

# **MEDICLINIC INTERNATIONAL PLC (the “Company”)**

## **DIVISION OF RESPONSIBILITIES**

### **Board, Chair, Senior Independent Director, Group Chief Executive Officer, Directors and Company Secretary**

(Extracted from the Company’s Board Charter,  
approved by the Board on 24 May 2022)

## The Board

The powers of the Board are determined by law, the Articles, corporate governance good practice and the decisions and policies of the Board. The Board embraces the corporate governance practices set out in the Code and associated guidance published by the FRC.

The Board is ultimately responsible and accountable for the affairs and performance of the Company. The Board's function is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. To do so, the Board shall provide strategic and ethical leadership to the Company by:

- a) assessing and approving the Company's purpose, values and strategy, together with the objectives to deliver it, and satisfying itself that they are all aligned with the Company's culture;
- b) assessing the basis on which the company generates and preserves value over the long-term (the business model);
- c) assessing and monitoring culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the Company's purpose, values and strategy, it shall seek assurance that management has taken appropriate corrective action;
- d) ensuring that the necessary resources are in place for the Company to meet its objectives and measure performance against them;
- e) empowering management to implement the Company's strategy, objectives and associated plans obtaining timely, accurate and relevant feedback from management on progress in this regard;
- f) establishing Board-level committees for the purpose of assisting it in carrying out its duties and determining their terms of reference. These shall include the following Committees: Nomination; Audit and Risk; Remuneration; Clinical Performance; Environmental, Social and Governance ("**ESG**"); and Investment;
- g) establishing a framework of matters reserved for the Board and authorities delegated to Board Committees or management, based on materiality and sensitivity and set out in the **Authority Levels and Matters Reserved Policy**;
- h) establishing procedures to: (i) determine the nature and extent of the principal risks that the Company is willing to take in order to achieve its long-term strategic objectives, (ii) enable risk to be assessed and managed, and (iii) oversee the internal control framework;
- i) conducting a robust assessment of the Company's emerging and principal risks and reviewing the effectiveness of the Company's risk management and internal control systems;
- j) assessing the appropriateness of adopting the going concern basis of accounting in preparing the annual and half-yearly financial statements and assessing the longer-term viability of the Company;
- k) ensuring that arrangements are in place to allow concerns to be raised by the workforce and other stakeholders in confidence and – if they wish – anonymously, and to ensure the proportionate and independent investigation of such matters and follow up action. The Board shall also routinely review these arrangements and reports arising from their operation;

- l) establishing policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfying itself on the integrity of financial and narrative statements;
- m) presenting a fair, balanced and understandable assessment of the Company's position and prospects;
- n) ensuring that there is effective engagement with shareholders, the workforce and other key stakeholders (including regular reports from the designated non-executive director on workforce engagement) and encouraging participation from these parties. The Board shall keep the mechanisms for engagement with all key stakeholders under review so that they remain effective;
- o) ensuring that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success;
- p) ensuring the appropriate composition of the Board and its Committees (as described above), and that succession plans are maintained for board and senior management. The Board shall also approve all appointments and renewal of appointments to the Board;
- q) taking action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement;
- r) ensuring that the corporate governance practices adopted by the Company are embedded throughout the business and that the Company complies with all applicable laws and considers adherence to relevant non-binding rules, codes and standards; and
- s) reporting as required under legislation, regulation, the Code and other appropriate good practice.

### Chair

The role of the Chair is to bring firm and objective leadership to the Board without limiting the principle of collective responsibility for Board decisions and be responsible for the Board's overall effectiveness in directing the Company. The Chair's principal duties and responsibilities are set out below.

#### *The Board, Board Meetings and Annual General Meeting*

- Chairing the Board and the Nomination Committee.
- In conjunction with the CEO and the Company Secretary, setting a Board agenda primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, and taking into account the issues and concerns of all Board members.
- Ensuring that the directors receive accurate, timely and clear information, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company.
- Ensuring the directors are fully informed on all issues which the Board will have to make a decision, through briefings from the CEO and other members of the executive management team as appropriate.
- Ensuring there is adequate time available for discussion of all agenda items, in particular strategic issues and reports from the chairs of each Committee, and that debate is not truncated;

- Shaping the culture in the boardroom and ensuring the style and tone of Board discussions promote constructive and effective challenge, debate and decision making.
- Ensuring the Board Committees are properly structured and have appropriate terms of reference and setting other Board level policies and procedures.
- Ensuring there is appropriate delegation of authority from the Board to the executive management team and that appropriate matters are reserved for Board decision.
- Through the Nomination Committee:
  - ensuring that Committee membership is periodically refreshed and that individual non-executive members are not over-burdened when deciding the chairs and membership of committees;
  - where appropriate, proposing the appointment of new members to the Board or seeking the resignation of others, to build a well-balanced Board taking account of existing directors' experience, knowledge and skills and the Company's current and future needs;
  - other than in relation to the appointment of their successor, actively participating in the selection of new Board members; and
  - overseeing a formal succession plan for the Board, Chief Executive Officer and other members of the senior executive management team, as appropriate.
- In conjunction with the Company Secretary, setting the agenda for the Annual General Meeting, arranging for all directors to attend the meeting and for the chairs of Board Committees to be available to answer questions.

#### *Board members*

- Encouraging all Board members to engage in Board and Committee meetings by drawing on their skills, experience, knowledge and where relevant, their independence, and facilitating their effective contribution.
- Fostering relationships based on trust, mutual respect and open communication – both in and outside the boardroom – between non-executive directors and the executive team.
- Developing a productive working relationship with the CEO, mentoring and offering guidance as required while respecting executive responsibility.
- Holding meetings with the non-executive directors without the executive directors present.
- Consulting the SID on Board matters, as appropriate.

#### *Induction, development and performance evaluation*

- Arranging for new directors to participate in a full, formal and tailored induction and orientation process.
- Providing guidance and mentoring new directors as appropriate.
- Ensuring an evaluation of the performance of the Board, the Chair, its Committees and individual directors takes place at least once a year and acting on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board. Ensuring an externally facilitated board evaluation takes place at least every three years.
- Ensuring that all directors are aware of and able to discharge their statutory duties.

- Ensuring that the development needs of directors (including the Chair's) and the Board as a whole are identified and addressed, and that directors continually update their skills, knowledge and familiarity with the Company to fulfil their role on the Board and its Committees.

*Relations with shareholders and other stakeholders*

- Seeking regular engagement with the Company's major shareholders, ensuring effective engagement with all shareholders and ensuring that the Board as a whole has a clear understanding of the views of shareholders.
- Ensuring that the Board listens to the views of other key stakeholders (patients, the workforce, regulators, healthcare funders, suppliers and the community).
- Protecting and maintaining the reputation of the Group.

*General*

- Acting with integrity and probity and setting the "tone at the top" for the Group in matters of ethics and compliance and the Company's purpose, culture and values.
- Ensuring that the Board fulfils its responsibilities.
- With the assistance of the Company Secretary and the CEO, promoting the standards of good corporate governance embodied in the Code, by applying its Principles and seeking compliance with its provisions. If non-compliance with any of the Code's provisions is not appropriate, ensuring that the reasons for non-compliance are fully understood, agreed by the Board and explained to shareholders.
- Together with the Executive Directors, determine the fees for the Non-Executive Directors.
- Considering applications for clearance to deal in the Company's securities from the director's (except his/her own).

Senior Independent Director ("SID")

The principle duties and responsibilities of the SID are as follows:

- Acting as a sounding board for the Chair and providing support to the Chair in delivering on his or her objectives.
- Leading a meeting of the non-executive directors excluding the Chair at least annually to appraise the performance of the Chair, and on other occasions as necessary.
- Leading the annual evaluation of the independence of the independent non-executive directors.
- Being available to shareholders if they have concerns which they have failed to resolve via the Chair or the CEO (any other executive directors for the time being holding office), or in respect of which such other channels would be inappropriate.
- Attending sufficient meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders.
- Chairing Board or other meetings (or part thereof) initiated by the Chair and/or the SID and/or any other director in instances where the Chair may have a conflict of interest.
- Chairing meetings of the Nomination Committee or the Board (or part thereof) which deal with the succession to the role of the Chair or the performance evaluation of the Chair.

- Working with the Chair and other directors and/or shareholders to resolve contentious issues, including:
  - a dispute between the Chair and the CEO or conversely, the relationship between the two parties is particularly close;
  - shareholders or non-executive directors have expressed concerns that are not being addressed by the Chair or CEO;
  - the strategy is not supported by the entire Board;
  - decisions are being made without the approval of the full Board; or
  - succession planning is being ignored.

#### Chief Executive Officer (“CEO”)

The role of the CEO is to lead the executive team in managing the day to day operation of the Group. The CEO is accountable and reports to the Board and is assisted in his/her role by the Group Executive Committee and other members of the Group’s executive team, all of whom report, directly or indirectly, to the CEO. The CEO has the power to delegate any aspect of his/her role to the executive management team, as he/she sees fit. The principal duties and responsibilities of the CEO are set out below.

#### *Business strategy and leadership*

- Developing and recommending to the Board for approval the purpose, vision, long-term strategy and objectives for the Group, which will generate satisfactory levels of long-term sustainable shareholder value and contribute to wider society.
- Developing and recommending to the Board for approval an annual budget and five year strategic and financial business plan that supports the Group’s long-term strategy.
- Executing the Group’s strategy and striving to achieve the Group’s strategic objectives and financial and operational targets.
- Implementing effectively any other relevant decisions taken by the Board or its Committees.
- Ensuring that the day-to-day business affairs, operational performance and strategic direction of the Group are effectively monitored and managed.
- Optimising as far as is reasonably possible the use and adequacy of the Group’s resources, ensuring continuous improvement in business processes and product offerings, and identifying and executing new business opportunities, so that the Company retains its competitiveness in the market.
- Providing coherent leadership of the Group, acting with integrity and probity and setting the “tone at the top” for the Group in matters of ethics and compliance and the Group ‘s purpose, culture and values.
- Regularly reviewing the Group’s organisational structure and recommending changes as appropriate.
- Ensuring that the Group has an effective management team and participating actively in the development of a diverse talent pipeline and succession planning for the senior executive management team.
- Maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top quality employees throughout the Group.

- Supporting the Chair to ensure that appropriate standards of governance are applied.
- Ensuring, in consultation with the Chair and the Company Secretary / Company Secretariat as appropriate, that the Group Executive Committee complies with Board approved procedures, including the matters reserved for decision by the Board or its Committees.
- Setting Group policies and procedures that conform to the highest appropriate standards and drive appropriate behaviours and monitoring that they are implemented and followed.

*Board and Committee meetings*

- Maintaining a dialogue with the Chair on important and strategic issues facing the Group and alerting the Chair to forthcoming complex, contentious or sensitive issues affecting the Group.
- Providing input into the Board's agenda and proposing agenda items which reflect the above issues.
- Keeping the Board regularly informed of key business issues and the activities of the Group Executive Committee.
- Ensuring that the Board is aware of the views of the Group Executive Committee members on business issues and prior to a final decision on an issue, explain in a balanced manner any divergence of view.
- Ensuring that the Board is made aware of views on issues of relevance to the business gathered via engagement between management and the workforce and other key stakeholders.
- Encouraging non-executive colleagues to test proposals in the light of their wider experience outside the Group.
- Attending meetings of the Audit and Risk, Nomination and Remuneration Committees as a guest, at the invitation of the corresponding Committee chairs.
- Except in respect of him/herself:
  - approving recommendations made by the executive team to the Remuneration Committee in respect of the remuneration policy, individual remuneration packages and terms of employment for the executive team; and
  - make recommendations to the Nomination Committee on the role and capabilities required in respect of the appointment of executive directors.
- Together with the Chair and other Executive Directors, set the fees for the Non-Executive Directors.
- Ensuring that management fulfils its obligation to provide the Board with:
  - accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable the directors to discharge their duties;
  - the necessary management time and resources for directors to develop and update their knowledge and capabilities, as part of their initial induction and on an ongoing basis; and
  - appropriate knowledge of the Group, including access to company operations and members of the workforce.

### *Risk management and controls*

- Managing the Group's risk profile in line with the risk appetite identified as acceptable by the Board.
- Ensuring that effective internal controls (including financial, operational and compliance and clinical controls) and risk management processes are in place across the Group and that all relevant laws and regulations are complied with.
- Ensuring that the Group has a suitable policy and procedures for the timely and accurate disclosure of information in accordance with regulatory requirements.

### *Relations with shareholders and stakeholders*

- Serving as the chief spokesperson for the Company, leading the communication programme with the Company's shareholders, potential investors and other key stakeholders (i.e. patients, the workforce, regulators, healthcare funders, suppliers and the community), and ensuring their views are communicated to the Board.
- Protecting and maintaining the reputation of the Group.

### Directors

Each director has been carefully selected as a result of his/her skills, knowledge of and experience in other businesses and business sectors and the valuable contribution he/ she is expected to bring to the Board and the long-term sustainable success of the Group.

The annual evaluation of the Board should demonstrate whether each director continues to contribute effectively to the Board. All directors should engage with the Board evaluation process and take appropriate action when development needs have been identified.

All directors are subject to annual re-election at the Company's Annual General Meeting and the corresponding notice of meeting and/or the annual report should include specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success.

All directors must act with integrity and probity and support the Chair and the CEO in setting the "tone at the top" for the Group in matters of ethics and compliance and the Company's purpose, culture and values.

Additional external appointments must not be undertaken without the prior approval of the Board, and reasons for permitting significant appointments will need to be explained in the annual report. Full time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.

### *Non-executive directors*

On appointment, non-executive directors should devote time to a comprehensive, formal and tailored induction and orientation process, extending beyond the boardroom. They should use meetings with fellow Board members, senior management and non-management members of the workforce and site visits to acquire an understanding of the main areas of the business, especially areas involving significant risk; better understand the culture of the Group and the way things are done in practice; and gain insights into the experience and concerns of the workforce.



Non-executive directors are expected to have sufficient time to discharge their board responsibilities effectively and to devote time to developing and refreshing their knowledge and skills to ensure they continue to make a positive contribution to the Board.

The main responsibilities of the non-executive directors are to:

- support the development of the Group's purpose, vision, strategy and objectives and monitor progress against key milestones;
- monitor the reporting of the company's operating and financial performance;
- provide constructive challenge, drawing on their skills, experience and judgement;
- insist on receiving high-quality information sufficiently in advance so there can be thorough consideration of the issues prior to, and informed debate and challenge at, Board and Committee meetings. They should seek clarification or amplification from management where they consider the information provided is inadequate or lacks clarity;
- take opportunities to meet shareholders, key customers and members of the workforce from all levels of the organisation;
- scrutinise the performance of management and individual directors against agreed performance objectives;
- through the Remuneration Committee, determine the remuneration policy and the remuneration of executive directors and other relevant members of the executive management team; and
- through the Nomination Committee, provide input on the appointment and removal of executive directors and review succession planning.

Where non-executive directors have concerns about the operation of the Board or the management of the Group that cannot be resolved, their concerns should be recorded in the Board or Committee minutes. On resignation, a non-executive director should provide a written statement to the Chair (or in the case of the Chair, to the SID), for circulation to the Board, if they have any such concerns.

#### *Executive Directors*

The executive directors contribute their detailed insight of the day-to-day operations of the Mediclinic business, enabling the Board to determine the feasibility and practicality of the proposed strategies, goals and direction.

The main responsibilities of the executive directors are to:

- provide the Board with:
  - accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable the directors to discharge their duties;
  - the necessary management time and resources for directors to develop and update their knowledge and capabilities, as part of their initial induction and on an ongoing basis; and
  - appropriate knowledge of the Group, including access to company operations and members of the workforce; and

- encourage their non-executive colleagues to test proposals in the light of their wider experience outside the company; and
- make and implement operational decisions, in compliance with Board approved procedures, including the matters reserved for decision by the Board or its Committees.

### Company Secretary

The Board shall appoint a Company Secretary who is resident in the UK and possesses the requisite attributes and qualifications to properly discharge his/her duties. The Company Secretary is responsible for ensuring that Board procedures are complied with, advising the Board on all governance matters, supporting the Chair and helping the Board and its Committees to function efficiently.

The Company Secretary will report to the Chair on all board governance matters and to the Group Chief Governance Officer on all other matters. The Company Secretary has responsibilities to the Board, the Company and the shareholders. Responsibilities to the Board include:

- guiding the Board collectively and each director individually as to their duties, responsibilities and powers under the Company's Articles and the Companies Act and making them aware of other UK legislation, regulations or corporate governance good practice relevant to or affecting the Company;
- reporting to the Board any failure on the part of the Company or a director to comply with the Company's Articles, the Companies Act or other relevant UK legislation, regulations or corporate governance good practice;
- in conjunction with the CEO and/or other relevant members of the Group's senior management, assisting the Chairs of the Board and Board Committee with setting the agendas for the meetings;
- under the direction of the Chair, ensuring good information flows within the Board and its Committees and between the Group Executive Committee members and the non-executive directors;
- ensuring that the minutes of all shareholder, Board and Board Committee meetings are properly recorded in accordance with the Companies Act;
- assisting the Chair in establishing the policies and processes that the Board needs in order to function properly and periodically reviewing with the Chair and the Chief Group Governance Officer whether the Board and the Company's governance processes are fit for purpose and the requirement for any improvements or initiatives to strengthen the existing arrangements;
- ensuring that the procedure for the appointment of directors is properly carried out and facilitating, in cooperation with the Chair and management, the induction of new directors, arranging training for directors (and other senior management members where appropriate) and assisting with their professional development, as required;
- arranging for the Company to provide the necessary resources for developing and updating its directors knowledge and capabilities, in a manner appropriate to each particular director;
- ensuring that a procedure exists to facilitate any director obtaining independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as directors of the Company;

- raising any other matters that may warrant the attention of the Board; and
- assisting the Chair or other relevant director in monitoring the trading of the Company's securities by directors and certain other persons, in accordance with the Company's Code of Practice for Dealing in Mediclinic Securities;

Responsibilities to the Company are:

- advising on and facilitating compliance with the Companies Act 2006 and other statutory corporate reporting requirements, the continuing obligations of the FCA's Listing Rules and the Disclosure Guidance and Transparency Rules and corporate governance good practice, having due regard to the specific business needs of the Company;
- ensuring that Board decisions and instructions are clearly communicated to the relevant persons;
- being available as a central source of guidance and advice within the Company on matters of ethics and good governance; and
- ensuring that the levels of delegation set out in the Authority Levels and Reserved Matters are adhered to at all times.

Responsibilities to the shareholders are to:

- communicate with the shareholders when appropriate and to ensure that due regard is given to their interests;
- act as a primary point of contact for shareholders with regard to issues of corporate governance; and
- liaise with the Company's Registrar on matters relating to the share register.