

CORPORATE POLICY

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF MEDICLINIC INTERNATIONAL PLC

References to the “**Committee**” shall mean the Remuneration Committee.

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

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

References 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**”).

References to the “**Group’s Executive Management**” shall mean the executive management committee of the Group (the “**Group Executive Committee**”) and the executive committees of the Divisions.

1 CONSTITUTION

The Committee is constituted as a committee of the Board.

2 PURPOSE OF COMMITTEE

2.1 The purpose of the Committee is to:

2.1.1 establish a formal and transparent procedure for developing the policy on executive remuneration and set or oversee (as appropriate) the remuneration packages for the Company’s Chair of the Board, individual executive directors and other members of the Group’s Executive Management; and

2.1.2 demonstrate to the shareholders of the Company that the remuneration of the Company’s executive directors and other members of the Group’s Executive Management is set by a committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee; are designed to support the Company’s strategy and promote its long-term sustainable success; reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and are aligned to Company’s purpose and values and linked to delivery of the Company’s long-term strategy.

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 no less than three non-executive directors, all of which shall be independent. The Chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair of the Board.

3.2 Only members of the Committee, a Shareholder Director or Shareholder Observer (as defined in the Relationship Agreement entered into between the Company and Remgro Limited on 14 October 2015), and any person nominated by the Shareholder Director have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, Group Executive: Reward, and external advisers may be invited to attend all or part of any Committee 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 a further (one year period provided the relevant director continues to meet the criteria for Committee membership.

3.4 The Board shall appoint the Committee Chair who shall be an independent non-executive director and ordinarily be required to have previously served on a remuneration committee for at least twelve months. Neither the Chair of the Board nor any former executive director of the Company shall be the Committee Chair.

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.

5 ROLES AND RESPONSIBILITIES

- 5.1 The Committee shall carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee shall:
- 5.1.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chair of the Board, executive directors and other members of the Group's Executive Management. The remuneration of non-executive directors shall be a matter for the Chair and the executive members of the Board, taking into consideration the Company's Articles of Association and advice from the remuneration consultants appointed by the Committee, as appropriate;
- 5.1.2 in order to avoid conflicts of interest: (i) no person shall be involved in any decisions as to their own remuneration; and (ii) to the extent that any member of the Group's Executive Management or non-independent non-executive director is invited to join meetings of the Committee, he/she shall absent himself/herself and take no part in the discussions concerning any matters within the remit of the Committee that concern his/her own remuneration or other benefits;
- 5.1.3 in determining such remuneration policy, the Committee shall:
- (1) take into account all factors which it deems necessary including relevant legal and regulatory requirements (including section 172(1)(a) to (f) of the UK Companies Act 2006), the provisions and recommendations of the UK Corporate Governance Code and associated guidance;
 - (2) ensure that the objective of such remuneration policy shall be to attract, retain and motivate executive management of quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and stakeholders;
 - (3) ensure that the policy supports establishing and maintaining a diverse and inclusive workforce in accordance with the Company's Diversity and Inclusion Framework;
 - (4) ensure that the remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success;
 - (5) ensure that executive directors and other members of the Group's Executive Management are rewarded fairly and responsibly by aligning their remuneration to the Company's purpose, values and culture and linking it clearly to the successful delivery of

the Company's long-term strategy and purpose and their individual contribution to the success of the Company;

- (6) consider appropriate minimum shareholding requirements, including the promotion of long-term shareholdings by executive directors that support alignment with long-term shareholder interests;
- (7) take into consideration the Company's risk appetite and risk management strategy ensuring that the remuneration policy is aligned to the Company's risk policies and systems and long-term strategic goals;
- (8) review and have regard to remuneration and related policies for the workforce across the Group; remuneration practice and its cost to the Company; recruitment, services contracts, severance policies, pension and other benefits;
- (9) address the following factors set out in Provision 40 of the UK Corporate Governance Code: clarity; simplicity; risk; predictability; proportionality; and alignment to culture.

5.1.4 review at least annually the ongoing appropriateness and relevance of the remuneration policy and consult with significant shareholders, as appropriate, on the policy or any other aspects of remuneration;

5.1.5 within the terms of the agreed policy and in consultation with the Chair of the Board and/or Chief Executive Officer and/or the Chief Human Resources Officer, as appropriate, determine:

- (1) the total remuneration package of the Chair of the Board;
- (2) total individual remuneration package of each executive director and Group Executive Committee members (including as relevant, base salary, short-term and long-term incentives, pension arrangements and other benefits); and
- (3) the short-term and long-term incentives for all other members of the Group's Executive Management.

5.1.6 In determining the remuneration for the executive directors and other members of the Group's Executive Management, the Committee shall ensure that this is linked to Company performance and takes into account the overall shareholder experience and wider circumstances. Furthermore, the Committee shall ensure that there is consideration of equal pay across all gender and ethnic backgrounds and liaise with the Nomination Committee and/or the Environmental, Social and Governance Committee as appropriate where their involvement is required to help address any pay gap identified;

5.1.7 ensure, where relevant, that any payments made in respect of any remuneration package are permitted under the latest remuneration policy approved by shareholders and, if not, that either a revised remuneration policy or the proposed payment is submitted for shareholder approval;

5.1.8 review and recommend for approval by the Board (and where required, the shareholders) the design of, and any changes to, all share incentive plans, including all schemes involving the award of shares or the grant of options in which the executive directors and other members of the Group's Executive Management participate. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and other members of the Group's Executive Management;

5.1.9 approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;

5.1.10 determine, monitor and assess performance conditions to be applied under any performance related pay schemes operated by the Company. Ensure that the performance conditions are fully explained, aligned to the Company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy and enhancement of shareholder value. Consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders;

- 5.1.11 ensure that remuneration schemes and the remuneration policy include provisions that enable the Committee to: (i) use discretion to override formulaic outcomes, upward or downwards, taking into account Company and individual performance, and wider circumstances; and (ii) design and invoke agreed safeguards, for example, clawback or withholding the payment of any sum or share award, to protect against rewards for failure through appropriate risk management of any incentive arrangements to ensure that any performance-related payments reflect actual achievements;.
 - 5.1.12 determine a formal policy for post-employment shareholding requirements on both unvested and vested shares and review its ongoing appropriateness and relevance;
 - 5.1.13 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives and ensure their contribution rates are aligned with those of the workforce;
 - 5.1.14 ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that poor performance is not rewarded and that the duty to mitigate loss is fully recognised;
 - 5.1.15 oversee and advise on any major changes in employee benefit structures throughout the Company or Group;
 - 5.1.16 agree the policy for authorising claims for expenses from the directors of the Company; and
 - 5.1.17 obtain to the extent practicable, reliable, up-to-date information about remuneration in other companies comparable to the Company. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
 - 5.1.18 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and annually assess their performance, independence and re-appointment;
 - 5.1.19 consider any matter specifically referred to the Committee by the Board.
- 5.2 The Committee shall not be authorised to appoint or terminate the employment of directors or senior executives and shall not be responsible for making nominations to the Board.

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 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.
- 6.11 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 qualify under these terms of reference to be appointed to that position by the Board.
- 6.12 A quorum shall be represented by a minimum of two members present and entitled to vote, provided that at least the majority of the members of the Committee are represented.

7 SECRETARY

- 7.1 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 meeting 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:
 - 8.4.1 report to the Board on workforce reward, incentives and conditions to support the Board’s monitoring of the alignment of the company policies and practices with culture and strategy;
 - 8.4.2 produce an annual report of the Company’s remuneration policy and practices, in line with the requirements of the UK Corporate Governance Code and other regulations, which will form part of the Company’s annual report and ensure each year that it is put to shareholders for approval at the Company’s AGM. Should remuneration consultants be appointed, they should be identified in the annual report alongside a statement about any other connection they have with the company or individual directors;

- 8.4.3 the Committee Chair's annual statement in the annual remuneration report shall confirm whether discretion has been exercised by the Committee or not, and whether the experience of material stakeholders was considered when operating discretion;
- 8.4.4 produce a remuneration policy which shall be included in the Company's annual report and ensure it is put to shareholders for approval at the AGM every three years or whenever there is a change to the policy;
- 8.4.5 subject to delegation of authority by the Board, engage in appropriate discussions as necessary with shareholders if 20% or more of votes have been cast by shareholders against a resolution to approve the annual remuneration report or directors' remuneration policy or any long-term incentive scheme at any annual general meeting or general meeting, and agree with the Board any appropriate disclosure, including in the annual report. and
- 8.4.6 ensure, through the Chair of the Board, that the Company maintains contact, and the Committee Chair seeks engagement, as required, with the Company's major shareholders on significant matters related to the Committee's areas of responsibility.

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 receive information on workforce pay and employment conditions at least annually, in order to discharge its duties;
 - 10.1.3 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;
 - 10.1.4 give due consideration to laws and regulations, including the general duties of directors set out in the 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;
 - 10.1.5 arrange for periodic reviews of its own performance and its composition, ensuring there is diversity of skills, background and personal strengths. Additionally, 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
 - 10.1.6 make publicly available its terms of reference explaining clearly the role of the Committee and the authority delegated to it by the Board.