

CORPORATE POLICY
TERMS OF REFERENCE OF THE ESG
COMMITTEE OF MEDICLINIC
INTERNATIONAL PLC

Reference to the “**Committee**” shall mean the Environmental, Social and Governance (“**ESG**”) Committee.

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

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

Reference to the “**Group**” shall mean the Company, as the ultimate holding company of Mediclinic Southern Africa (“**MCSA**”), Hirslanden (“**Hirslanden**”) and Mediclinic Middle East (“**MCME**”) (collectively referred to as the “**Divisions**” and any one as “**Division**”, as the context may indicate), and any subsidiary companies (which means owned and controlled by the Company), (“**Mediclinic Group**” or the “**Group**”).

1 CONSTITUTION

The Committee is constituted as a committee of the Board.

2 PURPOSE OF COMMITTEE

2.1 The Committee shall ensure that the Group remains a good and responsible corporate citizen by monitoring the sustainable development strategy and related performance of the Group.

2.2 Certain South African subsidiaries of the Company are required to appoint a social and ethics committee under 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.

3 MEMBERSHIP AND ATTENDEES

3.1 Members of the Committee shall be appointed by the Board on the recommendation of the Nomination committee of the Company and in consultation with the Chair of the Committee (the “**Committee Chair**”) and shall comprise of not less than three directors, the majority of which shall be independent non-executive directors. The non-executive director responsible for workforce engagement should be a member of the Committee or shall be invited to attend all meetings as a guest. The Principal Shareholder (as defined in the Relationship Agreement entered into by the Company and Remgro Limited on 14 October 2015 (the “**Relationship Agreement**”)) is entitled to appoint a member to the Committee.

3.2 Only members of the Committee, a Shareholder Director or Shareholder Observer (as defined in the Relationship Agreement) and any person nominated by the Shareholder Director have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting, if appropriate.

3.3 Subject to the normal annual re-election of directors, appointments to the Committee shall be for a period of one year, which may be extended for further one-year periods, provided the relevant director continues to meet the criteria for Committee membership.

3.4 The Board shall appoint the Committee Chair, who shall be a non-executive director.

3.5 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.

4 AUTHORITY

4.1 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.

4.2 The Committee, in the fulfilment of its duties, may call upon the Chair of the Board or other Board committees, any of the executive directors, company officers or assurance providers to provide it with information.

- 4.3 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.
- 4.4 The Committee may form, and delegate authority to sub-committees and may delegate authority to one or more designated members of the Committee.
- 4.5 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 Chair of the Board.
- 4.6 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.
- 4.7 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.
- 4.8 Although the Committee can seek the advice and assistance of management on matters related to the Committee's areas of responsibility, it must ensure that its role in this respect remains clearly separated from management's role within the business.

5 ROLES AND RESPONSIBILITIES

- 5.1 The Committee's main responsibilities include the following:
- 5.2.1 oversee the Group's conduct with regard to its sustainable development obligations as a responsible corporate citizen;
- 5.2.2 bi-annually review the sustainable development strategy for the Group and approve the corresponding implementation plans, which together, support the delivery of the Group's overall strategy and build trust, respect and confidence in the Group and recommend to the Board for approval any material changes made to the sustainable development strategy;
- 5.2.3 review and approve the Group Sustainable Development Policy and the Group Environmental Policy and recommend to the Board for approval the Group Code of Business Conduct and Ethics, and consider whether any further policies or measures are required to support the execution of the sustainable development performance and reporting, reputation and governance, and where necessary, make recommendations to management and/or the Board;
- 5.2.4 monitor the sustainable development performance of the Group and review progress of the sustainable development strategy against agreed short and long-term performance measures, holding to account the persons tasked with implementing the strategy, 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 environmental, social and governance matters;
- 5.2.4.1 Sustainable development performance shall include:

Environmental

- (a) the Group's management of its **environmental impacts**;

Social

- (b) respecting human rights, which includes 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;
- (c) labour and employment, which includes:
- (i) **monitoring compliance with the Employment Equity Act, No 55 of 1998** of South Africa and any other applicable legislation within the operating geographies;

- (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;**
- (iii) the Group’s employee relations, which includes monitoring the results of any **engagement surveys** conducted amongst the Group’s employees;
- (iv) monitoring of the outcomes of the Group’s Diversity and Inclusion Policy, including progress in terms of specific targets and initiatives supporting the sustainable development strategy;
- (v) the **prevention of unfair discrimination and promotion of equality** across the Group;
- (vi) **the Group’s standing in terms of the International Labour Organisation Protocol on decent work and working conditions;**
- (vii) **health and safety** in the workplace, including compliance with relevant occupational health and safety laws and regulations;
- (viii) **training and skills development of employees;**

Governance

- (d) engagement with stakeholders, which includes:
 - (i) reviewing the Group’s key stakeholders bi-annually and recommending approval to the Board; and
 - (ii) monitoring the process and effectiveness of the Group’s engagement with its stakeholders (**public relations**);
- (e) monitoring the Group’s **governance of advertising**;
- (f) monitoring the Group’s **compliance with consumer protection laws**;
- (g) **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 organisation for Economic Co-operation and Development (‘OECD’) recommendations regarding corruption**;
- (h) 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 **expenditure and other commitments on sponsorships, donations and charitable giving**; and
- (i) **the Group’s standing in terms of the goals and purposes of the 10 principles set out in the United Nations Global Compact Principles.**
- (j) review reports on fraud, losses and ethics line incidents, and efforts to reduce bribery and corruption;
- (k) evaluate compliance with the following legislation:
 - (i) Regulation 43 of the SA Companies Act;
 - (ii) Occupational health and safety legislation;

- (iii) The UK Modern Slavery Act;
- (iv) The UK Bribery Act; and
- (v) The SA Prevention and Combating of Corruption Act;

- 5.2.5 in conjunction with senior management, annually determine or revise the Group's material sustainability issues;
- 5.2.6 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;
- 5.2.7 monitor external developments which are likely to have a significant influence on the Group's reputation and to review how best to protect the Group's reputation;
- 5.2.8 review external governance developments likely to impact the operation of the Board and its committees and make recommendations to the Board about any changes;
- 5.2.9 conduct an annual review of the Directors' Register of External Appointments and Conflicts of Interest and assess the Directors' independence at least annually; make the corresponding recommendations to the Board; and review and approve any public disclosures relating to Directors' conflicts of interest and independence to be made public;
- 5.2.10 Generally:
 - (a) draw matters within its mandate to the attention of the Board, as may be required; and
 - (b) address any other issues referred by the Group Executive Committee or the Group Chief Governance Officer of the Company.

6. MEETINGS

Frequency of meetings

- 6.1 The Committee shall meet at least two times per year and otherwise as required.
- 6.2 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 the Board.

Agenda and minutes

- 6.3 A detailed agenda, with supporting documentation, confirming the venue, time and date of the meeting and containing the points for discussion must be circulated in a timely manner to each member of the Committee and other invitees, prior to each Committee meeting.
- 6.4 The agendas and supporting documentation must be circulated with sufficient time to allow members to prepare for Committee meetings and provide appropriate and constructive input.
- 6.5 The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The Committee Secretary shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.6 Once approved by the Committee Chair, minutes of Committee meetings shall be circulated to all members of the Committee at its next scheduled meeting and to all other directors at the next scheduled Board meeting. The Committee may decide at its discretion not to circulate the minutes of a Committee meeting to the Board, owing to the sensitive nature of the subject matter and/or a conflict of interest that may exist.

Notice of meetings

- 6.7 Meetings of the Committee shall be called by the Committee Secretary at the request of any member of the Committee, other members of senior management or the Board.
- 6.8 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with

an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

Attendance and quorum

- 6.9 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.10 The following executive Board members and senior management, if not also a Committee member, shall be invited to attend all Committee meetings:
- (a) the Group Chief Executive Officer;
 - (b) the Group Chief Human Resources Officer;
 - (c) the Group Chief Governance Officer;
 - (d) the non-executive director responsible for workforce engagement (if not a Committee member); and
 - (e) such other members of management as deemed necessary.
- 6.11 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.
- 6.12 In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect a member to chair the meeting, who should be a non-executive director.
- 6.13 A quorum shall be represented by a minimum of two 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 one member shall be a Shareholder Director or his/her alternate (to the extent that the Principal Shareholder has appointed a Shareholder Director and the Shareholder Director is a member of the Committee), unless such Shareholder Director has waived the requirement in relation to a particular meeting.

7. SECRETARY

The Company Secretary or their nominee shall act as the secretary of the Committee (the "**Committee Secretary**"), attend all Committee meetings and ensure that all information and papers are circulated to Committee members (and invitees, as appropriate) in a timely manner.

8. REPORTING RESPONSIBILITIES

- 8.1 The minutes of all Committee meetings shall be included in the agenda of the Board meeting following each Committee meeting.
- 8.2 The Committee Chair shall provide feedback directly to the Board on the Committee's proceedings at the Board meeting following each Committee meeting.
- 8.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.4 The Committee shall further:
- 8.4.1 consider and approve an annual Sustainable Development Report published on the Company's website and consider and recommend for approval to the Board, the Sustainable Development

Overview (containing the sustainable development key metrics and other relevant information) included in the Company's annual report;

- 8.4.2 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 the report to shareholders on the Committee's activities included in the Company's annual report;
- 8.4.3 review and confirm with the Audit and Risk Committee the adequacy of the external assurance arrangements in place in respect of the Group's public reporting on sustainable development; and
- 8.4.4 consider and recommend to the Board the statement describing the manner in which directors have considered the matters set out in Section 172(1)(a) to (f) of the UK Companies Act 2006 when performing their duties under Section 172 (the "Section 172(1) statement"); and the Corporate Governance report.

9 ANNUAL GENERAL MEETING

- 9.1 The Committee Chair shall attend the Company's annual general meeting to respond to any shareholder questions on the Committee's activities.

10 OTHER MATTERS

- 10.1 The Committee shall:
 - 10.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
 - 10.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
 - 10.1.3 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 Financial Conduct Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules;
 - 10.1.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference (including the allocation of responsibilities in areas of overlap with the Audit and Risk Committee) to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
 - 10.1.5 make publicly available its terms of reference explaining clearly the role of the Committee and the authority delegated to it by the Board.