

NOMINATION COMMITTEE REPORT



Dr Edwin Hertzog
Chairman of the Nomination Committee

Dear Shareholder,

Following the resignation of Ian Tyler, I was appointed as Chairman of the Nomination Committee (the “**Committee**”) on 17 March 2017. It is therefore my pleasure to report on the activities of the Committee for the year ended 31 March 2017. During the year, the Committee continued to focus on Board and Committee composition, diversity, succession planning and has undertaken an evaluation of the performance of the Committee.

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. Biographical details of all Committee members are included on pages 70 to 71.



The composition and attendance of Committee meetings during the period under review are set out in **Figure 1**.

The Company Secretary is secretary to the Committee and attends all meetings. The Company Secretary is available to assist the members of the Committee, as required, ensuring that timely and accurate information is distributed accordingly. Other attendees at Committee meetings may, from time to time, and upon invitation from the Committee, include the Chief Executive Officer and Talent Management General Manager.

FIGURE 1: COMMITTEE COMPOSITION AND MEETING ATTENDANCE

NAME ¹	DESIGNATION	DATE OF APPOINTMENT (AS COMMITTEE MEMBER)	NUMBER OF COMMITTEE MEETINGS ATTENDED
Dr Edwin Hertzog ² (Committee Chairman)	Non-executive Director	15/02/2016	1 of 1
Prof Dr Robert Leu	Independent Non-executive Director	15/02/2016	1 of 1
Trevor Petersen	Independent Non-executive Director	15/02/2016	1 of 1
Desmond Smith	Independent Non-executive Director	15/02/2016	1 of 1
Ian Tyler ² (Committee Chairman)	Senior Independent Director	05/06/2013	1 of 1
Jannie Durand	Non-executive Director	15/02/2016	1 of 1



Notes

- ¹ Committee members' biographies can be found on pages 70 to 71 of the Annual Report.
- ² Ian Tyler resigned as a Director of the Company with effect from 21 February 2017. Dr Edwin Hertzog, already a Committee member since 15 February 2016, was appointed as the Committee Chairman on 17 March 2017.

KEY AREAS OF ACTIVITY

SUCCESSION PLANNING

The Committee reviewed and is developing the succession planning for both the Executive Directors together with the talent pipeline reporting to the executive team.

A detailed review of each platform's talent pipeline strategy was undertaken. This was supported by a review of the talent pools towards Group and platform key positions. A leadership development strategy was discussed and a mandate given to proceed with inter-group development initiatives.

Each platform CEO is accountable for developing and recruiting a diverse workforce.

BOARD AND COMMITTEE COMPOSITION

The Committee considered the structure, size and composition of the Board. The outcome of the Board evaluation, which evaluated the performance of the Board in relation to the five main principles set out in the Code, helped to inform the Committee's considerations. In particular, when the composition of the Board and its committees are deliberated, the Committee is also mindful of each Director's knowledge, skills and experience, the independent judgement they bring to discussions and their other commitments.

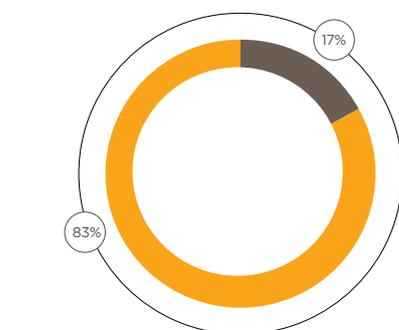
Following Ian Tyler's resignation, the Committee considered the appointment of a Senior Independent Director ("SID") and, as a result, Desmond Smith was appointed as the SID with effect from 21 February 2017.

The Committee also carried out a review of the composition of all the Board committees. As a result of this review, Dr Edwin Hertzog was appointed as Chairman of the Committee; Prof Dr Robert Leu was appointed as a member of the Clinical Performance and Sustainability Committee; Seamus Keating was appointed as a member of the Remuneration Committee; and Alan Grieve was appointed as a member and Chairman of the Disclosure Committee.

The Committee continued to consider the appointment of additional Independent Non-executive Directors to further strengthen the Board and its Committees with diverse expertise and to increase the female representation on the Board. The Committee is considering the appointment of two additional Independent Non-executive Directors, with the aim to conclude on the appointment of both positions by 31 March 2018.

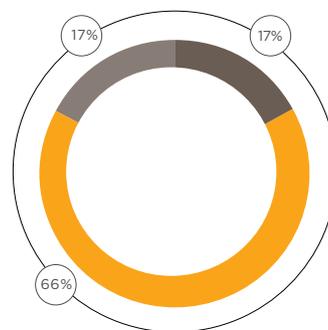
The appointment of new Directors is an extensive and rigorous process. The Committee identified the key skills and experience required of the additional Non-executive Directors. An independent external recruitment consultancy firm, with no connection to the Company, has been appointed to assist with this process.

COMMITTEE EXPERIENCE



- Finance and accounting
- Healthcare

COMMITTEE COMPOSITION



- Independent Non-executive Directors
- Non-executive Chairman of the Board
- Non-executive Directors

DIVERSITY

During the year, the Committee reviewed and updated its Board Diversity Policy. The Board believes that diversity is not limited to gender and that a diverse Board will include and make good use of differences in the skills, geographic location, industry experience, background, race, gender and other characteristics of the Directors. These factors will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately. However, when recruiting new Directors, consideration will also be given to ensuring that the Board does not become so large as to be unwieldy and that all Board appointments are made on justifiable merit. The Committee will continue to take cognisance of relevant prescribed guidelines as well as the performance of peer companies in fulfilling their role with regards to diversity.

The Board not only supports the principles of boardroom diversity in general, it also takes boardroom skills diversity seriously and actively considers this matter regularly at Board and 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.

The Board's Diversity Policy contains four objectives to support the Board's commitment to achieving diversity, as set out below:

- the Board will not impose quotas regarding diversity, although it will remain committed to achieving diversity in the composition of the Board and executive management;
- the Committee will annually consider and make recommendations, if applicable, to the Board on its diversity objectives in respect of the Board and executive management;
- in reviewing the composition of the Board and executive management, the Committee will, in addition to considering the balance of skills, experience, independence and knowledge of the Board, also consider the diversity of the Board; and
- in identifying suitable candidates for appointment to the Board, the Committee will assess candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board.

The Board (on recommendation of the Committee) will report annually on any issues and challenges the Board is facing when considering the diverse composition of the Board and executive management. In addition, going forward, the Committee will report on progress made on achieving these objectives.

COMMITTEE EVALUATION

The Committee's performance was internally evaluated by the members of the Committee by way of a self-evaluation questionnaire, which results were considered by the Committee and the Board. No significant issues that require improvement were identified and the Committee and the Board concluded that it operated effectively during the year.

EVALUATION OF THE COMPOSITION, STRUCTURE AND FUNCTIONING OF THE BOARD

The evaluation of the Board was also carried out internally by way of a self-evaluation questionnaire. The questionnaire includes a focus on Board composition and expertise, the Board's role in setting strategy, its understanding of risks facing the Group, succession planning, and the effectiveness of the Board committees. The Board regards the evaluation process as an important way to monitor the progress made over the years. Further detail on the Board effectiveness evaluation is included on page 81.



When considering the election or re-election of Directors, the Committee pays due regard to the outcome of the Board evaluation process and considers many factors including the individual Director's knowledge, skill and experience, the independent judgement they bring to Board deliberations and their other commitments.

At the Company's annual general meeting to be held on 25 July 2017, Jurgens Myburgh, who was appointed as a Director from 1 August 2016, will stand for election as it is the first annual general meeting of the Company since his appointment. In accordance with the recommendation for FTSE 350 companies set out in the Code, all other Directors will stand for annual re-election at the meeting. The biographical details of the current Directors can be found on pages 70 to 71.



The terms and conditions of appointment of the Non-executive Directors, which include their expected time commitment, are available for inspection at the Company's registered office.

PRIORITIES FOR THE COMMITTEE IN 2017/18

For the coming financial year, the Committee will, among other matters, focus on the following:

- the continued development of succession plans and the talent pipeline;
- the recruitment of additional Independent Non-executive Directors to the Board; and
- the development of the Company's diversity strategy.

Signed on behalf of the Nomination Committee.

Dr Edwin Hertzog
Chairman of the Nomination Committee
23 May 2017