

Mediclinic International executives participate in a LTIP, namely a Forfeitable Share Plan ("FSP"). Awards in terms of the FSP to executives are dependent upon achievement of challenging pre-determined Company performance conditions and remain subject to the final discretionary approval of the Board. The purpose of the FSP is to provide executives with the opportunity to acquire shares in Mediclinic, ensuring that participant's interests are strategically aligned with shareholder interests. It further serves as a retention mechanism for strategic talent and a tool to attract prospective employees.

Participation in the scheme is at the discretion of the Remuneration Committee and is generally limited to employees whose role or contribution could directly influence the performance of the Group.

The performance conditions constitute a combination of absolute total shareholder return ("**TSR**") and normalised diluted headline earnings per share ("**HEPS**").

2014 MIL LTIP

PERFORMANCE SHARES

Award Date	31 July 2014
Employment Period	1 August 2014 – 31 May 2017
Performance Period	1 April 2014 – 31 March 2017
Vesting Date	The later of 31 May 2017 or the date upon which the Remuneration Committee has satisfied themselves that the Performance Condition has been met

	DATE OF GRANT	NUMBER OF SHARES [1]	FACE VALUE £000	END OF PERFORMANCE PERIOD	PERFORMANCE CONDITIONS
Danie Meintjes	31 July 2014	49 423	294	31 March 2017	See table below
Craig Tingle	31 July 2014	27 700	165	31 March 2017	See table below

[1] *The number of shares to be granted was determined based on the volume weighted average share price over one month prior to grant, which was £5.95 and translated at the exchange rate at grant of £1: ZAR18.02.*

PERFORMANCE CONDITION	THRESHOLD TARGET (30% VESTING)	STRETCH TARGET (100% VESTING)	ACTUAL	% VESTING
Absolute TSR (40%)	11%	18%	33.97%	40%
HEPS (60%)	Compounded South African Consumer Price Index ("CPI") growth plus 2%	Compounded CPI growth plus 6%	Growth above compounded CPI of 6.57%	60%
TOTAL VESTING				**100%**

Due to the change of control of the Company occurring before the vesting date the performance period was brought forward to 30 September 2015 and accordingly tested. Final vesting will take place on the original vesting date, subject to service conditions being met.

Absolute TSR (40%) – was measured by taking the average TSR for 20 trading days preceding and including the start of the performance period (1 April 2014) and the average TSR for 20 trading days preceding and including the end of the performance period (30 September 2015). Absolute TSR performance was calculated with reference to the compounded annual growth rate in TSR.

HEPS (60%) – The growth in HEPS for the period 1 April 2014 to date must be greater than or equal to the growth in the South African Consumer Price Index ("CPI") for the same period plus a fixed percentage per annum. Given that the performance period is shorter, the actual 2014 HEPS and the estimate 2016 HEPS were used.

The value of these awards at the end of the performance period, being 30 September 2015, was calculated as £259 965 for Danie Meintjes and £145 702 for the Craig Tingle, calculated at a share price of £5.26 per share.

DIRECTORS' REMUNERATION REPORT (continued)

2015 MIL LTIP

PERFORMANCE SHARES

Award Date	23 June 2015
Employment Period	1 June 2015 – 31 May 2018
Performance Period	1 April 2015 – 31 March 2018
Vesting Date	The later of 31 May 2018 or the date upon which the Remuneration Committee has satisfied themselves that the Performance Condition has been met

	DATE OF GRANT	NUMBER OF SHARES[1]	FACE VALUE £000	END OF PERFORMANCE PERIOD	PERFORMANCE CONDITIONS
Danie Meintjes	23 June 2015	43 524	196	31 March 2018	See table below
Craig Tingle	23 June 2015	25 405	114	31 March 2018	See table below

[1] *The number of shares to be granted was determined based on the volume weighted average share price over one month prior to grant, which was £4.50 and translated at the exchange rate at grant of £1: ZAR19.22.*

PERFORMANCE CONDITION	THRESHOLD TARGET (30% VESTING)	STRETCH TARGET (100% VESTING)	ACTUAL	% VESTING
Absolute TSR (40%)	8.5%	15.5%	Implied TSR growth 10.11%	18%
HEPS (60%)	Compounded South African Consumer Price Index ("CPI") growth plus 2%	Compounded CPI growth plus 6%	Growth above compounded CPI of 7.72%	60%
TOTAL VESTING				**78%**

Due to the change of control of the Company occurring before the vesting date, the performance period was brought forward to 30 September 2015 and accordingly tested. Final vesting will take place on the original vesting date subject to service conditions being met.

Absolute TSR (40%) – Given that the period to measure TSR is too short, the fair value (or expected value) valuation of the FSP instruments used for IFRS 2 to book the P&L charge for the three years of the grant, as determined by PWC actuarial service line, was used as basis.

The fair value (or expected value) of the FSP instrument for IFRS 2 purposes was calculated as 46.1 cents in the rand (or 46.1%). This fair value calculation is an indication of the vesting probability of the FSP instruments (i.e. 46.1%) and results in an implied TSR growth of 10.11% (see table on page 98).

HEPS (60%) – The estimate growth in HEPS from 1 April 2015 to 31 March 2016 must be greater than or equal to: The growth in the South African Consumer Price Index ("CPI") between 1 April 2015 and 31 March 2016 plus a fixed percentage per annum for the performance period.

The value of these awards at the end of the performance period, being 30 September 2015, was calculated as £178 572 for Danie Meintjes and £104 232 for the Craig Tingle, calculated at a share price of £5.26 per share.

NOMINATION COMMITTEE REPORT

Ian Tyler

Chairman of the Nomination Committee

Dear Shareholder,

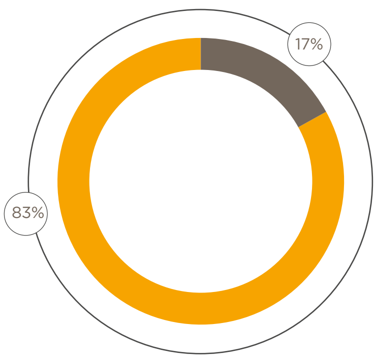
Following the completion of the Combination of Al Noor Hospitals Group plc ("Al Noor") and Mediclinic International Limited (the "Combination") on 15 February 2016, it is my pleasure to report on the activities of the Nomination Committee (the "Committee") for the year to 31 March 2016. As part of the completion process, the membership of the Board and its Committees was refreshed. The Committee believes that these appointments and the inclusion of independent non-executive directors have provided additional financial, strategic, clinical and industry skills and expertise to both the Board and its Committees. The Committee has, following the Combination, been predominantly focused on succession planning, diversity and the composition of the Board and its Committees, which is explained in more detail in this report.

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

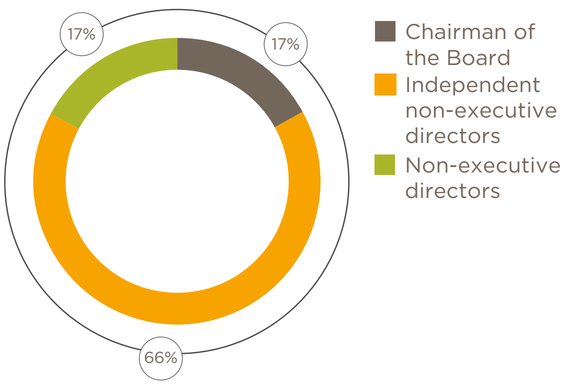
The current composition of the Committee meets the requirements of the UK Corporate Governance Code 2014 (the "**Code**"), with the majority of members being independent non-executive directors. The appointments of all the directors to the Board (other than myself and Seamus Keating, who were appointed in 2013) took place on 15 February 2016, following the Combination. Biographical details of all Committee members are included on pages 60 to 61.

The composition and attendance of Committee meetings are set out in the table on page 101.

COMMITTEE EXPERIENCE



COMMITTEE COMPOSITION



NOMINATION COMMITTEE MEETING ATTENDANCE

NAME	ROLE	NUMBER OF COMMITTEE MEETINGS ATTENDED PRIOR TO COMBINATION	NUMBER OF COMMITTEE MEETINGS ATTENDED AFTER COMBINATION[2]
Mubarak Matar Al Hamiri[1]	Independent non-executive director	1 of 1	n/a
Dr. Kassem Alom[1]	Non-executive director	1 of 1	n/a
William S. Ward[1]	Independent non-executive director	1 of 1	n/a
Ian Tyler (Committee Chairman)	Senior Independent Director	1 of 1	–
Jannie Durand	Non-executive director	n/a	–
Dr Edwin Hertzog	Non-executive director	n/a	–
Prof Dr Robert Leu	Independent non-executive director	n/a	–
Trevor Petersen	Independent non-executive director	n/a	–
Desmond Smith	Independent non-executive director	n/a	–

[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] *Two ad hoc Committee meetings were held since the Company's financial year end.*

The Company Secretary is Secretary to the Committee and attends all meetings. Other attendees at Committee meetings may, from time to time, and upon invitation from the Committee, include the Chief Executive Officer, Danie Meintjes and Karin Walters, Talent and Organisational Development General Manager.

ROLE AND RESPONSIBILITIES

The Committee is responsible for evaluating the structure, size and composition of the Board and its Committees, and gives consideration to the skills, knowledge, experience and diversity within each. The Committee also considers succession planning of executive and non-executive directors, including the Chairman.

Leadership, strategic issues and commercial changes affecting the Company and the market in which it operates are kept under review by the Committee: to ensure the needs of the Group (both executive and non-executive) are met, with a view to providing the continued ability of the Group to compete effectively in the marketplace. In addition, the Committee makes recommendations regarding the appointments of Chairmen of the Audit and Risk Committee and Remuneration Committee respectively, and, in consultation with the relevant chairmen, also makes recommendations regarding other appointments to these Board Committees. When considering appointments to the Board, the Committee considered each candidate's time commitments and any potential conflicts of interest.

The Board welcomes the recommendations of the Davies Review of Women on Boards. The Board not only supports the principles of boardroom diversity, it also takes boardroom skills diversity seriously and actively considers this matter regularly at Board and Nomination Committee meetings. The Board believes that maintaining an appropriate balance of skills, knowledge, experience and backgrounds is imperative and is related to it being able to perform its role effectively. A Board skills diversity policy has been adopted and as part of the Committee's role in identifying and nominating suitable candidates for the Board's approval in the course of succession planning, the Committee will continue to review candidates from a variety of backgrounds with the objective of the Board becoming more diverse. Further detail on the Board and Company's commitment to diversity can be found on page 66 of the Annual Report.

In accordance with the Code, each director will be subject to annual re-election at the annual general meeting ("AGM"). To this end, the Committee evaluates the best interests of the Company as a whole and recommends the elections or re-elections to the Board, where considered appropriate.

NOMINATION COMMITTEE REPORT (continued)

MAIN ACTIVITIES

The Committee, in its current form, met twice in the period following the Combination and up to the Last Practicable Date. The attendance of Committee meetings attendance is shown on page 101 of this report. The Committee's activities during the financial year are detailed herein and include the position prior to and following the Combination.

PRIOR TO COMBINATION: AL NOOR HOSPITALS GROUP PLC

During the year, (and prior to the Combination), the areas of focus for the Nomination Committee of the entity formerly known as Al Noor Hospitals Group plc, the UK entity, included a review of the composition, balance, skills and diversity of the Board as a whole. Following this review, a search for an additional non-executive director to enhance the independence, clinical experience and female representation on the Board was undertaken. Heidrick & Struggles (UK) Limited, a leading executive search firm who assisted Al Noor with the recruitment of a non-executive director in 2013 and Chief Executive Officer in 2014, was appointed to assist with the search of a potential non-executive director. However, the recruitment process was postponed as a result of the reverse takeover of Mediclinic International Limited and subsequent Combination.

The Board and Committee evaluation process for Al Noor was scheduled to take place in March of this year and thus was not completed for the year to 31 March 2016 as the Combination was effective on 15 February 2016.

MEDICLINIC INTERNATIONAL LIMITED

In the run up to the Combination, the predominant focus of the Nomination Committee of Mediclinic International Limited, being the South African entity, was focused on preparation and appointments for the Board of the combined entities. The Committee considered the composition of the Board upon completion of the Combination and made recommendations to the Board accordingly. Particular consideration was given to ensure the Board was collectively independent, had balance and a range of suitable skills, expertise and experience.

Prior to the Combination, the Nomination Committee of Mediclinic International Limited completed self-evaluation feedback. The results were considered and discussed and the Committee was satisfied that it had carried out its duties effectively throughout the year.

AFTER THE COMBINATION: MEDICLINIC INTERNATIONAL PLC (FORMERLY AL NOOR HOSPITALS GROUP PLC)

Since the Combination, the Committee has reviewed and updated its terms of reference and Board policy on Diversity. The Committee's main focus since the Combination has been the appointment of an alternate director to Mr Jannie Durand and the recruitment of Mr Jurgens Myburgh as successor for the current Chief Financial Officer, Mr Craig Tingle, who in February 2016 announced he would be retiring later in the year.

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 (provided that the right to appoint a third director is subject to the requirement that the Board will, following such appointment, comprise a majority of independent directors). Mr Jannie Durand represents Remgro on the Board of directors and was appointed at the time of the Combination. Mr Pieter Uys was appointed as an alternate director to Jannie Durand on 7 April 2016. Mr Pieter Uys is the Head of Strategic Investment at Remgro and provides the Board with additional knowledge and experience in global investment, strategy and finance. Shareholder approval will be sought for all directors appointed at the time of the Combination, excluding the alternate director Pieter Uys. The Articles of Association of the Company permit any director to appoint any person to be their alternate and each director may at their discretion remove an alternate director so appointed.

Over the course of the search for a successor for Mr Craig Tingle, the Committee considered both internal and external candidates. Following an extensive appointment process against set criteria, Jurgens Myburgh was identified as the successful candidate due to his extensive financial background, in-depth knowledge of the Company and experience of working for a geographically diverse and dual listed company. Accordingly, the Committee recommended the appointment to the Board, which was approved on 10 May 2016.

The Committee actively considers the structure, size and composition of the Board when contemplating succession planning for the year ahead. Whilst it recognises that the existing skills and expertise of the current Board is extensive, it intends to appoint two additional non-executive directors during 2016 and 2017 to further deliver a diverse range of core skills (including financial, clinical, healthcare industry and operations expertise) and increase female representation on the Board.

BOARD AND COMMITTEE EVALUATION

As detailed above, due to the timing of the Combination, an evaluation of the Board and its Committees was not recently undertaken as the Board and its Committees had met once 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.

DIRECTORS ELECTION AND RE-ELECTION

The directors (other than myself and Mr Seamus Keating) will all stand for election as it is the first AGM since our respective appointments. In accordance with the recommendation for FTSE 350 companies set out in the Code, Mr Seamus Keating and I will stand for annual re-election as we were appointed in 2013. All of the Company's directors will stand for re-election at the 2017 AGM. The biographical details of the current directors can be found on pages 60 to 61. The terms and conditions of appointment of non-executive directors, which includes their expected time commitment, are available for inspection at the Company's registered office.

Signed on behalf of the Nomination Committee

Ian Tyler
Chairman of the Nomination Committee
25 May 2016

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.

AR

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.

SDR

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.

SDR

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.

CSR

SDR

AR

SDR

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.

AR

CSR

SDR

Signed on behalf of the Clinical Performance and Sustainability Committee

Edwin Hertzog
Chairman of the Clinical Performance and Sustainability Committee
25 May 2016

AUDIT AND RISK COMMITTEE REPORT

Desmond Smith

Chairman of the Audit and Risk 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, it is my pleasure to report on the activities of the Audit and Risk Committee (the "**Committee**") for the reporting period ended 31 March 2016. The Committee has remained focused on routine items such as its review of the financialr esults and ensuring the ongoing effectiv eness of the Company's internal control and risk management arrangements. The Committee's main focus up to 15 February 2016 was the Combination. In the time following the Combination, the Committee has undertaken financialr eviews of each Mediclinic platform, discussed accounting, tax and audit issues, the viability statement and conferred on the integration of the Al Noor Hospitals Group with the Group, as a result of the Combination. Other activities and areas of focus of the Committee for the year are explained in more detail in the remainder of this report.

During the year, the Committee has been focused on meeting the viability statement requirements of the Financial Reporting Council's ("**FRC**") UK Corporate Governance Code (the "**Code**"). The Committee has, in conjunction with this, reviewed the stress testing undertaken by management of the Group's principal risks and uncertainties which support the viability statement.

The Committee has accordingly recommended to the Board a viability statement, which seeks to examine the Company's longer term solvency and viability, and which is detailed on page 29. It was agreed that three years would be an appropriate timeframe to base the long-term viability statement as it takes into account the strategy, principal risks and uncertainties of the wider Group. The Committee has reviewed the stress testing undertaken by management and recommended that the Board confirm they can reasonably expect the Group to continue to be in operation and meet its liabilities as they fall due, over the course of the three-year assessment period. The Committee will remain focused on evaluating the internal control, risk management and internal audit arrangements for the Group and the integration of Al Noor Hospitals Group.

The internal audit function was historically outsourced to Remgro Internal Audit. The Committee benchmarked itself against best practice of the FTSE 100 companies, and concluded that the Group will exit the outsourced Remgro Internal Audit arrangement and will bring more internal audit resource in-house, including a Head of Internal Audit.

Finally, the Committee has considered the UK implementation of the EU Audit Directive and Regulation and has considered and updated its non-audit services policy. This is explained in more detail on page 114.

AUDIT AND RISK COMMITTEE REPORT (continued)

COMMITTEE COMPOSITION AND MEETING ATTENDANCE

The composition of the Committee remains in compliance with the Code, which provides that all members should be independent non-executive Directors. Details on the composition of the Committee are explained and shown in the table and charts below. The appointments of all the Directors to the Board and this Committee (other than Ian Tyler and Seamus Keating, who were appointed in 2013) took place on 15 February 2016, following the Combination.

The Directors consider that each member of the Committee has recent and relevant financial experience for the purposes of the Code and the FRC's Guidance on Audit Committees. The Board is also satisfied that the combined knowledge and experience of its members is such that the Committee exercises its duties in an effective, informed and responsible manner.

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

AUDIT AND RISK COMMITTEE MEETING ATTENDANCE

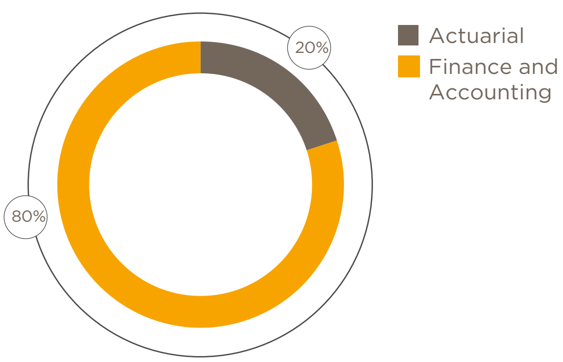
NAME	QUALIFICATIONS	NUMBER OF COMMITTEE MEETINGS ATTENDED PRIOR TO THE COMBINATION	NUMBER OF COMMITTEE MEETINGS ATTENDED AFTER THE COMBINATION[3]
Desmond Smith[1] (Committee Chairman)	B.Sc., FASSA	n/a	–
Alan Grieve[1]	B.A. (Hons), CA	n/a	–
Seamus Keating[1]	FCMA	2 of 2	–
Trevor Petersen[1]	B.Comm. (Hons), CA(SA)	n/a	–
Ian Tyler	ACA, B.Comm	2 of 2	–
William Ward[2]	B.A., M.B.A.	2 of 2	n/a

[1] *Appointed following the Combination on 15 February 2016. Their biographies can be found on pages 60 to 61 of the report.*
[2] *Retired as a member of the Board and the Committee on 15 February 2016, being the completion date of the Combination.*
[3] *Two Committee meetings were held since the Company's financial year end.*

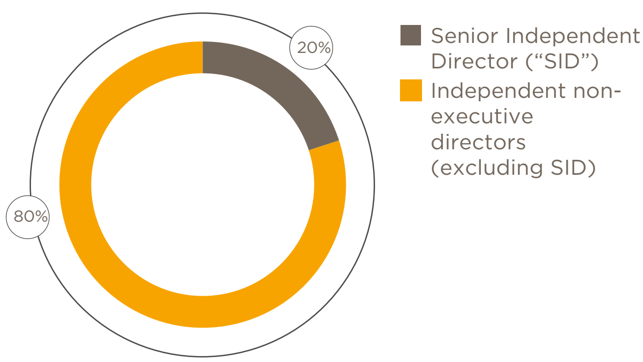
The Company Secretary is Secretary to the Committee and attends all meetings. Other attendees at Committee meetings may differ from time to time, and upon invitation from the Committee include Danie Meintjes (Chief Executive Officer), Craig Tingle (Chief Financial Officer), Edwin Hertzog (Company Chairman), Pieter Uys (alternate Director to Jannie Durand), and relevant management members. The Committee may also invite representatives from the internal auditors (Remgro Internal Audit) and the external auditors (PricewaterhouseCoopers LLP and PricewaterhouseCoopers Inc.).

The composition and professional experience of the Committee is shown below.

COMMITTEE EXPERIENCE



COMMITTEE COMPOSITION



ROLE AND RESPONSIBILITIES

The Committee assists the Board with its responsibility regarding financial reporting, internal controls and risk management systems, compliance, whistleblowing and fraud, as well as internal audit and external audit. The Committee's responsibilities include but are not limited to:

- reviewing and monitoring the integrity of the Company's financial statements and announcements including: a review of the significant financial reporting judgements contained therein, assessing the basis on which the Company has been determined a going concern, ensuring a robust assessment of the principal risks facing the Company and the prospects of the Company when considering the viability statement reported to shareholders, and a judgement on whether the financial reports are fair, balanced and understandable;
- reviewing accounting policies, accounting treatments and disclosures in financial reports;
- assessing the Group's systems of internal financial and accounting control;
- assessing and reviewing the effectiveness of the Company's internal financial and accounting control;
- overseeing and assessing the Group's management of all principal risks including: financial reporting risks, internal financial controls, fraud risks as they relate to financial reporting and ICT risks as they relate to financial reporting;
- ensuring Group-wide standards are set for achieving compliance with relevant laws and regulations;
- reviewing the adequacy and security of the Company's arrangements for its employees regarding possible wrongdoing in financial reporting or other matters, fraud detecting procedures and bribery prevention systems and controls;
- monitoring and reviewing the effectiveness of the Group's internal audit function in the context of the Group's overall risk management system;
- overseeing the Company's relationship with its external auditors;
- making recommendations to the Board as to the appointment or reappointment of the external auditors, reviewing their terms of engagement and engagement for non-audit services, and monitoring the external auditors' independence, objectivity and effectiveness;
- reviewing the scope of the external audit, its findings and the effectiveness of the audit process;
- reviewing the overall relationship with the external audit firm including the provision of non-audit services to ensure that independence and objectivity are maintained;
- ensuring and confirming compliance with the CMA order;
- reviewing, monitoring and approving the Company's policy in respect of tax planning; and
- reviewing, monitoring and approving the Company's policy in respect of the financing of the Company.

Further details on the Committee's duties can be found in its terms of reference which are available on the Company's website **www.mediclinic.com**.

MAIN ACTIVITIES

The Committee, in its current form, met twice in the period following the Combination and up to the publication of this report. A summary of the Committee's principal activities during the financial year are detailed below and include the position prior to and following the Combination.

PRIOR TO COMBINATION: AL NOOR HOSPITALS GROUP PLC ("**Al Noor**")

During the year, (and prior to the Combination), the Committee was predominantly focused on the Combination. Other areas of the Committee's focus included a review of the Group's half yearly financial statements, the considerations in respect of the viability statement, principal risks and uncertainties, risk management and internal controls framework, goodwill and impairment, non-audit services policy, Committee terms of reference, business ethics, Code of Conduct, internal audit plan and key priorities. The Committee also instructed management to implement the SAP accounting system and discussed rejection provisions in respect of payer relations.

MEDICLINIC INTERNATIONAL LIMITED

The predominant focus of the Audit and Risk Committee of the South African entity known as Mediclinic International Limited, was on the Combination. Other areas of the Committee's focus included reviewing the categories and thresholds of non-audit services that the external auditors may provide, assessing the effectiveness of the Group's internal control, accounting function and policies, and evaluating the risk and control procedures, reviewing the interim financial statements and going concern status of Mediclinic International Limited and its three operating platform companies. The Committee also considered matters relating to the external and internal audit, tax issues and fraud and ethics.

FOLLOWING THE COMBINATION: MEDICLINIC INTERNATIONAL PLC (FORMERLY AL NOOR HOSPITALS GROUP PLC)

Since the Combination, the Committee has been principally focused on the following: i) monitoring the risk management process and systems of internal control for the Group through the review of the activities of its operating platforms in Southern Africa, Switzerland and the Middle East, the Group's internal and external auditors, and the Group's risk management function; ii) approval of the external audit engagement and fees; iii) review of the internal audit reports and approval of the internal audit engagement and fees for the 2016/17 financial year; iv) considering and making recommendations to the Board relating to the Group's Annual Report, the financial statements and any other reports (with reference to the financial affairs of the Group) for external distribution or publication, including those required by any regulatory or statutory body; v) review of the Committee's terms of reference, as well as policies regarding Enterprise-wide Risk management, external auditor independence and non-audit services.

The Committee has continued to monitor and keep abreast of regulatory developments across all jurisdictions throughout the year. Amongst those considered, it has discussed its additional responsibilities in respect of the Code and EU Audit reform.

SIGNIFICANT ISSUES

The Committee, through a process of consultation with both management and the external auditor, considered the following significant issues relating to the presentation of the Group's financial statements. The principal accounting policies applied in the preparation of the annual financial statements are detailed on pages 141 to 152. If applicable, further detail in the notes to the financial statements relating to the below issues are referenced as indicated.

SIGNIFICANT ISSUES CONSIDERED	STEPS TAKEN BY THE COMMITTEE
The disclosure and accounting of the Al Noor reverse acquisition in the financial statements	The Committee reviewed the purchase price allocation including: • determining of the acquisition date; • identifying the acquirer and acquiree; • the allocation of tangible and intangible assets at fair value; and • the recognition of goodwill. The Committee considered the alignment of Al Noor's accounting policies and the reasonableness of the adjustments made to the opening balance sheet and considered legal and any other contingent liabilities. The Committee was satisfied with the disclosure of the reverse acquisition in the financial statements. The acquisition of Al Noor for a total consideration of £1.3bn led to the recognition of goodwill to the value of £1 189m and intangible assets of £57m. Refer to notes 6 and 28 to the financial statements on pages 159 and 191 to 195. The Committee also reviewed management's approach to the full retrospective application of the Group's change in its presentation currency from rand (ZAR) to pound sterling (GBP) following the transaction.
The disclosure and accounting of a 29.9% associate interest in Spire in the financial statements	The Committee was satisfied that the Group is able to exert sufficient influence over the financial and operating decisions of Spire to support management's judgement that the investment should be equity accounted, with Spire being treated as an associate of the Group. The Committee considered the carrying value of the Group's investment at 31 March 2016, including an assessment of share price movements since year end, concurring with management's judgement that there is no indication of a significant or prolonged decline in value which might require an impairment charge. In addition, the Committee reviewed the disclosures relating to the Group's acquisition of its stake in Spire, determining these disclosures to be balanced and understandable. The Investment in Associate balance as at 31 March 2016 amounted to £451m, and the Income from Associate for the period under review amounted to £6m. Please also refer to note 7 to the financial statements on pages 161 to 162.

SIGNIFICANT ISSUES CONSIDERED	STEPS TAKEN BY THE COMMITTEE
Revenue recognition and provisions impacting on accounts receivable	The Committee reviewed the Group's accounting policies as well as the basis for the calculations in respect of revenue recognition and provisions impacting accounts receivable, specifically the following: • tariff risk provisions relating to billing in accordance with provisional health insurance base rates, where these rates have not yet been finalised between providers and funders, and also to historical tariff disputes at certain of the Group's Swiss hospitals. The Committee considered and was satisfied with management's judgement and best estimate based on available information; and • insurance claim rejections by the health insurance companies and the resulting provision for unrecoverable sales. The Committee assessed and was satisfied with management's judgement, which was based on historic events, to determine the rejection provision. Please also refer to note 2.20 to the financial statements on page 151.
Impairment of intangible assets, goodwill and certain Swiss properties	The Committee reviewed the annual impairment testing of recognised goodwill and the indefinite life intangible asset. The Committee considered the reasonableness of the cash flow projections which were based on the most recent budget approved by the Board and reflected management's expectations of revenue growth, operating costs and margins based on past experience and knowledge of the industry. Long-term growth rates for periods not covered by the annual budget were challenged to ensure they were appropriate in the countries in which the relevant operating platforms operate. The Committee also reviewed and challenged the key assumptions made in deriving these projections: discount rates, growth rates, and expected changes in tariffs, admissions and patient mix. The Committee also considered the adequacy of the disclosures in respect of the key assumptions and sensitivities. Refer to note 6 to the financial statements for more details of these assumptions. The Committee was satisfied that the discount rates assumptions appropriately reflected current market assessments of the time value of money and the risks associated with the particular assets. The other key assumptions were all considered to be reasonable. The external auditor explained the results of their own review of the estimate of value in use, including their challenge of management's underlying cash flow projections, as well as the long-term growth assumptions and discount rates. On the basis of their audit work, and their challenge of the key assumptions and associated sensitivities, they concurred with management's conclusion that no impairments were required. Please also refer to note 6 to the financial statements on pages 159 to 160.
Capital expenditure relating to buildings	The Committee considered the appropriateness of the capitalisation of capital expenditure incurred in respect of hospital buildings as well as the depreciation thereof. The Committee evaluated management's judgement applied in respect of the residual value and useful lives of buildings and also considered whether management's estimate for deprecation rates were appropriate. The Committee was satisfied with the capitalisation and depreciation policies of buildings that were applied. Please also refer to note 5 to the financial statements on page 157.
Viability assessment	The Committee has reviewed the Company's new viability statement and, in particular, understanding the analysis which was prepared by management and supports the Board's view that the Company will be able to continue in operation and meet its liabilities as they fall due over the longer period assessed.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board believes that effective risk management underpins the running of a successful business and is integral to the objective of constantly adding value to the Group. It has adopted an integrated and effective risk management framework, at both an operational and strategic level; identifying, quantifying and managing principal risks in order to achieve an optimal risk/reward profile. This has been incorporated into the daily operational management processes, allowing management to focus on core activities. The Board has a clear process for identifying, evaluating and managing the principal risks faced by the Group for the period under review and up to the date of the report. The process is reviewed annually by the Board and is in accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and the requirements of the Code.

The Group'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. This policy provides structure within which directors and management can operate in order to reinforce a strong risk management culture throughout the Group. It sets the tone and acts as a starting point for all other components of risk management and control in providing the necessary discipline and structure.

The Board retains full and effective control over the Company and is responsible for monitoring management's implementation of board decisions and strategies. The Board ensures that the Group complies with all the relevant laws, regulations and codes of business practice. The Committee assists the Board, by routinely reviewing and monitoring the risk management process and Group internal control systems.

INTERNAL AUDIT

The Board is ultimately responsible for overseeing the establishment of effective internal control systems which are reviewed by the Committee, and which facilitate the delivery of and sustain the Group's financial, operational and strategic objectives.

During the year, the Committee of Al Noor received regular reports on the control environment from its Internal Audit Director who was supported by an internal audit team, as well as outsourcing certain internal audit reviews to Deloitte LLP. This Committee reviewed and considered the key improvement themes and areas for focus, and assessed the responsiveness of management in addressing internal audit actions.

The internal audit function in relation to Mediclinic International Limited was outsourced to Remgro Internal Audit who regularly attended Committee meetings and reported on the findings of their investigations. They were responsible for measuring the effectiveness of the system of internal financial control in respect of each operating platform within the Group.

Since the Combination, the Committee has considered and discussed with Remgro Internal Audit, the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

While the Committee continues to believe that Remgro Internal Audit is effective in its provision of internal audit and compliance services to the Group, it has taken the opportunity, following the completion of the Al Noor transaction and the Group's entry into the FTSE 100, to consider what internal audit arrangement would be most appropriate for the Group going forward. As part of this consideration, the Committee has evaluated the various internal audit arrangements in place across the FTSE 100. As a result of this exercise, the Committee has concluded that the Group will exit the outsourced Remgro Internal Audit arrangement and will bring more internal audit resource in-house, including a Head of Internal Audit. This change in the Group's internal audit arrangements will be made in a phased manner to avoid any disruption to the Group's internal audit and compliance activities during the hand-over process. The Committee will provide an update about the progress being made in effecting this change in its future reports to shareholders.

EXTERNAL AUDIT

During the year, KPMG LLP resigned and PricewaterhouseCoopers LLP ("PwC UK") was appointed auditor of the Company, following shareholder approval granted at the 15 December 2015 general meeting in respect of the change of auditor.

The Committee is responsible for overseeing the external auditors on behalf of the Board, including approving the annual audit work plan and approving the audit fee.

EXTERNAL AUDITOR INDEPENDENCE, EFFECTIVENESS AND RE-APPOINTMENT

The Committee is committed to ensuring that the Group receives a high-quality and effective statutory audit. It is responsible for monitoring the performance, objectivity and independence of the external auditor (PwC) and undertakes a formal evaluation process each year. This process involves an examination of five main performance criteria including robustness of the audit process, independence and objectivity, quality of delivery, quality of people and service, and value-added advice.

The Committee has evaluated the effectiveness of PwC South Africa as auditors of Mediclinic International Limited for the period up to the Combination, 15 February 2016, and PwC UK as auditors post-Combination of the newly formed Group, Mediclinic International plc (formerly Al Noor Hospitals Group plc).

As this is PwC UK's first year with the Group, the Committee was only able to assess their work as from the Combination up to the financial year-end. The assessment resulted in the following observations:

- PwC UK demonstrated a good understanding of the business and its values;
- The team was challenging, but supportive on technical matters; and
- The establishment of a combined approach towards the significant issues debated.

The external auditor receives copies of all relevant Committee papers and minutes of all Committee meetings. As part of the Committee's assessment of the external auditor, separate meetings have been held between the non-executive directors and the external auditor, without management being present.

The Committee is satisfied that the services provided by the auditor have been of high quality and has concluded that the auditor remains objective and independent. Accordingly, it has recommended to the Board the re-appointment of PwC UK as the Company's external auditor is proposed to shareholders at the 2016 AGM.

AUDIT TENDER

This is the first year that the UK current lead audit partner, Giles Hannam, has been involved in the audit of the Group. As a result of the UK's implementation of the EU's mandatory firm rotation requirements, and in accordance with the Committee's terms of reference, the Company is required to ensure that the external auditor's contract is put out to tender at least every 10 years, with the proviso that no single firm may serve as the Company's auditor for a period exceeding 20 years. Under these arrangements, the external audit must be put out to tender no later than for the financial year commencing 1 April 2023.

NON-AUDIT SERVICES

The Committee believes that it may be appropriate in certain circumstances for the Company to engage its external auditor to provide non-audit services. It has established a policy which seeks to ensure the independence and objectivity of the external auditor is not compromised.

Examples of prohibited non-audit services are bookkeeping services, valuation services, payroll services, legal services, designing risk management systems or management in the audited entity. For other services, it can be more efficient or prudent to engage the external auditor rather than another party, on the basis that the service will not compromise independence or objectivity, is a natural extension of the audit or if there are overriding business, efficiency or confidentiality reasons which make the external auditors most suited to provide the service.

The Committee determines the pre-approved monetary thresholds for each category of non-audit services in the beginning of each financial year. When determining this, the nature of the non-audit services, the individual fee levels of each category and the aggregate fee amount relative to the external audit fee are taken into account. Feedback on non-audit services performed is given at each meeting and when necessary further approvals for increased fees are discussed.

During the year, fees for the non-audit service work carried out by PwC were abnormally high. This exceptional level reflects the considerable services PwC has provided relating to the Al Noor Combination, particularly in relation to the Class 1 Circular. The Committee considered that hiring PwC to undertake these non-audit services was in the best interests of shareholders because:

- PwC possessed the type of expertise, experience, size and international scope to handle such a complex transaction.
- The Company benefited specifically from PwC's in-depth knowledge and understanding of our business.

To maintain the external auditor's independence and objectivity, the Committee requires that an independent partner is appointed to lead any non-audit services. We anticipate that non-audit fees payable to PwC will return to more normalised levels in 2017 following the completion of any services related to the Al Noor Combination.

Looking forward, the Committee has considered the UK implementation of the EU Audit Directive including the introduction of prohibitions for certain types of non-audit service. In response to these new requirements, the Committee has asked management to update the Group's non-audit services policy in order to ensure compliance from the application date for the Group, namely 1 April 2017. The Committee will provide an update about the new non-audit services policy in its future reports to shareholders, including an overview of the additional non-audit services, which will be prohibited in 2017, and the cap which will be imposed on the level of non-audit fees payable to PwC by comparison to its audit fees.

FEES

Refer to note 21 to the Consolidated Financial Statements on page 186 for detail on the remuneration of the auditor.

In addition to the non-audit services described above, PwC South Africa also provided audit and non-audit services to Remgro Limited and tax services to two directors on the Board during the year. The Committee is satisfied and comfortable that the tax services provided to the directors did not compromise the independence of the auditor, as the directors (Dr Edwin Hertzog and Mr Jannie Durand) were not involved in financial reporting oversight, nor did they sit on the Committee. In addition, the services which were provided to them are not prohibited under regulations.

COMPETITION AND MARKETS AUTHORITY STATUTORY AUDIT SERVICES ORDER 2014 ("CMA Order")

During the year, the Company has complied with the mandatory audit processes and the Committee has complied with the responsibility provisions required by it in connection with the CMA Order. The work of the Committee in discharging its responsibilities is explained in more detail in this report on page 113.

FAIR, BALANCED AND UNDERSTANDABLE

The Committee is satisfied that one of the key compliance requirements of the Group's financial statements, for the Annual Report to be fair, balanced and understandable has been met, having reviewed a summary of the approach taken by management in the preparation of the report to ensure that it met the requirements of the Code. Accordingly, the Committee has recommended that the Board confirm the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable.

ETHICAL CONDUCT

The Group remains focused on conducting its business in an honest, fair and ethical manner, a principle which is actively endorsed by the Board and management. The Committee oversees the Group's processes for handling the business ethics code and anti-bribery policy. This includes receiving regular feedback from the risk manager regarding incidents reported on the ethics lines and the effectiveness of the lines. The Board has also established a Clinical Performance and Sustainability Committee, the details of which can be found on page 70 of the Corporate Governance Statement.

The Group's Code of Business Conduct and Ethics provides a framework for directors and employees within the Group of the standards of business conduct and ethics that is required of them, and which applies to all business divisions within the Group. It serves to ensure that the highest ethical standards are maintained in all dealings with the Group's stakeholders. It is available to all staff and communicated to new employees during their induction. The code contains the Group's whisteblowing arrangements, setting out the details of the Group's ethics lines. Any employee or external stakeholder is able to report any wrongdoing throughout the Group on a confidential and anonymous basis to the ethics lines. All complaints are investigated in accordance with the code.

The Group adopts a no-tolerance policy with regard to unethical business conduct, in particular also fraud and corruption, which is addressed in the Code of Business Conduct and Ethics. Also in place is an Anti-bribery Policy which supports its commitment to ensure compliance with all anti-bribery and corruption laws and regulations. The Group has strict policies relating to any invitations, gifts or donations received from suppliers or any other party, and employees throughout the Group are compelled to declare these to management for approval. Staff members involved in the contracting, negotiating and purchasing of equipment or consumables are also bound to strict ethical principles, ensuring that an impeccable standard of integrity is maintained in the Group's business relationships.

Copies of the Code of Business Conduct and Ethics and the Anti-bribery Policy can be found on the governance section of the Company's website at **www.mediclinic.com**.

Signed on behalf of the Audit and Risk Committee.

Desmond Smith
Chairman of the Audit and Risk Committee
25 May 2016

DIRECTORS' REPORT

The directors of Mediclinic International plc (formerly Al Noor Hospitals Group plc) are pleased to present the Company's Directors' Report for the period to 31 March 2016. The information contained in this report provides details of Mediclinic International plc following the completion of the Combination of Al Noor Hospitals Group plc and Mediclinic International Limited.

DISCLOSURES INCORPORATED BY REFERENCE

The following disclosures required to be included in this Directors' Report have been incorporated by way of reference to other sections of this report or the **Sustainable Development Report** available on the Company's website, and should be read in conjunction with this report:

- Corporate Governance Statement – refer to pages 64 to 73 of the report;
- strategy and relevant future developments – refer to pages 18 to 21 of the Strategic Report;
- financial risk management objectives and policies – refer to the Risk Management Report included in the Strategic Report on pages 24 to 29 and note 3 to the financial statements on pages 152 to 155;
- research and development activities – various activities, such as the standardised patient experience index, the standardised employee engagement initiatives, research by health policy units, referred to on pages 7, 8, 19, 24, 48 and 50, respectively, of the Strategic Report;
- greenhouse gas emissions – refer to page 52 of the Strategic Report and the **Sustainable Development Report**;
- corporate social responsibility and corporate social investment – refer to page 54 of the Strategic Report and the **Sustainable Development Report**.

DIRECTORS

All the directors who served during the reporting period are listed in the Corporate Governance Statement on pages 67. Biographies of all the current directors of the Company are provided on pages 60 to 61.

In accordance with the provisions of the UK Corporate Governance Code, all members of the Board wishing to continue their appointments seek re-election by the shareholders. Accordingly, Ian Tyler and Seamus Keating will retire and seek re-election at the annual general meeting to be held on 20 July 2016.

In terms of the Company's Articles of Association, any director appointed as such by the Board of directors shall retire at the following annual general meeting and shall be eligible for election. Jannie Durand, Alan Grieve, Dr Edwin Hertzog, Prof Dr Robert Leu, Nandi Mandela, Danie Meintjes, Trevor Petersen, Craig Tingle and Desmond Smith were appointed by the Board following completion of the Combination of the Company (then named Al Noor Hospitals Group plc) and Mediclinic International Limited with effect from 15 February 2016. These directors will retire and seek election by the shareholders at the annual general meeting to be held on 20 July 2016.

Remgro Limited, through wholly-owned subsidiaries, ("**Remgro**") holds 44.56% of the issued ordinary shares of the Company and is therefore regarded as a controlling shareholder of the Company, for the purposes of the Listing Rules. The Listing Rules require that independent non-executive directors of a company with a controlling shareholder must be elected by a majority of votes cast by independent shareholders, in addition to a majority of votes cast by all shareholders in the company. The resolutions proposed at the annual general meeting for the election of the independent non-executive directors of the Company will therefore be taken on a poll and the votes cast by (i) independent shareholders and (ii) all shareholders will be calculated separately. Such resolutions will be passed only if a majority of votes cast by independent shareholders are in favour, in addition to a majority of votes cast by all shareholders being in favour.

All directors' biographies can be found on pages 60 to 61.

APPOINTMENT AND REMOVAL OF DIRECTORS

The rules relating to the appointment and removal of the Directors are contained in the Company's Articles of Association.

POWERS OF DIRECTORS

The general powers of the directors are contained within relevant UK legislation and the Company's Articles of Association. The directors are entitled to exercise all powers of the Company, subject to any limitations imposed by the Articles of Association or applicable legislation.

DIRECTORS' INTERESTS

The interests of the directors of the Company at 31 March 2016 in the issued shares of the Company disclosed in accordance with the FCA's Listing Rules are given in the Remuneration Report on page 89. The Remuneration Report also sets out details of any changes in those interests between the year end and 25 May 2016.

INDEMNIFICATION OF DIRECTORS

The Company has entered into a deed of indemnity with each director who served during the year under identical terms. The deeds indemnify the directors in accordance with the applicable laws of England against all liability incurred as a director or employee of the Company or of certain other entities. In addition, the Company has put into place directors' and officers' indemnity insurance.

COMPENSATION FOR LOSS OF OFFICE

There are no agreements in place with any director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover. Further information on directors' service contracts and their notice periods and any vested awards to previous directors made following the Combination can be found in the Remuneration Report on pages 80 to 81.

ARTICLES OF ASSOCIATION

The Articles of Association may be amended by way of a special resolution of the members. At the general meeting held on 15 December 2015, shareholders approved by special resolution that the amended Articles of Association would take effect at the date of completion of the Combination, which occurred on 15 February 2016.

RELATED-PARTY TRANSACTIONS

Following the announcement made on 7 August 2015 and the general meeting held on 24 August 2015, the Company undertook a related-party transaction to lease premises from United Al Saqr Group LLC. Sheikh Mohammed Bin Butti Al Hamed, a Director and principal shareholder of the pre-Combination entity Al Noor Hospitals Group plc, had a controlling interest in United Al Saqr Group. At the general meeting, 99.34% of the shares voted approved the related-party transaction. Sheikh Mohammed Bin Butti Al Hamed is no longer a shareholder of the Company, as the entire shareholding held through Sapor Business Corp, was tendered to Al Noor Hospitals Group plc for cancellation, as announced on 8 February 2016.

Details on all related-party transactions are contained within note 33 of the consolidated financial statements on page 200.

SHARE CAPITAL AND CONTROL

The Company's ordinary issued share capital as at 31 March 2016 was 737 243 810 ordinary shares of £0.10 each which have a primary listing on the London Stock Exchange and secondary listings on the Johannesburg and Namibian stock exchanges. The ordinary share class represent over 99.9% of the Company's total issued share capital.

In addition to the ordinary shares, the Company also has a class of 10 subscriber shares of £0.10 each which are not admitted to trading on a regulated market. The subscriber shares carry no rights to receive any of the profits of the Company available for distribution by way of dividend or otherwise. If there is a return of capital on a winding-up or otherwise, the assets of the Company available for distribution among the members shall be applied first in repaying in full to the holder of the subscriber shares the amount paid up on such shares. Except as provided above, the subscriber shares shall not carry any right to participate in profits or assets of the Company. The holders of the subscriber shares shall not be entitled to receive notice of or attend and vote at any general meeting of the Company unless a resolution is proposed which varies, modifies, alters or abrogates any of the rights attaching to the subscriber shares.

The subscriber shares represent less than 0.01% of the Company's total issued share capital. Further information on the Company's issued share capital can be found on pages 168 to 171 in the Notes to the financial statements. As outlined in the Company's prospectus dated 19 November 2015, the Company intends to purchase and cancel the 10 subscriber shares and a resolution to this effect has been included in the notice of annual general meeting ("**AGM**") for consideration by shareholders.

There are no known arrangements under which financial rights are held by a person other than the holder of the shares. The Company has no intention to complete a market purchase of its shares and will not seek this authority at the 2016 AGM.

Shares acquired through the Company's share schemes and plans rank equally with the other shares in issue and have no special rights.

RESTRICTION ON VOTING RIGHTS

Mediclinic International Limited, implemented a black ownership initiative in 2015, which had the effect of introducing Phodiso Holdings Limited and MP1 Investment Holdings (Pty) Ltd as shareholders of Mediclinic through two special purpose vehicle companies, Mpilo Investment Holdings 1 (RF) (Pty) Ltd (subsequently restructured in 2015 with the Mediclinic shares currently held by Mpilo 1 Newco (RF) (Pty) Ltd) ("**Mpilo 1**") and Mpilo Investment Holdings 2 (RF) (Pty) Ltd ("**Mpilo 2**"). As at 25 May 2016, Mpilo 1 held 1.49% of the issued share capital of the Company and Mpilo 2 held 3.33%. 10 958 198 (representing 1.49% of the issued shares of the Company) of the Mediclinic shares held by Mpilo 1 are restricted and subject to a lock-in period restricting the disposal of its shareholding before 31 December 2019. Similarly, all the Mediclinic shares held by Mpilo 2 are restricted and subject to a lock-in period expiring on 31 December 2018.

DIRECTORS' REPORT (continued)

The Company's Articles of Association provide that, unless the directors determine otherwise, a shareholder shall not be entitled to vote, either personally or by proxy, at any general meeting or to exercise any other right conferred by membership if:

- any call or other sum payable to the Company in respectin respect of that share remains unpaid; or
- such shareholder, having been duly served with a notice to provide the Company with information under section 793 of the UK Companies Act, has failed to do so within 14 days, for so long as the default continues.

ACQUISITION OF OWN SHARES

In connection with the Combination of Mediclinic International Limited and Al Noor Hospitals Group plc concluded in February 2016, a total of 63 658 876 ordinary shares of 10 pence each were successfully tendered at a price of £8.32 per ordinary share and were cancelled on 17 February 2016 pursuant to a court-approved reduction of capital approved by shareholders at the General Meeting held on 15 December 2015. Following the reduction of capital, the Company has a total of 737 243 810 ordinary shares of £0.10 each in issue.

SUBSTANTIAL SHAREHOLDERS

As at year end and as at 25 May 2016, being the Last Practicable Date, the following shareholders have notified the Company, in accordance with Disclosure and Transparency Rule 5, of their interest of 3% or more in the Company's issued share capital.

	ORDINARY SHARES	% VOTING RIGHTS
Remgro Limited (through wholly-owned subsidiaries)	328 497 888	44.56%
Public Investment Corporation Soc Limited	55 482 294	7.53%
Mpilo Investment Holdings 2 (RF) (Pty) Ltd	24 582 960	3.33%

PRINCIPAL SHAREHOLDER AND RELATIONSHIP AGREEMENT

In accordance with Listing Rule 9.8.4(14), the Company has set out below a statement describing the relationship agreement entered into between the Company and its principal shareholder, Remgro Limited. As at 25 May 2016, Remgro Limited, through wholly-owned subsidiaries, held 44.56% of the issued ordinary share capital of the Company.

Prior to the Combination, the Company entered into a Relationship Agreement with Remgro Limited on 14 October 2015, which entity was also the principal shareholder of Mediclinic International Limited. That agreement came into effect on 15 February 2016, on completion of the Combination.

Under the Relationship Agreement, Remgro Limited undertakes to comply with the following independence provisions set out in the agreement, as required under the Listing Rules:

- transactions and arrangements between the Company and itself (and/or its associates) are, and will be, at arm's length and on normal commercial terms;
- neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules; and
- neither it nor any of its associates will propose, or procure the proposal of, a shareholder resolution that is intended or appears to be intended to circumvent the proper application of the Listing Rules.

The Company has complied with the above independence provisions and, in so far as it is aware, the Principal Shareholder has complied with the independence provisions and the procurement obligation set out in the Relationship Agreement from the date of the agreement. In accordance with the terms of the Relationship Agreement, for every 10% of the issued ordinary share capital of the Company (or an interest which carries 10% or more of the aggregate voting rights in the Company from time to time) held by a Principal Shareholder Group, the relevant Principal Shareholder shall be entitled to appoint one Director to the Board, up to a maximum of three Directors, provided that the right to appoint a third director is subject to the requirement that the Board will, following such appointment, comprise a majority of independent directors.

If a Principal Shareholder ceases to hold 10% of the Company's share capital (or 10% of the aggregate voting rights in the Company), the rights and obligations of that Principal Shareholder Relationship Agreement shall terminate. The ordinary shares owned by the Principal Shareholders rank *pari passu* with the other ordinary shares in all respects.

SIGNIFICANT AGREEMENTS

The following agreements are considered significant in terms of their potential impact on the business of the Group as a whole and that could alter or terminate on the change of control of the Company:

- The Relationship Agreement entered into between the Company and its principal shareholder, Remgro Limited, as referred to on page 118: the agreement does not include a change of control provision, but does terminate if (i) the Company's ordinary shares cease to be listed and admitted to trading on the LSE's main market for listed securities; or (ii) the Remgro Group, taken together, ceases to hold the minimum interest of 10% in the Company.
- The various facilities and finance agreements throughout the Group are regarded as significant and contain change of control provisions:
  - the Company's £400m senior facility agreement concluded in 2015 with FirstRand Bank Limited (acting through its Rand Merchant Bank division) and Morgan Stanley, which is in the process of being refinanced;
  - Hirslanden's CHF1.65bn term and revolving credit facilities agreements concluded in 2008 with, among others, Barclays Bank plc;
  - Hirslanden's CHF90m bonds and the CHF145m bonds concluded in 2015;
  - Mediclinic Southern Africa's R7.4bn amended and restated facility concluded in 2016 with, among others, Rand Merchant Bank, Standard Bank and Absa Capital;
  - Mediclinic Middle East's AED33m and US$140.5m amended and restated facility agreement concluded in 2015 with Standard Chartered Bank.

POLITICAL PAYMENTS

During the year, the Company, through its Hirslanden subsidiary, made payments to a number of political parties, institutions and associations in Switzerland which totalled CHF36 000 (2015: CHF14 571). Contributing to political campaigns through third-party contributions is an official and standard practice in Switzerland. In line with best practice, a resolution to authorise the Company to make political payments up to £100 000 has been included for shareholder consideration in the Notice of AGM. It is not the policy of the Company to make donations to EU or any other political organisations or to incur other political expenditure and the directors have no intention of changing that policy. However, as a result of broad definitions used in the UK Companies Act, normal business activities of the Company, which might not be considered political donations or expenditure in the normal sense, may be construed as political expenditure or as a donation to a political party or other political organisation and fall within the restrictions of the Companies Act 2006. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within the scope of these matters. The Board has therefore decided to propose the resolution.

DIRECTORS' REPORT (continued)

EMPLOYEES

The Company operates an equal opportunities policy which endeavours to treat individuals fairly and not to discriminate on the basis of sex, race, ethnic origin or disability or on any other basis. Applications for employment are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

The Company is committed to ensuring that adequate policies and procedures are in place to enable disabled applicants to receive training to perform safely and effectively and to provide development opportunities to ensure they reach their full potential. Where an individual becomes disabled during the course of their employment with the Company, Mediclinic will seek to provide wherever possible, continued employment on normal terms and conditions. Adjustments will be made to the environment and duties or alternatively suitable new roles within the Company will be secured with additional training where necessary.

A breakdown by gender, age and race (only for purposes of South Africa) on the Board and senior management roles as at year end is included is illustrated in **Figure 1**. The proportion of female employees throughout the Group as at year end is illustrated in **Figure 2**.

The Group's employees are a highly valued asset. The employees' trust and respect are vital to Mediclinic's success. Listening and responding to the Group's employee needs through effective communication and sound relations are important components in being regarded as an employer of choice among existing and prospective employees and vital to maintain an engaged, loyal workforce. Engagement with employees is conducted through various communication methods, including leadership video conferences, intranet, periodic employee surveys, performance reviews, staff magazines, and staff wellness and recognition programmes.

FIGURE 1: RACE, GENDER AND AGE REPRESENTATION ON GOVERNANCE BODIES

	TOTAL NO OF MEMBERS	RACE				GENDER				AGE			
		BLACK		WHITE		MALE		FEMALE		30–50 YRS		> 50 YRS	
		NO	%	NO	%	NO	%	NO	%	NO	%	NO	%
Mediclinic International Board	11	n/a	n/a	n/a	n/a	10	91%	1	9%	2	18%	9	82%
Mediclinic International Executive Committee	8	n/a	n/a	n/a	n/a	8	100%	–	–	1	12.5%	7	87.5%
Mediclinic Southern Africa Executive Committee	10	3	30%	7	70%	9	90%	1	10%	6	60%	4	40%
Hirslanden Executive Committee	5	n/a	n/a	n/a	n/a	5	100%	–	–	4	80%	1	20%
Mediclinic Middle East Executive Committee	9	n/a	n/a	n/a	n/a	6	67%	3	33%	5	56%	4	44%

FIGURE 2: WORKFORCE COMPOSITION BY GENDER

	2015		**2016**	
	NUMBER	%	**NUMBER**	**%**
Southern Africa*				
Female	13 455	81.44%	**13 654**	**81.12%**
Male	3 067	18.56%	**3 178**	**18.88%**
Switzerland				
Female	6 749	77.14%	**7 011**	**76.88%**
Male	2 000	22.86%	**2 109**	**23.12%**
UAE – MCME*				
Female	1 442	59.46%	**1 504**	**59.99%**
Male	983	40.54%	**1 003**	**40.01%**

* *The gender split of Mediclinic Middle East as at 31 March 2016 excludes the Al Noor employees.*

During the year, the leading independent research company, Gallup, was commissioned to undertake an annual employee engagement survey across all three our platforms for us to understand where there are opportunities to deliver improvements in the workplace. Further details regarding the Group's employee engagement are included in the **Sustainable Development Report** available on the Company's website.

Continuous training and development of the Group's employees across all three platforms ensures retention of staff, in particular where the skills shortage is most critical, and proper succession planning. Further details on the Group's training initiatives can be found in the Sustainable Development Highlights on pages 49 to 50 and the **Sustainable Development Report** available on the Company's website.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors confirms that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

EVENTS AFTER THE REPORTING PERIOD

Since year-end, the following material events have taken place:

During May 2016 the Group obtained additional bank facilities in the amount of R1.2 billion (approximately £54m). The loans will carry interest at three month Jibar plus a margin of 1.69% and is fully repayable in June 2019.

GOING CONCERN STATUS

Having considered the principal risks and the viability assessment, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, further details of which are included in the Audit and Risk Committee Report from pages 107 to 115, and the Viability Assessment on page 29.

DIVIDEND

The Directors are recommending a final dividend of 5.24 pence per ordinary share to be paid on 25 July 2016 to all ordinary shareholders who were on the register of members at the close of business on 17 June 2016.

Prior to the Combination, the Company adopted a dividend policy which looked to maximise shareholder value and reflect its strong earnings potential and cash flow characteristics, while allowing it to retain sufficient capital to fund ongoing operating requirements and to invest in the Company's long-term growth. Following Completion, the Company adopted a dividend policy to reflect the underlying earnings and growth of the business, while retaining sufficient capital to fund ongoing operations and to invest in the Company's long-term growth. The Company aims to pay a dividend of between 25% and 30% of underlying earnings. The Board may revise the dividend policy from time to time.

The ability of the Company to pay dividends is dependent on a number of factors and there is no assurance that the Company will pay dividends, or if a dividend is paid, what the amount of such dividend will be.

Information on the Company's dividend access scheme can be found in the **Notice of Annual General Meeting**.

Figure 3 below details the dividends declared by the Company and Mediclinic International Limited (pre-Combination) to its holders of ordinary shares during the reporting period.

FIGURE 3: DIVIDENDS

	COMPANY		MEDICLINIC INTERNATIONAL LIMITED	
	2015	2014	2015	2014
	UK PENCE		SA CENTS (GROSS)	
Interim dividend	4.1	3.7	36.0	31.0
Special dividend*	328.0	–	–	–
Final dividend	5.24	9.0	n/a	75.5
Total dividend	337.34	12.7	36.0	106.5

* *A special dividend was approved by shareholders at the general meeting held on 15 December 2015 subject to completion of the Combination.*

DIRECTORS' REPORT (continued)

EXISTENCE OF OVERSEAS BRANCHES

For the purposes of the UK Listing Rules Disclosure and Transparency Rule 4.1.11(5), the Company has established an overseas branch in South Africa.

REQUIREMENTS OF THE LISTING RULES

The following table provides references to where the information required by the Listing Rule 9.8.4R is disclosed:

LISTING RULE REQUIREMENT	LOCATION IN ANNUAL REPORT
A statement of the amount of interest capitalised during the period under review and details of any related tax relief.	Not applicable
Information required in relation to the publication of unaudited financial information.	Not applicable
Details of any long-term incentive schemes.	Remuneration Report, pages 74 to 99
Details of any arrangements under which a Director has waived emoluments, or agreed to waive any future emoluments, from the Company.	Not applicable
Details of any non-pre-emptive issues of equity for cash.	As part of the Al Noor Combination, Remgro subscribed for 72 115 384 new shares in the Company at a cash subscription of £8.32 per shares, as approved in general meeting by the Company's shareholders on 15 December 2015.
Details of any non-pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking.	No such share allotments
Details of parent participation in a placing by a listed subsidiary.	Not applicable
Details of any contract of significance in which a Director is or was materially interested.	Not applicable
Details of any contract of significance between the Company (or any of its subsidiaries) and a controlling shareholder.	None, other than the Relationship Agreement referred to on page 118.
Details of any contract for the provision of services to the Company (or any of its subsidiaries) by a controlling shareholder.	The internal audit function of the Group is outsourced to Remgro Internal Audit, which forms part of the Remgro group. As referred to in the Audit and Risk Committee Report, the Committee plans to review the internal audit function, with a view to bringing this in-house rather than outsourcing this function to a third party.
Details of waiver of dividends by a shareholder.	Not applicable
Board statement in respect of relationship agreement with the controlling shareholder.	Directors' Report, page 118

This Annual Report, including this Directors' Report, as well as the Strategic Report from pages 2 to 59, and the Corporate Governance Statement from pages 64 to 73, was approved by the Board and signed on its behalf by:

Edwin Hertzog
Non-executive Chairman
25 May 2016

DIRECTORS' RESPONSIBILITY STATEMENT

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors are responsible for preparing the annual financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (**IFRSs**), as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The directors confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Directors' Report, Risk Management Report (including Viability Statement), Financial Review and Divisional Reviews contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

The consolidated financial statements have been prepared on a going concern basis and the directors believe that the Group will continue to be in operation in the foreseeable future.

The consolidated financial statements as set out on pages 136 to 209, have been approved by the Board of Directors and are signed on their behalf by:

Danie Meintjes
Chief Executive Officer
25 May 2016

Craig Tingle
Chief Financial Officer
25 May 2016