

CORPORATE POLICY

TERMS OF REFERENCE OF THE CLINICAL PERFORMANCE AND SUSTAINABILITY COMMITTEE OF MEDICLINIC INTERNATIONAL PLC

Reference to the “**Committee**” shall mean the Clinical Performance and Sustainability Committee.

Reference to the “**Board**” shall mean the Board of Directors.

Reference to the “**Company**” shall mean Mediclinic International plc.

1 CONSTITUTION

- 1.1 The purpose of these terms of reference is to set out the Committee’s role and responsibilities, as well as the requirements for its composition and meeting requirements;
- 1.2 The Committee is constituted as a committee of the Board to assist in:
 - 1.2.1 promoting a culture of excellence in patient safety, quality of care and patient experience, by, *inter alia*, monitoring the clinical performance of the Mediclinic group (“**the Group**”); and
 - 1.2.2 ensuring that the Group is and remains a good and responsible corporate citizen by monitoring the sustainable development performance of the Group.
- 1.3 Certain South African subsidiaries of the Company are required to appoint a social and ethics committee in terms of the South African Companies Act, 71 of 2008, as amended (“**the SA Companies Act**”), unless such companies are subsidiaries of another company that has a social and ethics committee, which performs the functions required by this regulation on its behalf. The Committee shall, in respect of the Company’s relevant subsidiaries, perform these statutory functions, which have been listed in these terms of reference and are indicated in **bold**.
- 1.4 The Committee will fulfil its function in respect of the Group. The operating divisions are however required to report to and adopt and implement the policies and procedures recommended by this Committee. Each operating division of the Group is required to establish its own Clinical Performance Committee to fulfil and report on the clinical performance responsibilities set out in paragraph 4.2.1, to the Committee, through the Group’s Clinical Services function.

2 MEMBERSHIP

- 2.1 Members of the Committee shall be appointed by the Board, in consultation with the Chair of the Committee (the “**Committee Chair**”) and shall comprise of not less than three (3) directors, the majority of which shall be non-executive directors. In terms of the relationship agreement entered into between the Company and Remgro Limited on 14 October 2015 (“**Relationship Agreement**”), the Shareholder Director (as defined in the Relationship Agreement) is entitled to appoint a member to the Committee (a “**Shareholder Observer**”).
- 2.2 Only members of the Committee and the Shareholder Observer have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting, if appropriate, as referred to in paragraph 6.3.1.
- 2.3 Subject to the annual periodic re-election of directors, appointments to the Committee shall be for a period of one (1) year, which may be extended for further one (1) year periods, provided the relevant director continues to meet the criteria for Committee membership.
- 2.4 The Board shall appoint the Committee Chair, who shall be a non-executive member of the Committee.
- 2.5 The Committee members must keep up-to-date with developments related to the required skill-set to ensure that the Committee as a whole has sufficient insight, qualifications and experience to fulfil its duties.

3 SECRETARY

- 3.1 The Company Secretary or their nominee shall act as the secretary of the Committee (the “**Committee Secretary**”) and shall attend all its meetings and prepare and circulate to members (and invitees, as appropriate) all information and papers in a timely manner, to enable them to give full and proper consideration to the issues for discussion at the relevant meeting.

4 ROLE AND RESPONSIBILITIES

- 4.1 The Committee has an independent role with accountability to both the Board and the Company’s shareholders. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

- 4.2 The Committee’s main responsibilities include the following:

4.2.1 Clinical Performance

- 4.2.1.1 promote a culture of excellence in patient safety, quality of patient care and patient experience by setting standards, raising relevant issues in each forum they are represented in and holding operating divisions accountable;
- 4.2.1.2 evaluate compliance with the Company’s standards, policies and procedures in respect of patient safety and quality clinical care;
- 4.2.1.3 evaluate the alignment of the Company’s clinical and research practices with its ethical standards;
- 4.2.1.4 monitor the clinical performance of the Group, including but not limited to performance against key indicators, and provide information and recommendations to the Board to enable it to discharge its responsibilities;
- 4.2.1.5 evaluate the patient safety performance of the Group against indicators, serious adverse event reports and legal case reports and ensure an appropriate management response has been adopted;
- 4.2.1.6 evaluate the infection prevention and control performance of the Group against indicators, outbreak reports, antimicrobial resistance reports and antimicrobial stewardship programmes;
- 4.2.1.7 evaluate the quality improvement performance of the Group against clinical and patient experience indicators, and quality improvement programmes;
- 4.2.1.8 evaluate the effectiveness of the clinical risk management and audit processes and policies of the Group against regularly updated clinical risk registers, controlled self-assessments and audits;
- 4.2.1.9 evaluate the cost efficiency performance of the Group against clinical, cost and utilisation indicators, and reimbursement models;
- 4.2.1.10 evaluate the value-based performance of the Group against clinical, cost and utilisation indicators, and reimbursement models;
- 4.2.1.11 evaluate compliance with regulation and accreditation standards at the different divisions;
- 4.2.1.12 review the themes, trends and management response to external regulatory and accreditation visits and inspections across the divisions and monitor the Group’s relationship with regulators generally; and
- 4.2.1.13 consider and approve the annual Clinical Services Report published on the Company’s website and consider and recommend for approval to the Board, the Clinical Services Overview included in the Company’s annual report.

4.2.2 Sustainability

4.2.2.1 review the Group's policies and strategies (in particular, the Group Code of Business Conduct and Ethics, Group Sustainable Development Policy and Group Environmental Policy) relating to the commitment, governance and reporting of the Group's economic, social and environmental performance and, where necessary, make recommendations to management and/or the Board in this regard;

4.2.2.2 monitor the sustainable development performance of the Group, taking into consideration the impact of the Group's activities, its products and services and any relevant legislation, other legal requirements or prevailing codes of best practice, relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, labour and employment. Sustainable development performance shall include:

(a) engagement with stakeholders, which includes:

- i. monitoring the process and effectiveness of the Group's engagement with its stakeholders (**public relations**), which includes its patients, employees and trade unions, supporting doctors, suppliers, healthcare funders, government and authorities, industry associations, investors, community and the media;
- ii. monitoring the results of any satisfaction surveys conducted amongst the Group's patients, employees and supporting doctors;
- iii. monitoring the Group's **advertising**;
- iv. monitoring the Group's **compliance with consumer protection laws**;

(b) **health and safety** in the workplace, including compliance with relevant occupational health and safety laws and regulations;

(c) respecting human rights, which includes:

- i. monitoring the Group's managerial practices to avoid slavery and human trafficking in the Group's business and its supply chains and reviewing and making a recommendation to the Board for approval of the annual statement required in terms of the UK Modern Slavery Act 2015;
- ii. monitoring Mediclinic Southern Africa's broad-based black economic empowerment performance and **standing, in terms of the goals and purposes of the Broad-Based Black Economic Empowerment Act** of South Africa;
- ii. **promoting equality**;

(d) **labour and employment**, which includes:

- i. the Group's **employee relations**, which includes monitoring the results of any satisfaction surveys conducted amongst the Group's employees (as referred to above);
- ii. **the prevention of unfair discrimination**;
- iii. the Group's **standing in terms of the International Labour Organisation Protocol on decent work and working conditions**;
- iv. **training and skills development of employees**;

(e) **the environment** and the Group's management of its environmental impacts;

(f) **ethics** and compliance, which includes:

- i. assessing any major breach of the Group's Code of Business Conduct and Ethics;
- ii. efforts to reduce bribery and **corruption**;

- iii. the Group's **standing in terms of the goals and purposes of the OECD recommendations regarding corruption**;
 - iv. monitoring the effectiveness of compliance management;
- (g) corporate social investment, which includes:
- i. the Group's **contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed**; and
 - ii. the Group's **record of sponsorships, donations and charitable giving**; and
- (h) **the Group's standing in terms of the goals and purposes of the 10 principles set out in the United Nations Global Compact Principles.**
- 4.2.2.3 in conjunction with senior management, annually determine or revise the Group's material sustainability issues;
- 4.2.2.4 monitor the results of the participation in external sustainability surveys and awards or other forms of recognition received in respect of any sustainability aspect relating to the Group;
- 4.2.2.5 consider and approve the annual sustainable development reporting, published as a standalone Sustainable Development Report or on the Company's website; and consider and recommend for approval to the Board, the sustainability content or highlights for the Company's annual report, which shall include consideration of the Section 172(1) Statement required to be included in the strategic report of the Company's annual report, describing how the directors have considered the matters listed in section 172(1)(a) to (f) of the UK Companies Act 2006 when performing their duty to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to, amongst other factors: the likely consequences of any decision in the long term; the interests of the Company's employees; the Company's relationship with its suppliers, customers and others business relationships; the impact on the Company's operations on the community and the environment; the desirability of the Company to maintain a reputation for high standards of business conduct; and the need to act fairly as between members of the Company; and
- 4.2.2.6 consider the need for external assurance of the Group's public reporting on sustainable development.
- 4.2.3 **General**
- 4.2.3.1 **draw matters within its mandate to the attention of the Board, as may be required**;
- 4.2.3.2 consider and approve an annual report on the activities of the Committee for inclusion in the Company's annual report;
- 4.2.3.3 **report, through one of its members, to the shareholders at the Company's annual general meeting, on the matters within its mandate**, which may be done by way of a report to shareholders on the Committee's activities included in the annual report; and
- 4.2.3.4 address any other issues referred by the Executive Committee, the Chief Clinical Officer and/or the Chief Corporate Services Officer of the Company.

5 AUTHORITY

- 5.1 The Committee acts in accordance with the delegated authority of the Board and its statutory duties as recorded in these terms of reference. The Committee is authorised by the Board to investigate any activity within the scope of its mandate.
- 5.2 The Committee, in the fulfilment of its duties, may call upon the Chairperson of the Board or other Board committees, any of the executive directors, company officers or assurance providers to provide it with information, provided that prior notification was given to the Chairperson of the Board.
- 5.3 The Committee, in the fulfilment of its duties, shall have reasonable access to the Group's records, information, facilities and any other resources, necessary to perform its duties, provided that prior notification was given to the Chairperson of the Board.
- 5.4 The Committee may form, and delegate authority to sub-committees and may delegate authority to one or more designated members of the Committee.
- 5.5 The Committee has the right to seek external or any other independent professional advice and to ensure the participation of external parties with the relevant experience and expertise if necessary, at the Company's cost, provided that prior notification was given to the Chairperson of the Board.
- 5.6 The Committee has authority with regard to its statutory duties and is accountable in this respect to both the Board and the Company's shareholders. To this end, the Committee Chair or other member of the Committee must be present at all annual general meetings of the Company.
- 5.7 On all other responsibilities delegated to it by the Board, excluding its statutory duties, the Committee may make recommendations for approval by the Board, where appropriate.

6 MEETINGS

6.1 Frequency of meetings

- 6.1.1 The Committee shall meet at least five (5) times per year and thereafter as frequently as the Committee Chair shall require, to deal with routine matters.
- 6.1.2 Meetings in addition to the scheduled meetings may be held at the request of any member of the Committee, other members of senior management or at the instance of the Board.

6.2 Agenda and minutes

- 6.2.1 The Committee must establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual plan must ensure proper coverage of the matters laid out in these terms of reference: the more critical matters will need to be attended to each year, while other matters may be dealt with on a rotation basis over not more than a three (3) year period. The number, timing and length of meetings and the agendas, are to be determined in accordance with the annual plan.
- 6.2.2 A detailed agenda, with supporting documentation, confirming the venue, time and date of the meeting and containing the points for discussion must be timeously circulated to each member of the Committee and other invitees, prior to each Committee meeting.
- 6.2.3 The agendas must be circulated with sufficient time to allow members to prepare for Committee meetings and provide appropriate and constructive input on matters for discussion.

6.2.4 The Committee Secretary must complete the minutes of all Committee meetings as soon as possible after the meeting and circulate it to the Committee Chair for review. The minutes must be formally approved by the Committee at its next scheduled meeting.

6.3 **Attendance and quorum**

6.3.1 The following executive Board members and senior management, if not also a Committee member, shall be invited to attend all Committee meetings:

- (a) the Chief Executive Officer of the Company;
- (b) the Chief Clinical Officer of the Company;
- (c) the Chief Corporate Services Officer (also responsible for the Group's sustainable development);
- (d) the Group General Manager: Risk Management;
- (e) the Group General Manager: Clinical Performance;
- (f) the Chief Clinical Officers of the respective operating divisions of the Company; and
- (g) such other members of management as deemed necessary.

6.3.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the Committee Chair or Committee Secretary.

6.3.3 If the nominated Committee Chair is absent from a meeting, the members present must elect one of the members present to act as Chair.

6.3.4 A quorum shall be represented by a minimum of two (2) members present and entitled to vote, provided that:

- (a) at least the majority of the members of the Committee are represented; and
- (b) at least 1 (one) member shall be a Shareholder Director or his/her alternate (to the extent that the Principal Shareholder has appointed a Shareholder Director), unless such Shareholder Director has waived the requirement in relation to a particular meeting.

Individuals in attendance at Committee meetings by invitation may participate in discussions, but do not form part of the quorum for Committee meetings and may not vote.

7 **REPORTING TO THE BOARD**

7.1 The minutes of all Committee meetings shall be included in the agenda of the Board meeting following each Committee meeting.

7.2 The Committee Chair shall provide feedback directly to the Board at the Board meeting following each Committee meeting.

7.3 Annual feedback shall be submitted to the Board, detailing the activities during the year as well as an assessment of the Committee's efficiency.

8 **OTHER MATTERS**

8.1 The Committee shall:

- 8.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 8.1.2 be provided with appropriate timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 8.1.3 give due consideration to relevant laws and regulations, including the general duties of directors set out in the UK Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules, as well as the relevant provisions of the SA Companies Act, as appropriate;
- 8.1.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 8.1.5 make publicly available its terms of reference explaining clearly the role of the Committee and the authority delegated to it by the Board.