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MEDICLINIC INTERNATIONAL PLC

POTENTIAL TAX CONSEQUENCES OF THE MEDICLINIC – AL NOOR COMBINATION TRANSACTION FOR PRE-COMBINATION MEDICLINIC INTERNATIONAL LTD SHAREHOLDERS

The summary below is only applicable to Scheme Participants that are subject to South African tax legislation whose receipts and accruals are not otherwise exempt from income tax. It is a general guide and is not intended to constitute a complete analysis of the tax consequences of the Scheme in terms of South African tax law. This summary neither purports to constitute tax advice in any form whatsoever, nor does it intend to deal with the tax position of any specific Scheme Participant. This summary is therefore intended solely to draw the Scheme Participants attention to certain key aspects of the tax legislation that may be relevant to them pursuant to the Scheme. Mediclinic, Al Noor and their advisers cannot be held responsible for the tax consequences of the Scheme.

Scheme Participants should seek advice from their professional advisors if they are in any doubt about their tax position. They should also confirm how the general comments below apply to their specific personal circumstances and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them, taking into account that Al Noor is not a South African tax resident entity.

INFORMATION ON THE POSSIBLE SOUTH AFRICAN TAX CONSEQUENCES OF THE SCHEME FOR SCHEME PARTICIPANTS

As set out in the Scheme Circular, Scheme Participants were entitled to elect either the Repurchase Option or Exchange Option. The potential tax implications of both alternatives will vary depending on the specific circumstances of each Scheme Participant.

Repurchase option

- The Repurchase by Mediclinic of the Scheme Shares will constitute a local dividend distributed by Mediclinic to the relevant Scheme Participants. This distribution will be equal to the Repurchase Consideration (as defined in the Scheme Circular), which amounted to **R127.56** per Scheme Share.
- Should the relevant Scheme Participant be a South African tax resident company, the dividend will generally be exempt from both South African income tax and dividends withholding tax in their hands.
- Should the relevant Scheme Participant be a South African tax resident individual or trust, the dividend will typically be exempt from income tax, but will be subject to dividends withholding tax (with the standard rate being 15%). The dividend withholding tax, at the standard rate, per Scheme Share amounted to **R19.13.**
- Similarly, where the Scheme Participant is a person not tax resident in South Africa, the dividend will be subject to South African dividends withholding tax (possibly at a reduced withholding tax rate in accordance with an applicable double tax treaty).
- The dividends withholding tax implications for any entity/ person other than those mentioned above, e.g. for retirement funds and collective investment schemes, will be similar to that of any previous dividend received from Mediclinic.

- Neither the Repurchase of the Scheme Shares, nor the cession of the Repurchase Consideration as consideration for the subscription in the Al Noor Shares should result in any capital gains tax in the hands of the relevant Scheme Participants.

- Upon subscribing in the Al Noor Shares, the South African tax resident Scheme Participants who hold the shares on capital account will obtain a base cost in their investment in the Al Noor Shares equal to the Repurchase Consideration transferred to Al Noor. The base cost of every Al Noor share will therefore amount to **R204.10** (having taken into account the 1:0.625 share ratio as set out in the Scheme Circular).

- The Scheme Participants who are not tax residents of South Africa will typically not be subject to South African capital gains tax with regards to the Al Noor Shares acquired.

Exchange option

- For South African tax residents electing this option (where their personal circumstances are such that the Scheme Shares were held on capital account), the exchange of the Scheme Shares for Al Noor shares will constitute a disposal for capital gains tax purposes.

    - The proceeds of the disposal will equal the market value of the Al Noor Shares obtained as part of the exchange. This amounted to **GBP 5.56**. As the proceeds are denominated in Pounds, persons with Rand functional currencies must convert the proceeds to ZAR using either the spot rate on the Operative Date (15 February 2016), or the average exchange rate for the relevant year of assessment, based on the specific rules in the Income Tax Act No. 58 of 1962 as it apply to different legal persons such as natural persons, trust, companies, etc.

    - The base cost will typically equal the historic cost incurred by the relevant Scheme Participant to acquire the Scheme Shares. Where the shares were acquired before the introduction of capital gains tax other rules as per the Income Tax Act No. 58 of 1962 may apply.

- South African tax resident Scheme Participants who will hold the Al Noor Shares on capital account will obtain a base cost in their investment in the Al Noor Shares equal to the market value of the Scheme Shares disposed of as part of the exchange. Accordingly, each Al Noor Share acquired will have base cost of **R204.10** (having taken into account the 1:0.625 ratio as set out in the Scheme Circular)**.**

- Scheme Participants not tax resident in South Africa (holding the Scheme Shares on capital account) will not be subject to South African capital gains tax upon exchanging their Scheme Shares for Al Noor Shares.