APPENDIX 4—DIRECTORS' REMUNERATION POLICY

Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the remuneration policy for the Company and has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The Policy has been developed taking into account the principles of the UK Corporate Governance Code (Code) and takes account of the views of our major shareholders and proxy agencies, as expressed during previous engagement on remuneration matters.

The Company's remuneration policy was first put to a shareholder vote at the 2014 AGM and was approved by 98.24% of shareholders, and has remained in the approved form since. In light of the new structure of the Company going forward, the Committee has undertaken a review of the existing policy and an updated policy has been outlined below to ensure it remains appropriate and fit for purpose for the Company going forward but may be subject to a further review if the Combination of the Company with Mediclinic International Limited becomes effective.

The Policy Report will be put to a binding shareholder vote at the General Meeting of the Company on 15 December 2015 and the new Policy will take formal effect from Completion (as defined in the Company's circular to shareholders dated 19 November 2015 (replacing the previous policy approved by shareholders at the 2014 AGM)). It is intended that the Policy will be in force for a period of three years from the date of approval. If the Combination does not go ahead, this policy will not take effect.

Policy overview

The Committee is responsible, on behalf of the Board, for establishing appropriate remuneration arrangements for the Executive Directors and other senior management in the Group.

In setting the remuneration policy for the Executive Directors, the Committee will ensure that the arrangements are in the best interest of both the Group and its shareholders, by taking into account the following general principles:

- To lead our chosen markets in medical quality by attracting, retaining and motivating the best person for each position, without paying more than is necessary.
- To ensure total remuneration packages are simple and fair in design so that they are valued by participants.
- To ensure that the fixed element of remuneration is determined in line with local market rates, taking account of individual performance, responsibilities and experience; and that a significant proportion of the total remuneration package is linked to financial rewards.
- To balance performance pay between the achievement of financial performance objectives and delivering sustainable stock market out-performance; creating a clear line of sight between performance and reward and providing a focus on sustained improvements in profitability and returns.
- To provide a significant proportion of performance linked pay in shares allowing senior management to build significant shareholding in the business and therefore, aligning management with shareholder's interests and the Group's performance, without encouraging excessive risk taking.

Consideration of shareholder views

The Company is committed to maintaining good communications with investors. The Committee considers the AGM to be an opportunity to meet and communicate with investors, giving shareholders the opportunity to raise any issues or concerns they may have. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Directors' Remuneration Policy.

Summary of the Directors' remuneration policy

The following table sets out the key aspects of the Directors' remuneration policy.

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Base compensation(1)	• To attract, retain and motivate talented individuals who are critical to the Group's success	• Reviewed annually by the Committee or, if appropriate, in the event of a change in an individual's position or responsibilities • Base compensation levels set at a level to reflect the experience and capabilities of the individual as well as the scope and scale of the role • Increases to base compensation may reflect individual performance as well as the pay and conditions in the workforce	• There is no prescribed maximum annual increase. The Committee takes into account remuneration levels in comparable organisations in the geographies in which the company operates and in which it competes for talent. It is guided by the increase for the workforce generally. • On occasions, it may also recognise other factors such as additional responsibility, or an increase in the scale or scope of the role	• N/A

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Annual Short Term Incentive ("STI")	• To encourage and reward delivery of the Group's annual financial and operational objectives • To encourage share ownership and provide further alignment with shareholders	• Performance targets are reviewed annually by the Committee and are set to ensure they are linked to strategic objectives and are appropriately demanding, taking into account economic conditions and risk factors • A portion of the bonus paid (the amount at the discretion of the Committee) may be deferred in shares, which are released ratably over two years subject to continued employment • Dividends that accrue on the deferred shares during the vesting period may be paid in cash or shares at the time of vesting • Clawback provisions will apply for overpayments due to misstatement or error and other circumstances in respect of future bonus payments and also apply to previous payments made under the Al Noor bonus scheme	• Maximum opportunity of 150% of base compensation	• At least 75% of the STI will be based on Group financial performance(2) • Performance below threshold results in zero payment. Payments increase from 0% to 100% of the maximum opportunity for levels of performance between threshold and maximum performance targets

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Long-term incentive plan (LTIP)[3]	• To balance performance pay between the achievement of financial performance objectives and delivering sustainable stock market out-performance • To encourage share ownership and provide further alignment with shareholders	• Annual awards of conditional shares with vesting dependent on the achievement of performance conditions over a three year period • Performance targets are reviewed annually by the Committee and are set appropriate to the economic outlook and risk factors prevailing at the time, ensuring that such targets remain challenging in the circumstances, whilst remaining realistic enough to motivate and incentivise management • Dividends that accrue during the vesting period may be paid in cash or shares at the time of vesting, to the extent that shares vest • Clawback provisions apply for overpayments due to misstatement or error and other circumstances	Maximum opportunity of 200% of base compensation	• Performance is assessed against EPS growth and relative TSR metrics, which are measured independently.[2] • No more than 25% of an award will vest for achieving threshold performance, increasing pro-rata to full vesting for achievement of maximum performance targets
Pension / Retirement benefits	• To help recruit and retain high performing Executives • To provide employees with long-term savings via pension provisions	• Participation into a defined contribution pension scheme.	• Directors can receive a Company contribution (of up to 10% of salary.	• N/A

Benefits	• To provide a market-competitive level of benefits to ensure the executive directors well being	• Benefits may include but are not limited to:
		  • private medical insurance,
		  • death and disability insurance
		  • leave and long service awards
		• Other ancillary benefits including relocation and travel expenses may be offered, as required, including an allowance towards reasonable fees for professional services such as legal, tax and financial advice.
			• Actual value of benefits provided	• N/A

Element of pay	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Non-Executive Directors' fee	• Set to attract, retain and motivate talented individuals through the provision of market competitive fees	• Reviewed periodically by the Committee or, if appropriate, in the event of a change in an individual's position or responsibilities • Fee levels set by reference to market rates, responsibility, time commitments and the pay and conditions in the workforce	• As for the Executive Directors there is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader workforce but on occasion may recognise an increase in certain circumstances such as, assumed additional responsibility or an increase in the scale or scope of the role	• N/A

Notes to table

(1) Base compensation may include base salary plus fixed cash allowances, which are a normal part of the fixed remuneration package for employees in some countries in which the Company operates.

(2) The Annual Short Term incentive is focused predominantly on key financial performance indicators, to reflect how successful the Group has been in managing its operations. The balance is determined on how well the executive directors performed against annual operational targets including measures of clinical excellence.

The LTIP incentive rewards significant long-term returns to shareholders and long-term financial growth.

Targets are set on sliding scales that take account of internal strategic planning and external market expectations for the Company. Only modest rewards are available for achieving threshold performance with maximum rewards requiring substantial out-performance of challenging strategic plans approved at the start of each year or on the date of award, as the case may be.

(3) The Committee operates long-term incentive arrangements for the executive directors in accordance with their respective rules, the Listing Rules and the rules of relevant tax authorities where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans. These include (but are not limited to) the following:

- Who participates;
- The timing of the grant of award and/or payment;
- The size of an award (up to plan limits) and/or a payment;
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes;
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends); and
- The ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose.

Previous awards

For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority is given to the Company to honour any commitments entered into with current or former directors before they became a director (such as, the vesting or exercise of past share awards) or before this policy came into effect, including those granted by companies in the Group prior to that company becoming part of the Group. For example certain directors will continue to hold awards granted under the terms of the Mediclinic Forfeitable Share Plan.

The Committee considers pay and employment conditions of employees in the Group when determining Executive Directors' remuneration policy

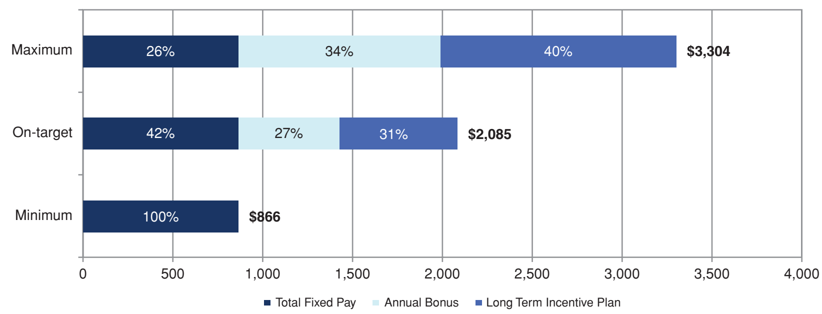
When considering the Executive Directors' remuneration structure and levels, the Committee reviews base compensation and STI arrangements for the management team, to ensure that there is a coherent approach across the Group. The STI arrangements operate on a similar basis across the senior management team. The key difference in the policy for Executive Directors is that remuneration is more heavily weighted towards long-term variable pay than other employees. This ensures that there is a clear link between the value created for shareholders and the remuneration received by the executive directors.

The Committee does not formally consult with employees in respect of the design of the Executive Director remuneration policy, although the Committee will keep this under review.

Remuneration scenarios for the CEO

The chart below shows an estimate of the potential future remuneration payable for the CEO at the time of writing and approval. The chart highlights that the performance-related elements of the package comprise a significant portion of the CEO's total remuneration at on-target and maximum performance.

R. Lavater



Assumptions:

1 Base compensation levels applying as at 1 January 2015.

2 The value of taxable benefits is based on the cost of supplying those benefits (as disclosed in the Annual Report on Remuneration on page 72 of that report) for the year ended 31 December 2014. The end of service gratuity is based on the provision accrued (as disclosed in the Annual Report on Remuneration on page 71 of that report) for the year ended 31 December 2014 in line with the UAE Labour Law limit.

3 Minimum performance assumes no award is earned under the STI and no vesting is achieved under the LTIP; at on-target, 50% is earned under the STI and 50% is achieved under the LTIP; and at maximum full vesting under both plans.

4 Share price movement and dividend accrual have been excluded from the above analysis.

Directors' recruitment and promotions

The policy on the recruitment or promotion of an executive director takes into account the need to attract, retain and motivate the best person for each position, while at the same time ensuring a close alignment between the interests of shareholders and management.

If a new Executive Director were appointed (including former directors of Mediclinic who will join the Board at the time of the Combination), the Committee would seek to align the remuneration package with the remuneration policy approved by shareholders, save that there would be discretion to award a combined STI and LTIP of up to 400% of base compensation. Flexibility would be retained to set base compensation at the level necessary to facilitate the hiring of candidates of appropriate calibre in external markets and make awards or payments in respect of deferred remuneration arrangements forfeited on leaving a previous employer. In terms of remuneration to compensate for forfeited awards, the Committee would look to replicate the arrangements being forfeited as closely as possible and in doing so, would take account of relevant factors including the nature of the deferred remuneration, performance conditions and the time over which they would have vested or been paid.

For an internal appointment, any incentive amount awarded in respect of a prior role may be allowed to vest on its original terms, or adjusted as relevant to take into account the appointment. Any other ongoing remuneration obligations existing prior to appointment may continue.

The Committee may also agree that the Company will meet certain relocation and incidental expenses as appropriate.

For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved remuneration policy at that time.

Directors' service agreements and payments for loss of office

The Committee seeks to ensure that contractual terms of the executive director's service agreement reflect best practice.

The current service agreement of the CEO at the time of writing and approval is terminable on six months' notice. In the event that his UAE work permit is revoked for reason beyond his control or he is forced to leave the UAE as a result of actions or instructions of either the UAE or US government, subject to signing a binding waiver and release agreement, he will be paid an amount equivalent to 12 months' basic salary and benefits under the service agreement. The termination notice for Danie Meintjes and Craig Tingle who will join the Board at the time of the Combination is two months but it is intended that this will be reviewed and may be increased to no more than twelve months' notice if the Combination becomes effective. In circumstances of termination on notice the Committee will determine an equitable compensation package, having regard to the particular circumstances of the case. The Committee has discretion to require notice to be worked or to make payment in lieu of notice or to place the director on garden leave for the notice period.

In case of payment in lieu or garden leave, base compensation, benefits and end of service gratuity will be paid for the period of notice served on garden leave or paid in lieu. If the Committee believes it would be in shareholders' interests, payments would be made in phased instalments and in the case of payment in lieu will be subject to be offset against earnings elsewhere.

An STI may be payable in respect of the period of the bonus plan year worked by the director; there is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked. The bonus will be scaled back pro-rata for the period of the incentive year worked by the director and would remain payable at the normal payment date.

Shares under the deferred short-term and long-term incentive arrangements are subject to the rules which contain discretionary provisions setting out the treatment of awards where a participant leaves for designated reasons (i.e. participants who leave early on account of injury, disability or ill health, death, a sale of their employer or business in which they were employed, statutory redundancy, retirement or any other reason at the discretion of the Committee). In these circumstances a participant's awards will not be forfeited on cessation of employment and instead will continue to vest on the normal vesting date or earlier at the discretion of the Committee, subject to the performance conditions attached to the relevant awards. The awards will, other than in exceptional circumstances, be scaled back pro-rata for the period of the incentive year worked by the director.

In addition to the above payments, the Committee may make any other payments determined by a court of law in respect of the termination of a director's contract.

In the event of a change of a control all unvested awards under the deferred short-term and long-term incentive arrangements would vest, to the extent that any performance conditions attached to the relevant awards have been achieved. The awards will, where the Committee dictates, be scaled back pro-rata for the period of the incentive year worked by the director.

The date of the CEO's service contract is:

Ronald Lavater . . . . 1 October 2014

The service contract is available for inspection during normal business hours at the Company's registered office, and available for inspection at the AGM.

The executive Directors who will join the board of the Company on implementation of the Scheme (being Danie Meintjes and Craig Tingle) will remain as directors and employees of Mediclinic but will also be appointed as directors of the Company. The date of Danie Meintjes service contract with Mediclinic is 3 August 1981 and the date of Craig Tingle's service contract with Mediclinic is 9 February 1987.

Non-Executive Directors' terms of engagement

Non-Executive Directors are appointed by letter of appointment for an initial period of three years, which are terminable by three months' notice on either side. However, the Company intends on complying provision B.7.1 of the UK Corporate Governance Code and accordingly all Directors will stand for annual re-election by shareholders at future AGMs until the Board determines otherwise.

In 2014 four Non-Executive Directors were considered to be independent of the Company.

The dates of the terms of engagement of the Non-Executive Directors are:

Ian Tyler[(1)]	5 June 2013
Dr. Kassem Alom	1 October 2014
Seamus Keating[(2)]	5 June 2013
Sheikh Mansoor Bin Butti	5 June 2013
Ahmad Nimer	5 June 2013
William J Ward[(2)]	5 June 2013
Mubarak Matar Al Hamiri[(2)]	5 June 2013
William S. Ward	7 November 2013

(1) Ian Tyler was considered independent on appointment and in accordance with provision B.1.1 of the UK Corporate Governance Code is no longer considered to be independent.

(2) Seamus Keating, William J. Ward, William S. Ward and Mubarak Matar Al Hamiri were considered to be independent Non-Executive Directors of the Company.

Those non-executive Directors who will join the board of the Company on implementation of the Scheme (being Dr. Edwin Hertzog, Jannie Durand, Alan Grieve, Prof. Dr. Robert Leu, Nandi Mandela, Trevor Petersen and Desmond Smith), will resign as directors of Mediclinic and be appointed as directors of the Company pursuant to letters of appointment on terms substantially equivalent to the terms of appointment for non-executive directors of the Company referred to above.