

# **CORPORATE POLICY**

## **TERMS OF REFERENCE OF THE CLINICAL PERFORMANCE COMMITTEE OF MEDICLINIC INTERNATIONAL PLC**

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

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

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), internationally (“**Mediclinic Group**” or the “**Group**”).

## 1 CONSTITUTION

The Committee is constituted as a committee of the Board of Mediclinic International plc (the “**Company**”).

## 2 PURPOSE OF COMMITTEE

- 2.1 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 meetings;
- 2.2 The purpose of the Committee is to assist in promoting a culture of excellence in patient safety, quality of care and patient experience, by, *inter alia*, monitoring the clinical performance of the Group.
- 2.3 The Committee shall have oversight of the Divisional Clinical Performance Committees’ work through the reports presented by the Divisions at Committee meetings and the Group’s Clinical Services report.

## 3 MEMBERSHIP AND ATTENDEES

- 3.1 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 directors, the majority of which shall be independent non-executive directors. 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 and the Shareholder Observer (as defined in the Relationship Agreement) have the right to attend Committee meetings. However, any external adviser appointed by the Committee and other individuals may be invited to attend all or part of any meeting, if appropriate.
- 3.3 Subject to the annual periodic 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, provided that prior notification was given to the Chair of the Board.
- 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, provided that prior notification was given to the Chair of the Board.

- 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. To this end, the Committee Chair or other member of the Committee must be present at all annual general meetings of the Company.
- 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 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.
- 5.2 The Committee's main responsibilities include the following:
- 5.2.1 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;
- 5.2.2 evaluate compliance with the Company's standards, policies and procedures in respect of patient safety and quality clinical care;
- 5.2.3 evaluate the alignment of the Company's clinical and research practices with its ethical standards;
- 5.2.4 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;
- 5.2.5 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;
- 5.2.6 evaluate the infection prevention and control performance of the Group against indicators, outbreak reports, antimicrobial resistance reports and antimicrobial stewardship programmes;
- 5.2.7 evaluate the quality improvement performance of the Group against clinical and patient experience indicators, and quality improvement programmes;
- 5.2.8 evaluate the updated clinical risk registers, controlled self-assessments and audits and evaluate the effectiveness of the clinical risk management, audit processes and policies against clinical indicators;
- 5.2.9 in accordance with the separation of responsibilities between the Committee and the Audit and Risk Committee of the Company, as approved by the Board the Committee will review the detailed reporting on the clinical risk register and operational clinical risk management processes, as well as the detailed findings and recommended corrective actions arising from clinical internal audits;
- 5.2.10 review reports on fraud, losses and ethics line incidents related to clinical matters;
- 5.2.11 evaluate the cost efficiency performance of the Group against clinical, cost and utilisation indicators, and reimbursement models;
- 5.2.12 evaluate the value-based performance of the Group against clinical, cost and utilisation indicators, and reimbursement models;
- 5.2.13 evaluate compliance with accreditation standards at the different divisions;

- 5.2.14 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

**Generally:**

- 5.2.15 draw matters within its mandate to the attention of the Board, as may be required;
- 5.2.16 address any other issues referred by the Group Executive Committee, the Group Chief Clinical Officer of the Company.

## **6 MEETINGS**

### Frequency of meetings

- 6.1 The Committee shall meet at least four times per year with an additional annual strategy session and thereafter as frequently as the Committee Chair shall require, to deal with routine matters.
- 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 at the instance of the Board.

### Agenda and minutes

- 6.3 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 year period. The number, timing and length of meetings and the agendas, are to be determined in accordance with the annual work plan.
- 6.4 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.
- 6.5 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.
- 6.6 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.

### Notice of meetings

Meetings of the Committee shall be called by the Committee Secretary at the request of the Committee Chair.

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

- 6.8 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 of the Company;
  - (b) the Group Chief Clinical Officer of the Company;
  - (c) the Group General Manager: Risk Services;
  - (d) the Group General Manager: Clinical Services;
  - (e) Group General Manager: Clinical Quality Control
  - (f) the Chief Clinical Officers of the respective divisions of the Company; and

(g) such other members of management as deemed necessary.

6.9 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.

6.10 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**

7.1 The Company Secretary or their nominee shall act as the secretary of the Committee (the “**Committee Secretary**”) and shall attend all Committee 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.

## **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 at the Board meeting following each Committee meeting.

The Committee shall further:

8.3 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 and Committee report included in the Company’s annual report;

8.3 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

8.5 report annually to shareholders on its activities and the outcome of the evaluation of its own performance.

## **9 OTHER MATTERS**

9.1 The Committee shall:

9.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;

9.1.2 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;

9.1.3 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 FCA’s Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules;

9.1.4 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

- 9.1.5 make publicly available its terms of reference explaining clearly the role of the Committee and the authority delegated to it by the Board.