NETCARE LIMITED

Notice of annual general meeting

Providing YOU with the best and safest care

NETCARE

Contents

Letter to shareholders

14 December 2021

Dear shareholder,

Herewith please find the notice of the annual general meeting (AGM Notice) and accompanying information required by shareholders for the annual general meeting to be held on Friday, 4 February 2022.

The full integrated report, including supplementary reports of interest to stakeholders, and the audited annual financial statements of the Group can be accessed online at **www.netcare.co.za**.

To order a printed copy of the integrated report or to provide any feedback on this report, please contact the Company Secretary, Charles Vikisi, at charles.vikisi@netcare.co.za or Netcare Investor Relations at ir@netcare.co.za. A copy of the integrated report will be mailed to you immediately at no cost.

Thank you for your support.

Charles Vikisi
Company Secretary

On behalf of the Board of Netcare Limited, being duly authorised.

Notice of annual general meeting

for the year ended 30 September 2021

Netcare Limited

Registration number: 1996/008242/06
JSE share code: NTC
ISIN: ZAE000011953
(Netcare or the Company)

A. Notice of annual general meeting

Notice is hereby given that the 25th annual general meeting (AGM) of shareholders of the Company will be held virtually on Friday, 04 February 2022 at 10h00, to consider and, if deemed fit, to pass, with or without modification, the following resolutions in the manner required by the Companies Act, No. 71 of 2008, as amended (the Companies Act), and subject to the JSE Limited (JSE) Listings Requirements.

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the virtual AGM, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the Transfer Secretaries by email at netcare@4axregistry.co.za. The Transfer Secretaries will arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification for the purposes of Section 63(1) of the Companies Act and will provide the shareholder (or representative or proxy) with the link to the online registration and voting platform as well as the process to register and vote online.

Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

Shareholders are advised to ensure that they are identified and registered to attend by preferably no later than Thursday, 3 February 2022 at 12:00, to avoid any delays in accessing the virtual AGM.

This AGM notice includes the attached proxy form.

B. Record dates, proxies and voting

Record date to receive the AGM notice: Friday 3 December 2021
Last date to trade to be eligible to attend and vote at the AGM: Tuesday, 25 January 2022
Record date to be eligible to attend and vote at the AGM (voting record date): Friday, 28 January 2022
Last date for lodging forms of proxy for administrative purposes: 10h00 on Wednesday, 2 February 2022

If you are a registered shareholder as at the voting record date, you are entitled to attend and vote at the virtual AGM. Alternatively, you may appoint a proxy to attend, participate and vote at the AGM on your behalf. Any appointment of a proxy:
- may be effected by using the attached proxy form; and
- must be delivered in accordance with the instructions contained in the attached proxy form, failing which it will not be effective.

A proxy need not be a shareholder of the Company.

If you are a beneficial shareholder and not a registered shareholder at the voting record date:
- and wish to attend the AGM, you must obtain the necessary letter of authority to represent the registered shareholder of your shares from your Central Securities Depository Participant (CSDP) or broker; or
- do not wish to attend the AGM but would like your vote to be recorded at the AGM, you should contact the registered shareholder of your shares through your CSDP or broker and furnish them with your voting instructions. You must not complete the attached proxy form.

All AGM participants will be required to follow the online registration and voting process as detailed in A above.

C. Purpose of AGM

The purpose of the AGM is to:
- present the Group consolidated annual financial statements of the Company for the year ended 30 September 2021 (including the directors' report, the Audit Committee report and the independent auditors' report);
- consider any matters raised by shareholders; and
- consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions below.

1. Ordinary resolutions numbers 1.1 to 1.4: Re-election and election of directors

"To re-elect directors who retire by rotation in accordance with the provisions of the Company's Memorandum of Incorporation (MOI) and being eligible, offer themselves for re-election.

Adv. K Moroka, Mr. M Kuscus, Dr. R Phillips and Dr. T Leoka who retire by rotation, or have been appointed since the last meeting, and being eligible, offer themselves for re-election:

1.1 K Moroka
1.2 M Kuscus
1.3 T Leoka
1.4 R Phillips."

The retiring directors include those appointed after the preceding AGM.

Percentage voting

Ordinary resolutions numbers 1.1 to 1.4 will be considered by way of a separate vote, and for each such resolution to be adopted, the support of a majority, 50% (fifty percent) plus 1 (one), of votes cast by shareholders present or represented by proxy at this AGM is required.

The directors' biographies are contained in this AGM Notice on pages 36 to 37.

2. Ordinary resolution number 2: Re-appointment of independent external auditors

"To re-appoint Deloitte & Touche, upon recommendation of the Board and the Audit Committee, as the independent external auditor of the Company for the ensuing financial year ending 30 September 2022."

The Board and the Audit Committee are satisfied that Deloitte & Touche meets the provisions of the Companies Act and have complied with the JSE Listings Requirements.

Percentage voting

For this ordinary resolution number 2 to be adopted, the support of a majority, 50% (fifty percent) plus 1 (one), of votes cast by shareholders present or represented by proxy at this AGM is required.

3. Ordinary resolutions numbers 3.1 to 3.4: Appointment of Audit Committee members

"To elect each of the following independent non-executive directors, as members of the Company's Audit Committee:

3.1. MR Bower (Chairman)
3.2 B Bulo
3.3 D Kneale
3.4 T Leoka (subject to the passing of Ordinary resolution number 1.3)."

Percentage voting

Ordinary resolutions 3.1 to 3.4 will be considered by way of a separate vote, and for each such resolution to be adopted, the support of a majority, 50% (fifty percent) plus 1 (one), of votes cast by shareholders present or represented by proxy at this AGM is required.

The directors' biographies are contained in this AGM Notice on pages 36 to 37.

The Board has reviewed the expertise, qualifications and relevant experience of the appointed Audit Committee members and recommends that each of these directors be elected.

4. Ordinary resolution number 4: Signature of documents

"Resolved that any two directors of the Company are authorised to sign all such documents and do all such things necessary or incidental to the implementation of the resolutions proposed at the AGM."

Notice of annual general meeting continued

5. Non-binding resolution number 1: Approval of the remuneration policy

The resolution is proposed to shareholders to endorse the Company's remuneration policy as set out in the shareholders report. Shareholders are reminded that, in terms of the fourth King Report on Corporate Governance for South Africa (King IV™), the passing of this non-binding resolution is by way of a non-binding advisory vote. In the event that at least 25% (twenty-five percent) of the voting rights exercised on this advisory vote are against the remuneration policy, the Board undertakes to implement the consultation process set out in the remuneration policy read together with King IV™. Details of the manner and timing of the engagement will be released in the voting results announcement.

The full remuneration policy and implementation report can be found on pages 10 to 30 of the AGM Notice.

6. Non-binding resolution number 2: Approval of the implementation report

The resolution is proposed to shareholders to endorse the implementation report, which includes the remuneration disclosure in terms of the Companies Act, as set out in the remuneration report included in the shareholders report. Shareholders are reminded that in terms of King IV™, the passing of this non-binding resolution is by way of a non-binding vote. In the event that at least 25% (twenty-five percent) of the voting rights exercised on this advisory vote are against the implementation report, the Board undertakes to implement the consultation process set out in the remuneration policy read together with King IV™. Details of the manner and timing of the engagement will be released in the voting results announcement.

The full remuneration policy and implementation report can be found on pages 10 to 30 of the AGM Notice.

7. Special resolution number 1: General authority to repurchase shares

"Resolved that the Company and its subsidiaries are authorised, by way of a general authority, to acquire ordinary shares and preference shares (collectively 'shares' for purposes of this resolution) issued by the Company subject to the provisions of the Company's MOI, the Companies Act, the JSE Listings Requirements and provided that:

a) this authority will be valid until the Company's next AGM, provided that it does not extend beyond 15 months from the date of this AGM;
b) any such repurchase be effected through the order book operated by the JSE trading system and done without any prior understanding or agreement between the Company and the counterparty;
c) an announcement, giving such details as may be required in terms of the JSE Listings Requirements, be published when the Company or its subsidiaries have cumulatively repurchased 3% of the initial number of shares in issue and for each 3% in aggregate of the initial number which is acquired thereafter;
d) a general repurchase may not, in aggregate in any one financial year, exceed 10% of the Company's issued shares at the beginning of the financial year, provided that the subsidiaries of the Company may not collectively hold at any one time more than 10% of the Company's issued shares;
e) no repurchase will be effected during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless the Company has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been submitted to the JSE in writing prior to commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by Netcare, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
f) at any point in time, the Company may only appoint one agent to effect repurchases on its behalf;
g) the price at which the Company's shares may be repurchased shall be no more than at a maximum premium of 10% above the weighted average traded price of the Company's shares as determined over five business days immediately preceding the date of repurchase; and
h) prior to entering the market to repurchase the Company's shares, a Board resolution authorising the repurchase is passed in accordance with the requirements of the Companies Act, stating that the Board has applied the solvency and liquidity test as set out in Section 4 of the Companies Act, and has reasonably concluded that the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group."

The directors further undertake that they will not implement such a repurchase unless the following can be met:

a) the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the AGM Notice;
b) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the AGM Notice. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements;

c) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the AGM Notice; and
d) the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the AGM Notice.

The directors will continually review the Company's position, having regard for prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution number 1.

Percentage voting

For this special resolution number 1 to be adopted, the support of at least 75% (seventy-five percent) of votes cast by shareholders present or presented by proxy at this AGM is required.

Details in regard to other JSE Listings Requirements applying to special resolution number 1

	Details	Pages
Major shareholders	Extract 2	31
Share capital	Extract 3	33

Directors' responsibility statement

The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution 1 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution 1 contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated report, no material changes in the financial position or trading of the Group have occurred since the date of signature of the audited annual financial statements for the year ended 30 September 2021 and the date of this AGM Notice.

8. Special resolution number 2: Approval of non-executive directors' remuneration for the period 1 October 2021 to 30 September 2022

"To grant the Company authority, by a separate vote in respect of each item, to remunerate its non-executive directors for their services as directors and/or pay any fees related thereto on the following basis provided that the aforementioned authority shall be valid with effect from 1 October 2021 to 30 September 2022. Directors not registered for value added tax (VAT) will be entitled to the remuneration exclusive of VAT and registered VAT vendors will be entitled to the remuneration plus VAT at the prevailing VAT rate."

Rand	**2022[1]**	2021[1]
Payable per annum:		
1. Board Chair	**1 340 000**	1 340 000
2. Board members	**685 000**	685 000
3. Audit Committee Chair	**253 200**	242 050
4. Audit Committee members	**179 000**	179 000
5. Remuneration Committee Chair	**195 000**	186 000
6. Remuneration Committee members	**126 000**	126 000
7. Risk Committee Chair	**193 440**	193 440
8. Risk Committee members	**136 000**	136 000
9. Nomination Committee Chair	**179 000**	179 000
10. Nomination Committee members	**126 000**	126 000
11. Social and Ethics Committee Chair	**179 000**	179 000
12. Social and Ethics Committee members	**126 000**	126 000
13. Consistency of Care Committee Chair	**235 000**	235 000
14. Consistency of Care Committee members	**186 000**	186 000
Payable per meeting:		
15. Ad hoc committee	**42 000**	42 000

1. Exclusive of VAT.

Notice of annual general meeting continued

Reason and effect
The reason for special resolutions numbers 2.1 to 2.15 is to grant the Company the authority to pay remuneration to its non-executive directors for their services as directors in accordance with the provisions of the Companies Act. The effect of the special resolutions numbers 2.1 to 2.15 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors, without requiring further shareholder approval until the next AGM.

Percentage voting
Each of special resolutions numbers 2.1 to 2.15 will be considered by way of a separate vote and for each such resolution to be adopted, the support of at least 75% (seventy-five percent) of votes cast by shareholders present or represented by proxy at this AGM is required.

9. Special resolution number 3: Financial assistance to related and inter-related companies in terms of Sections 44 and 45 of the Companies Act
To authorise the directors, in terms of and subject to the provisions of Sections 44 and 45 of the Companies Act, to cause the Company to provide any direct or indirect financial assistance to or for the benefit of:

a) any company or corporation which is related or inter-related to the Company; or
b) any employee, director, prescribed officer or other person or any trust established for their benefit, in terms of any share incentive scheme described in the Company's remuneration report;
c) noteholders in connection with the subscription of notes issued or to be issued by Clindeb Investments Limited (the Issuer) pursuant to its Domestic Note Programme, and for purposes of the subscription for any other debt instruments issued or to be issued by the Issuer from time to time.

for such amounts and on such terms and conditions as the Board of the Company may determine.

Reason and effect
The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority to cause the Company to provide financial assistance to any company or corporation which is related or inter-related to the Company, or any employee, director, prescribed officer or other person or any trust established for their benefit, in terms of any share incentive scheme described in the Company's remuneration report.

The financial assistance will be provided as part of the day-to-day operations of the Company in the normal course of its business, and in accordance with its MOI and the provisions of the Companies Act. The directors will, in accordance with Sections 44(3)(b) and 45(3)(b) of the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied, *inter alia*, that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test set out in Section 4 of the Companies Act.

Percentage voting
For this special resolution number 3 to be adopted, the support of at least 75% (seventy-five percent) of votes cast by shareholders present or represented by proxy at this AGM is required.

Such authority to be valid only until the next AGM of the Company.

10. To transact any other business that may be transacted at an AGM

11. Electronic communication
Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the virtual AGM, that shareholder should apply in writing to participate (including details as to how the shareholder or representative (including proxy) can be contacted) to the Transfer Secretaries by email at netcare@4axregistry.co.za. This is to be received by the Transfer Secretaries by no later than Thursday, 3 February 2022 at 12h00 for the Transfer Secretaries to arrange for the shareholder (or representative or proxy) to provide reasonable satisfactory identification and for the Transfer Secretaries to provide the shareholder (or representative or proxy) with details as to how to access the AGM virtually.

The proposed mechanism of electronic participation will be through webinar and the shareholder will be billed separately by their data provider to participate in the AGM.

Shareholders participating virtually will be able to vote electronically.

12. Voting and proxies

Voting

Each ordinary shareholder entitled to attend and vote at the AGM is able to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his or her virtual stead.

Ordinary resolutions proposed for adoption require the support of more than 50% (fifty per cent) of the voting rights exercised thereon to be adopted. The special resolutions proposed for adoption at this AGM require the support of at least 75% (seventy-five percent) of the voting rights exercised thereon to be adopted.

In terms of the JSE Listings Requirements, any shares held by share incentive schemes will not have their votes taken into account at the AGM in determining the results of voting on JSE resolutions.

In terms of Section 48(2) of the Companies Act, no voting rights attaching to shares held by Group subsidiaries may be exercised in respect of resolutions contained herein.

Identification

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in an AGM, reasonable identification must be provided to ensure that the person presiding at the AGM is reasonably satisfied that the rights of the person to participate in and vote at the AGM, either as a shareholder or as a proxy of the shareholder, have been reasonably verified.

Proxies

All shareholders will be entitled to attend and vote at the AGM or any adjournment thereof. Every shareholder of the Company who, being an individual, is present or is present by proxy at the AGM or which, being a company or body corporate, is represented thereat by an appointed representative, shall have one vote only. On a poll every shareholder of the Company (whether an individual or a company or a body corporate) or represented by a proxy at the AGM shall have one vote for every ordinary share held by such shareholder.

Holders of dematerialised shares, other than with 'own-name' registration, intending to attend the AGM, must inform their CSDP or broker of their intention and must obtain the necessary authorisation from their CSDP or broker to attend. Such authorisation must be submitted to the Transfer Secretaries on submission of the required proof of identification before the link to the online registration and voting platform will be provided. If a dematerialised holder is unable to attend the AGM in person, they should provide their CSDP or broker with their voting instructions in terms of their agreement with the CSDP or broker in the manner and time stipulated therein.

The proxy form is attached for the convenience of certificated shareholders and dematerialised shareholders with 'own-name' registration who cannot attend the AGM but who wish to be represented thereat. Any shareholder entitled to attend and vote at the AGM may appoint one or more persons to attend, speak and vote in their place. A proxy so appointed need not be a shareholder of the Company. To be valid, duly completed proxy forms must be received by hand at CTSE Registry Services (previously 4 Africa Exchange Registry) (CTSE), Hill on Empire, 4th Floor, Block A, 16 Empire Road, Parktown, 2193 or by email at netcare@4axregistry.co.za preferably by no later than 10:00 on Wednesday, 2 February 2022. A duly appointed proxy will be required to follow the online registration process to attend the virtual AGM.

Shareholders who require more information about the online registration and voting process, can contact the Transfer Secretaries telephonically at +27 11 100 8352 or by email at netcare@4axregistry.co.za.

Shareholders wishing to attend the AGM must verify beforehand with the Company's Transfer Secretaries that their ordinary shares are in fact registered in their name. Should this not be the case and the ordinary shares are registered in any other name or in the name of a nominee company, shareholders attending the AGM are obliged to make the necessary arrangements with the party beforehand, so as to be able to attend and vote in their personal capacity. The proxy form contains detailed instructions in this regard.

Notice of annual general meeting continued

Interpretation of this notice

In this notice (including the attached proxy form) the term:

- **'Group annual financial statements'** means the Group annual financial statements of the Company for the year ended 30 September 2021 (including the directors' report, the Audit Committee report and the independent auditors' report), which was available to shareholders on the Company's website from 22 November 2021;
- **'integrated report'** means the integrated report for the Company for the year ended 30 September 2021, which was available to shareholders on the Company's website from 17 December 2021;
- **'remuneration report'** means the remuneration report for the Company for the year ended 30 September 2021, which includes the remuneration policy and implementation report and was available to shareholders on the Company website from 17 December 2021;
- **'beneficial shareholder'** means the holder of a beneficial interest in shares of the Company who is entitled to cast the votes attaching to those shares but is not the registered shareholder of those shares;
- **'Companies Act'** means the Companies Act, No 71 of 2008, as amended;
- **'JSE Listings Requirements'** means the listings requirements of the JSE Limited, as amended from time to time and as interpreted and applied or not applied by the JSE Limited;
- **'register'** means the Company's securities register and the Company's register of disclosures of beneficial interests in securities; and
- **'registered shareholder'** or **'shareholder'** in relation to any shares means the holder of those shares whose own name is entered in the Company's register as such and who is entitled to cast the votes attaching to those shares.

Enquiries

Any shareholders having difficulties or queries with regards to the virtual AGM or the above are invited to contact the Company Secretary, C Vikisi, on +27 11 301 0265 or email charles.vikisi@netcare.co.za.

By order of the Board.

C Vikisi
Company Secretary
14 December 2021
Sandton

Transfer Secretaries:

CTSE Registry Services
4th Floor, Building A
Hill on Empire, 16 Empire Road
Parktown
2193
netcare@4axregistry.co.za
Tel no: +27 11 100 8352

Explanatory notes to the notice of the annual general meeting

Resolutions

Ordinary resolutions numbers 1.1 to 1.4: Re-election of directors

The Company's MOI makes provision for the annual retirement from office of a certain proportion of directors, including a director appointed after the conclusion of the Company's preceding AGM. In line with current corporate governance best practice, the appointment of each director standing for re-election will be voted on by a separate resolution. They are also considered independent notwithstanding their tenure. The continued independence of independent non-executive directors who have served for a period of nine years or longer is evaluated by the Nomination Committee, which considers the factors that may impair their independence. The Nomination Committee engaged an independent service provider to assist it with this review.

Ordinary resolution number 2: Re-appointment of independent external auditors

To re-appoint Deloitte & Touche, upon recommendation of the Board and the Audit Committee, as the independent external auditor of the Company for the ensuing financial year ending 30 September 2022.

Ordinary resolutions numbers 3.1 to 3.4: Appointment of Audit Committee members

In terms of Section 94(2) of the Companies Act, the Audit Committee is a statutory committee elected by the shareholders at each AGM. The proposed members of the Audit Committee are all suitably qualified, independent and collectively possess the skills which are appropriate to the Company's size and circumstances, as well as its industry.

Ordinary resolution number 4: Signature of documents

The reason for proposing this ordinary resolution is that the Board requires authorisation to take various actions and sign the documents pertaining to the resolutions proposed at this meeting. It is appropriate for the members to grant this authority.

Non-binding resolution number 1: Approval of the remuneration policy

The reason for proposing this non-binding advisory vote is in accordance with the King IV™ recommendation that companies should table their remuneration policy to shareholders.

The full remuneration policy is set out on pages 13 to 22 of this AGM Notice.

Non-binding resolution number 2: Approval of the implementation report

The reason for proposing this non-binding advisory vote is in accordance with the King IV™ recommendation that companies should table their implementation report to shareholders.

The **full implementation report** is set out on pages 23 to 30 of this AGM Notice

Special resolution number 1: General authority to repurchase shares

Special resolution 1 is required to grant the directors a general authority, up to and including the date of the following AGM of the Company, to approve the purchase of the Company's ordinary and preference shares by the Company or its subsidiaries. The directors consider that such general authority should be put in place to facilitate the repurchase of securities should an opportunity present itself which would be in the best interests of the Company and its shareholders in the ensuing year.

Special resolution number 2: Approval of non-executive directors' remuneration for the period 1 October 2021 to 30 September 2022

Special resolution 2 is required to obtain approval of remuneration payable to non-executive directors for the period 1 October 2021 to 30 September 2022. The approval of the shareholders is sought to ensure the remuneration paid to the non-executive directors of the Company remains adequate for the purposes of attracting persons of sufficient calibre, experience and skill to act as non-executive directors of the Company.

Special resolution number 3: Financial assistance to related and inter-related companies in terms of Sections 44 and 45 of the Companies Act

Special resolution 3 is required to grant the directors the authority to authorise the Company to provide direct and indirect financial assistance, as contemplated in Sections 44 and 45 of the Companies Act, to any one or more related or inter-related companies or corporations of the Company pursuant to a shareholders' authority being procured, and provided the directors are satisfied that immediately after providing the financial assistance the Company is able to satisfy the solvency and liquidity test, and the terms under which the financial assistance is given are fair and reasonable.

Extracts from the shareholder report

Extract 1: Remuneration report

Part
1 Background

Netcare's remuneration report:

- Aligns with the principles and recommended practices of King IV and applies Principle 14's three-part structure.
- Meets the JSE Listings Requirements.
- Meets, to the extent applicable, the requirements of the Companies Act.
- Requests support through a non-binding advisory vote for the remuneration policy and implementation report.
- Includes feedback from shareholder engagement on remuneration, as part of our inclusive stakeholder engagement approach.
- Sets out our approach to fair and responsible remuneration.

Report by the Remuneration Committee Chair:

On behalf of the Remuneration Committee (the Committee), I am pleased to present Netcare's remuneration report for the financial year ended 30 September 2021.

The first section of this report provides an overview of the key decisions made by the committee during the financial year on executive remuneration, and the details of our engagement with shareholders.

The second section outlines the changes effected on our remuneration policy for the 2022 financial year onwards with financial and non-financial strategic performance targets that take into account Netcare's transition to recovery following two successive years of the COVID-19 outbreak.

The third section provides an outline of the implementation report of our current remuneration policy.

Despite the severity of the third wave of COVID-19, particularly in the Gauteng province where majority of our hospitals are located and the resultant impact on operations, this report shows that we have maintained focus on executing our strategic projects resulting in improved overall performance for both the financial and non-financial targets compared to the 2020 financial year.

The improved performance would have not been achieved without our passionate employees to whom we are grateful. Our employees across the value chain have remained steadfast in providing the best and safest care to our patients under the most challenging circumstances. We thank them for the resilience, dedication and unwavering commitment to the delivery of our patient-centred health and care strategy that is digitally enabled and data driven.

The committee convened five times during the reporting year, mainly for the purpose of providing strategic guidance and oversight on the review of the company's remuneration policy and to set and review the organisational performance, and to give feedback to shareholders. The committee noted the positive feedback from shareholders. At the March 2021 meeting, the committee took a decision to review the company's remuneration policy to cater for setting targets in challenging times and to motivate and incentivise both the performance and retention of executives and management.

Issue	Key activities and decisions	Page
Remuneration for executive and non-executive directors	Engaged PwC to conduct an independent benchmarking exercise of the executive and non-executive director remuneration practices. The outcome informed the proposed non-executive director fee adjustments for 2022 to be presented at the annual general meeting (AGM) on 4 February 2022.	30
Short-term incentives (STIs)	Reviewed and approved the executive balanced scorecard which identifies performance parameters and areas of focus for the year. Approved the STIs for management based on the attainment of performance parameters as set out on pages 23 to 25.	23
Long-term incentives (LTIs)	• Reviewed the performance conditions for the second performance tranche of Forfeitable Share Plan (FSP) 3 due to vest on 1 December 2021. The performance conditions are: – **Performance condition 1:** average compound annual growth rate of headline earnings per share of the operations of at least consumer price index (CPI) plus 4%; and – **Performance condition 2:** average return on capital employed (ROCE) of at least weighted average cost of capital (WACC) plus 6% calculated over the relevant performance period. • Our financial performance for the 2020 and 2021 financial periods was affected by COVID-19 disruptions to our operations resulting in the failure to meet the second performance tranche of FSP 3. As a result, the awards relating to the second tranche of FSP 3, due on 1 December 2021, lapsed. • Recognising the inherent difficulties in setting stretching yet realistic and achievable targets as a result of the unfolding global pandemic, the committee resolved not to progress with the implementation of FSP 4, which had been approved by shareholders in 2019. • The committee instead approved and recommended for approval by the Netcare Board the principles of the Single Incentive Plan and Deferred Share Plan. The details of the Single Incentive Plan and Deferred Share Plan are provided under the remuneration policy on page 17: • The committee also reviewed the minimum shareholding requirements for executives, outlined in more detail on page 21; and malus and clawback provisions.	27
Annual salary increases	Approved annual salary increases, which are linked to the CPI index with executives receiving a 3.3% increase in March 2021. The committee approved higher salary increases for two members of the Executive Committee to bring their salaries in alignment with internal and external benchmarks. Salary increases at non-management levels were at a higher percentage rate.	
Feedback on salary negotiations	Successfully concluded the 2020/21 wage negotiations with three of the four recognised trade unions; and have yet to reach agreement with one trade union.	

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Remuneration Committee

The committee's core function is to ensure that the remuneration at a senior level motivates superior performance and that executives are suitably rewarded and retained. The committee is committed to ensuring that Netcare's remuneration reporting is straightforward, comprehensive and transparent, and recognises the need for continuous improvement in this regard.

The committee comprises three independent non-executive directors; namely,

- Mr. D Kneale (appointed to the Board and the committee with effect 1 January 2020);
- Mrs. T Brewer (appointed to the committee on 28 October 2011); and
- Mr. MR Bower (appointed to the committee on 1 October 2019).

The committee and the company utilised the services of PwC and Bowmans and survey data from Old Mutual RemChannel during the year and is satisfied that their advice was independent and objective.

The committee is satisfied that the policy achieved its objectives for the year.

Shareholder engagement

The committee is committed to enhancing Netcare's remuneration practices and ensuring that our reporting is comprehensive, transparent, and meets shareholder expectations. It also ensures that the performance measures used to determine the awards of short- and long-term incentives are clearly articulated and well understood.

The committee is satisfied that it has successfully responded to shareholder feedback and expectations, as well as the challenging operating environment, as evidenced by the overview of the committee's activities and revisions to the remuneration policy.

It is pleasing that despite the complexities presented by COVID-19 and the resultant impact on remuneration policy and practices, at the AGM held in February 2021, 89.8% of shareholders voted in favour of our remuneration policy (FY2020: 96.7%) and 95.4% voted in favour of our implementation report (FY2020: 96.2%).

	Votes in favour	Votes against	Abstentions
Remuneration policy	**89.84%**	10.16%	0.07%
Implementation report	**95.37%**	4.63%	0.07%

Non-binding advisory votes

The remuneration policy and implementation report that are presented in this report will be presented for separate non-binding advisory votes from shareholders at the AGM to be held on 4 February 2022. These resolutions are set out in the 2021 AGM Notice.

Should the remuneration policy and/or implementation report be voted against by 25% or more of the voting rights exercised at the 2022 AGM, we undertake to fully understand reasons for dissenting votes and address legitimate and reasonable objections raised.

Board approval

The committee reviewed and recommended the remuneration report to the Board for approval, which was obtained on 18 November 2021.

Mr. David Kneale
Remuneration Committee Chair

Part

2 Remuneration policy overview

Subject to non-binding advisory vote at the AGM on 4 February 2022

We strongly believe that our passionate people are the cornerstone of our sustainable business growth and success. Accordingly, our remuneration policy (the policy) is designed to create a strong performance culture and to drive the delivery of our person-centered health and care strategy that is digitally enabled and data driven and is underpinned by the delivery of the following seven strategic priorities:

Consistency of care

Delivering consistently excellent clinical services, ensuring the best and safest person-centred care

Disruptive innovation

Implementing medical technologies, digitisation and data solutions for the benefit of our business and patients

Transformation of our society

Continuing to invest in and develop our workforce and communities

Organic growth

Driving strategic engagements with doctors and funders, investing to maintain the quality of our facilities and developing new products and services to promote inclusivity and access

Integration

Creating strategic and synergistic partnerships between all service platforms and functions

Investment

Creating economic value and optimising capacity utilisation

Environmental sustainability

Ensuring minimal environmental impact by managing our resources responsibly, efficiently and to the benefit of the environment

In addition to adhering to good governance principles and best practice, the policy is designed to attract, retain, motivate and reward our employees and executives fairly and responsibly for exceptional performance, and to maximise value for stakeholders. The policy thus strives to achieve a fair balance between competitive structured package, STIs, LTIs and retention schemes. The policy also includes malus and clawback clauses to mitigate the risk of adverse events that could materially harm the company and its stakeholders.

Remuneration policy objectives

Attract, retain and grow	Recruit, retain and grow high-quality employees to achieve Netcare's strategic priorities.
Reward	Ensure that all employees are recognised and rewarded for their performance in a fair, equitable and consistent manner.
Competitive remuneration	Ensure that remuneration and benefits provided are competitive within the healthcare industry.
Financial wellbeing	Recognise the basic needs of employees and ensure that compensation levels consistently address the cost of living and inflation.
Set goals	Reward employees for achieving predetermined business and personal performance targets, and ensure that remuneration is aligned to documented performance targets.
Sustainability	Ensure that employee costs are within budget as determined by the Executive Committee and approved by the Board, and are thereby sustainable.

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Remuneration philosophy

Our remuneration philosophy is to ensure that our employees are fairly, reasonably, responsibly and competitively rewarded for their contribution to the Group's strategic, operating and financial performance. It guides our remuneration policy and supports our ability to attract and retain talent at every level of the organisation while complying with the applicable laws and codes of good practice.

Principle	Value creation
Secure crucial skills.	Provide world-class health and care.
Reward the achievement of strategic and operational priorities and exceptional performance.	Delivery of the Netcare strategy and an engaged workforce.
Provide key talented executives and managers with appropriate reward and retention mechanisms.	Continued alignment between management and stakeholder objectives for the long-term sustainability of the business.

Benchmarking

All elements of remuneration, including salary increases, incentive payments and benefits, are periodically reviewed against industry and market benchmarks and trends to ensure our remuneration levels are appropriate and competitive, and take into account factors affecting the Group's financial position, the industry and SA.

The guaranteed remuneration packages of executive directors, prescribed officers and senior executives are benchmarked against relevant comparators.

In FY2021, we engaged PwC to conduct a benchmarking exercise on executive remuneration and non-executive director fees. The benchmark results for non-executive directors confirmed broad alignment with market peers, with some adjustments required to the fees of two non-executive directors as set out on page 30.

For executive directors, the benchmarks showed that the annual guaranteed package of the CEO and the CFO compare well to the market. However, their total rewards inclusive of STI and LTI were lower than the benchmarks, largely due to lower STIs (ex gratia) and the deferral of FSP 4 allocations in FY2020. Notwithstanding this, the new Single Incentive Plan discussed on pages 17 to 21 will address these gaps and bring both the CEO's and the CFO's total rewards in alignment with the median of comparator groups.

In FY2020, the total cost for the benchmarking exercise amounted to approximately R75 000, excluding value added tax (VAT), and the benchmarking was only done for independent non-executive directors. In FY2021, we conducted the benchmark for both the independent non-executive directors and executive directors at a cost of approximately R148 000 (excluding VAT).

Executive remuneration structure

Executives are remunerated for achieving financial and non-financial strategic objectives. The performance of executives is measured using a balanced scorecard; this also takes into account how the executives embody our values and model behaviours that promote value creation.

We seek to achieve a suitable balance between fixed (guaranteed package) and variable (short- and long-term incentives) remuneration. STIs are limited to a maximum of 75% of guaranteed package for the CEO and 60% for prescribed officers and senior executives.

Employment contracts for executives and senior management do not provide for payment of LTIs in the event of employment fault termination. Only the CEO has a restraint of trade of six months and Executive Committee members have a three-month notice period.

The remuneration packages for executive directors, prescribed officers and senior executives for the year ended 30 September 2021 comprised a guaranteed package, STIs and LTIs.

Structured package (fixed remuneration)

Objective

To reflect individual contribution and market value relative to role and to recognise skill and experience.

Basis for determination

Guaranteed pay includes salary and employee benefits. It is determined based on the complexity of the role, market value, and the ongoing review of the employee's personal performance and contribution to Netcare's overall performance and values. Guaranteed remuneration is reviewed annually and increases take effect in March. Annual increases consider factors such as prevailing economic conditions, inflation, Group performance and affordability, change in responsibilities, internal and external benchmarks, and average salary increases.

Delivery

Monthly payment after deducting contributions to statutory taxes, retirement funding and medical scheme. The Group also makes contributions to group life assurance cover, funeral cover and disability insurance contributions.

Short-term incentives (variable)

Objective

To reward individual contribution and Group performance in the short term.

Eligibility

Executive directors, prescribed officers, senior executives and managers.

Basis of determination for FY2021

Ordinarily, potential STIs are calculated by applying an individual's potential eligibility percentage to their structured package. The potential eligibility percentage depends on the individual's job grade and threshold. The result is then modified by the balanced scorecard outcome. This means that no executive director, prescribed officer or senior executive is capable of earning more than 75% of their annual guaranteed package.

STI formula

Bonus paid if targets met	=	Annual structured package	X	Potential eligibility (%)	X	Weighted average of balanced scorecard

The threshold for the CEO is a maximum of 75% and for the CFO a maximum of 60%.

Balanced scorecard

The balanced scorecard incorporates Group-based, divisional, and individual key performance metrics. A weighting linked to Group-based targets ensures alignment among team members with the Group's strategic priorities and key focus areas.

The Executive Committee scorecard carries a weighting of 40% based on Group-based targets, with the remaining 60% focusing on divisional and individual responsibilities.

A broad range of specific strategic and operational targets of a financial and non-financial nature are included in the individual, divisional and Executive Committee balanced scorecards. These targets are aligned to the Group's strategic priorities and drive the achievement of sustainable growth and long-term value creation. Weighting and targets vary between executives depending on their function.

The Remuneration Committee has approved the following Group-wide performance conditions and targets relating to:
- Financial targets: earnings before interest, tax, depreciation and amortisation (EBITDA) margin, cash conversion and economic profit.
- Disruptive innovation.
- Transformation of society.
- Consistency of care.
- Organic growth.
- Integration of services.
- Environmental sustainability.

Individuals must score a minimum of 60% on their individual scorecard to be eligible for participation in the STI plan.

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

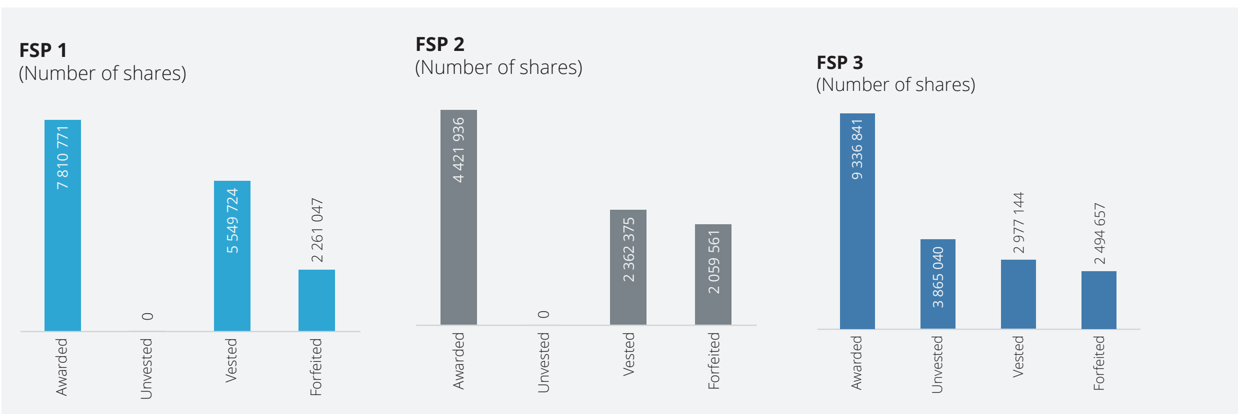
Looking forward to FY2022

Following the deferral of FSP 4 due to challenges in setting long-term targets within the context of the unfolding global pandemic, the Remuneration Committee resolved not to progress with the implementation of FSP 4 but rather to embark on a process of reviewing our STI and LTI schemes to ensure alignment with the latest market trends and practices; and to achieve an effective balance between rewarding executives (F band) and senior management (E and select D band) for performance and retention through a Single Incentive Plan.

External expert advisors provided guidance on local and global contemporary trends on executive remuneration structure and policy.

The review took into account the fact that the previous FSP scheme did not successfully achieve a fair balance between rewarding performance and retention, as the predetermined performance targets proved difficult to achieve in evolving market conditions, rendering the FSP scheme demotivational and introducing retention risks. This is further compounded by the conclusion of FSP 3 in December 2022, and the deferral of FSP 4 roll out in 2020 due to COVID-19, therefore, leaving us without a long-term scheme.

The positions of the three tranches of the FSP are presented in the table below.



Out of the three awards made since inception of the FSP, a limit of approximately 21.5 million shares were allocated of which 10.9 million shares vested to the benefit of employees, 3.8 million shares are unvested and 6.8 million shares forfeited.

For FY2022 onwards, the Remuneration Committee has considered and approved the implementation of the Single Incentive Plan and the associated Deferred Share Plan to replace the current STIs and LTIs (or FSP), as the primary incentive remuneration structure for executives and senior management.

The Single Incentive Plan addresses the following issues:

- FSP performance conditions which are difficult to set for three- to five-year periods, especially in the current uncertain environment, undermining their original intention and value proposition;
- Retention concerns following potential non-vesting due to COVID-19 while staying true to the Group and investor requirements of ‘pay for performance’; and
- Addressing the current remuneration deficit from the delay in awarding FSP 4.

The Single Incentive Plan (variable)

Objective

- Align with shareholder interests and other important stakeholder objectives;
- Provide a competitive value proposition for loyal high-performing employees and building wealth for them over the longer term;
- Achieve simplification and consistency across the organisation to enhance understanding and administration; and
- Develop performance criteria that are agile and customised to drive the required business outcomes and performance on an annually reviewed basis, balanced across financial and non-financial performance.

Basis of determination

The annual Single Incentive Plan will be based on an on-target % of annual cost to company (CTC), based on the role of the participant, multiplied by an annual performance multiplier.

The performance multiplier will range from 0% if none of the threshold levels are achieved to 100% for on-target performance and up to 150% for stretch performance.

The annual value of the performance multiplier will be determined based on Group, Managing Director (MD), divisional and personal scorecards. This will be determined by an appropriate weighting of the scorecards for different roles, aligning them with the performance of the relevant entity while retaining a minimum level of exposure to Group outcomes for all participants to avoid 'silo' behaviour.

The balanced scorecard split is as follows:

CEO	▶	Group scorecard **100%**
CFO	▶	Group scorecard **80%** and divisional scorecard **20%**
Executives (F Band)	▶	Group scorecard **60%** and divisional scorecard **40%**

In line with rules governing the existing balanced scorecard management tool, a score of 60% is required at divisional and/or personal and business unit levels to qualify for an incentive.

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Performance parameters to 30 September 2022 and the medium term

The overall weighting of the Group scorecard for FY2022 comprises 60% financial and 40% non-financial strategic targets in line with emerging practice for single incentive plans. In terms of non-financial categories, these have been split equally between consistency of care, digitisation, transformation, and environmental sustainability, each making up 10% of the total 40% allocated to non-financial metrics.

The committee has approved both the financial and non-financial strategic targets for FY2022 which it deems to be appropriate and sufficiently stretching. The financial targets and actual results will be disclosed in detail in the FY2022 remuneration report on an ex-post basis.

	Area	Measure	Weighting	Threshold	On-target	Outperform
Financial targets 60%	Financial results	EBITDA margin	15%	Target – 0.5%	Budget	Target + 0.5%
		Adjusted HEPS	15%	90% of target	Budget	110% of target
		Return on invested capital	15%	Target – 1%	Budget	WACC
		Cash conversion	15%	90.0%	100.0%	110.0%
Non-financial strategic targets 40%	Consistency of care 10%	***CARE4YOU compassion programme***				
		# hospitals rolled out by September 2022	5%	30	53	53 by July 2022
		Improved levels of compassion displayed by nurses as a result of the programme∞		Improvement against baseline	Improvement against threshold	Improvement against threshold
	Digitisation^ 10%	***CareOn electronic medical records***				
		# hospitals rolled out by September 2022	5%	15	20	21
		CareOn adoption by clinicians				
		Adoption of eScripts	2.5%	50%	70%	80%
		Adoption of clinical orders	2.5%	50%	70%	80%
	Environmental sustainability* 10%	***Environmental indicators***				
		Reduction in carbon emissions through the implementation of energy efficient projects	5%	1 200 tonnes of carbon dioxide equivalent (tCO_2e) additional year-on-year (YOY) savings	1 400 # tCO_2e additional YOY savings	1 500 # tCO_2e additional YOY savings
		Reduction in water utilisation through recycling /efficiency projects	3%	19 900 kilolitres (kl) additional YoY saving	21 900kl additional YoY saving	22 300kl additional YoY saving
		Reduction in waste to landfill percentage in pilot projects	2%	60% of general waste	75% of general waste	Achieve target and add four new hospitals on the pilot project and improve their diversion to landfill by 20% from FY2021 baseline
	Transformation 10%	***Board and management race and gender diversity***				
		Percentage of the points available for the management control pillar of the B-BBEE scorecard.	5%	60%	64%	68%
		Inclusion of emerging micro enterprises, qualifying small enterprises and black-owned enterprises				
		Percentage of the points available for preferential procurement in the B-BBEE scorecard.	3%	75%	80%	85%
		Diversity and culture				
		# sites engagement, diversity and inclusion survey rolled out to by September 2022	2%	50%	100%	100% by July 2022

∞ Percentage improvements to be determined by end of December 2021.

^ The digitisation initiative is key to the overarching strategy of the Group. The implementation of the project will be measured in the non-financial metrics in FY2022 and FY2023. Following successful implementation, the digitisation projects are expected to be earnings accretive from FY2024 and this is reflected in the proposed financial targets for the medium term as shown in the table on the next page.

** The sustainability targets are project specific.*

The scoring for each performance measure will be applied as follows:
- Below threshold – 0%
- Threshold – 50%
- On-target – 100%
- Outperform – 150%.

Linear interpolation will be applied for performance between threshold and on-target, and on-target and outperform.

As a transitionary measure, we intend to measure growth in ROIC and cash conversion over one year in FY2022 and two years in FY2023, and a trailing three-year period from FY2024 onwards.

The COVID-19 pandemic adversely affected our financial performance in FY2020 and FY2021, and given that fourth and fifth waves of the COVID-19 pandemic are included in our forecast for FY2022, financial performance is expected to remain challenged for the year ahead. However, the return to levels of pre-pandemic profitability remains a key priority and forms the basis of the targeted EBITDA margin in the medium term.

Notwithstanding the challenging environment, as we emerge from the COVID-19 pandemic and the operating environment normalises, we expect significant improvement in the underlying financial performance of the business in FY2023 and beyond along with continued sustainable cash conversion. This will translate into appropriately higher targets. We remain focused on investing in capital expenditure for future opportunities and, in particular, in investing in key projects that are critical to achieving our overarching strategy of person-centered health and care that is digitally enabled and data driven. We expect the benefits of these strategic projects to start materialising after implementation is complete by the end of FY2023. The projects will drive future growth as reflected in the increased target ranges for the medium term as set out in the table below:

Measure	Target ranges
EBITDA margin	FY2022 + (2.5% to +4%)
Adjusted HEPS	CPI + GDP + (5% to +10%)
Return on invested capital	WACC + (2% to +4%)
Cash conversion	90% to 110%

Delivery

The Single Incentive Plan will be settled as follows for executive directors and prescribed officers:
- In cash and deferred shares. The cash portion will be settled annually in December of each year.
- The balance, in Deferred Share Awards, vest at 20% per annum over five years for the members of the Executive Committee.

The determination of the pro-forma value for the annual Single Incentive, will be as follows:
- Single incentive = annual CTC x on-target % x performance multiplier
- Cash incentive = single incentive x cash percentage
- Deferred share award = (single incentive x deferred percentage) + any approved retention award

While this formulaic determination will provide the quantum of eligibility each year, the Remuneration Committee will apply its discretion to determine the final award.

The deferred awards will be governed by a set of plan rules in line with the salient features described below and will generally be issued in December of each year.

The Single Incentive Plan parameters for the on-target percentage, the cash portion, and the deferral term will be customised to the market and role, and these parameters, including the applicable performance scorecards and weightings applicable to all participants, will be determined, and communicated to participants ideally by the end of October, but by no later than 31 January of the subsequent financial year.

Executive leadership	Incentive %	Cash %	
CEO	200%	20%	Balance in deferred shares (over five years)
CFO and MD: Hospital division	165%	20%	Balance in deferred shares (over five years)
Executive Committee	125%	20%	Balance in deferred shares (over five years)

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Salient features of the deferred shares

The deferred shares will be forfeitable shares which are procured as soon as possible after the award date and held in escrow for the benefit of the participants.

The shares qualify for ordinary dividends and voting rights, but special dividends must be used to acquire further shares which are subject to the same terms as the underlying awards.

An overall limit of 5% of issued shares, and an individual limit of 0.5% of issued shares will be applied. The limit excludes awards that are forfeited and shares that are procured in the market to settle awards.

In the case of fault termination of employment, including resignation, retirement before normal retirement date and dismissal for disciplinary reasons, all unvested awards will be forfeited.

In the case of no-fault terminations of employment, including death, disability, retirement at normal retirement age and termination of employment due to operational reasons, the awards will vest on the original vesting dates, without acceleration, except in the case of death, where the awards will vest as soon as practically possible.

In the case of change of control, a portion of the awards will vest, on a time pro-rated basis to reflect the portion of the applicable vesting period served, with the balance continuing based on the original terms or replaced by awards of similar value if it is not possible for the awards to continue in their current form.

In the event of the change of capital structure, the Remuneration Committee may make changes to the awards so that they have materially the same value before and after the transaction.

The aggregate costs of the Single Incentive Plan were benchmarked against the costs of continuing the current LTI (or FSP) and STI scheme. The costs for on-target performance under the proposed Single Incentive Plan are broadly similar over a five-year period.

Other deferred share awards

Our policy permits the granting of awards of deferred shares which are not part of the annual Single Incentive Plan, and these include:
- Sign-on awards that are included in the employment agreement for new employees, generally to compensate them for awards from the previous employer which will be forfeited on resignation; and
- Specific retention or counter-offer awards, which are not generally made to executive directors and prescribed officers.

Such awards must be motivated by the CEO and approved by the Remuneration Committee.

Discretion and safeguards

The annual Single Incentive Plan is subject to the discretion of the Remuneration Committee, and will be applied to reduce the overall quantum of the single incentive, unless there are exceptional circumstances, if:
- The aggregate value of the single incentive for the year (including the cash and deferred portion but excluding the additional transition award discussed above) is more than 8% of EBIT, and
- The total number of deferred share awards for the year is more than 1% of the number of shares in issue.

Procurement of deferred shares

The shares to settle deferred share awards will be purchased in the market as soon as possible after their award and no new shares or treasury shares will be used for this purpose.

Minimum shareholding requirements

We benchmarked our minimum shareholding requirements (MSR) against peers in the market and effected the changes outlined below based on the outcome of the benchmarking.

Executives are required to hold shares in the company and retain vested shares awarded under the Single Incentive Plan to ensure alignment between the interests of executives and shareholders.

The Remuneration Committee has approved the MSR policy for the Single Incentive Plan with the following associated minimum shareholding targets:

Executive leadership	Minimum shareholding requirement	Previous policy requirements
CEO	200% of CTC	250% of CTC
CFO	150% of CTC	200% of CTC
Other members of the Executive Committee	100% of CTC	150% of CTC

The previous policy required the MSR to be satisfied over an eight to ten-year period. The new policy requires the MSR to be satisfied in year five from the date of the Remuneration Committee's approval of the Single Incentive Plan or five years from the date of designation by the committee for executives not yet designated to be compliant with the MSR at the date of such committee designation.

Measurement may be reset to a further five years from the prevailing measurement date at the discretion of the Remuneration Committee.

The executives must build up to the target minimum shareholding, following which a new measurement date will be set, on a rolling basis, on which the target minimum shareholding will again be measured.

The executives may use personal investment shares or committed shares to satisfy the target minimum shareholding. Once the target minimum shareholding has been achieved, there is an expectation that the executive maintains the level of shareholding until termination of employment.

Malus and clawback

The Remuneration Committee confirms that the malus and clawback clauses of Netcare's remuneration policy, as approved in 2019/2020, are as follows:

Malus

(pre-vesting)

All LTI awards and the deferred shares issued under the new Single Incentive Plan to executive directors, prescribed officers and senior executives made after 1 January 2020 are subject to malus provisions. The vesting levels of these awards may be reduced, including to nil, in the following (but not limited to) instances:

- Deliberately misleading the Group, the market and/or shareholders in relation to the Group's financial performance.
- Misconduct, incompetence or gross negligence with regards to the financial reporting or performance of the Group.

Clawback

(post-vesting)

Clawback clauses apply to any variable remuneration awarded from 1 January 2020 onwards. In the case of the LTI and Single Incentive Plan, the Remuneration Committee may apply clawback at any time during the three-year period from the date on which variable remuneration vests, if there is reasonable evidence of material misconduct in line with the malus provisions above.

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Fair and responsible employee remuneration

Netcare is committed to ensuring that our remuneration policy and practices are externally competitive, fair, responsible and free of any unfair discrimination and prejudice. To give effect to this commitment, we utilise a reputable job grading system to ensure equal pay for work of equal value. We benchmark our salaries against other healthcare companies and non-healthcare companies of similar size to ensure that our remuneration to employees is market competitive.

We also conduct income differential analysis annually to ensure that there are no unfair pay differentials based on gender, race and/or any other social demographics. Our analysis shows that we do not have unfair race and gender pay gaps for work of equal value. Where differentials exist, we investigate the underlying reasons and these mostly relate to educational levels, work experience and length of service in the role.

In considering King IV's Principle 14, the global challenge of income gaps between the highest and the lowest earners, and the social inequalities in SA as one of the most unequal societies in the world, we have implemented the following measures to progressively narrow the gap:

- Our minimum wage is 44% above the legislated national minimum wage.
- We offer above CPI annual salary increments for our employees at the lower end of the pay scale compared to the CPI linked salary increments for executive directors, prescribed officers and senior executives.
- Employees at non-managerial levels are remunerated based on their structured package plus benefits. The benefits include employer contributions to retirement fund, medical aid membership, Group life cover, funeral cover, as well as disability benefits.
- Permanent employees at non-managerial level receive a guaranteed 13th cheque at 31 December for each completed 12-month period worked. This is paid to employees in service on 31 December of each year.
- All employees below the executive level were allocated 3 000 Netcare shares each in October 2019 as part of Netcare's B-BBEE Employee Share Ownership Scheme (ESOP).
- We offer enhanced maternity and parental leave benefits compared to those prescribed in the Basic Conditions of Employment Act. We offer our employees a four-month paid maternity leave benefit at 33% of structured package and also allow an option of a fifth month without pay. This benefit compares favourably to the Act's legislated four-months unpaid maternity benefit.
- We offer 10 days of paid parental leave compared to the legislated 10 days unpaid parental leave.
- We offer uniforms to our staff at no cost to them with uniform allocation made every 18 months.
- We offer subsidised meals to employees while on duty.

Part 3

Implementation report

Subject to non-binding advisory vote at AGM on 4 February 2022

During 2021, the increases to annual guaranteed packages (AGPs) of executive directors, prescribed officers and senior executives were linked to CPI and above CPI salary increases were awarded at levels below. This principle will also be applied in FY2022.

Balanced scorecard

Group performance parameter	Actual	Target
EBITDA	**R3 193 million**	R3 671 million

In addition to EBITDA and EBITDA margin, the achievement of Netcare's strategic priorities accounted for 40% of executive directors, prescribed officers and senior executives' balanced scorecards as set out below. The scorecard implemented was robust and included both financial and non-financial targets.

Non-financial aspects for FY2021 covered digitisation projects, transformation initiatives, clinical outcomes and key business development projects, with all related targets having been substantively achieved. Our achieved financial targets are extracted or calculated from the audited financial statements, and the B-BBEE performance targets are externally verified by Empowerdex.

● Target met ● Target not met ⊙ Target partially met

Consistency of Care		
Implement patient communication platform.	●	**Target not met** Disrupted by COVID-19.
Design, and implement the revised patient feedback survey.	●	**Target not met** Disrupted by COVID-19.
Specialised surgical formulary compliance.	⊙	**Target partially met** Disrupted by COVID-19.
Implement comprehensive, digital occupational health and safety programme.	●	**Target met**

Disruptive innovation		
Hospital division – achieve the rollout milestones for CareOn electronic medical record (EMR).	●	**Target met**
Akeso Clinics – achieve EMR development milestones.	●	**Target met**
National Renal Care – achieve EMR development and rollout milestones.	●	**Target met**
Medicross – achieve EMR milestones.	●	**Target not met** Disrupted by COVID-19.
Data analytics and platform – completion of specified project use cases.	⊙	**Target partially met** Disrupted by COVID-19.

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

● Target met ● Target not met ⊙ Target partially met

Transformation of society		
Maintain the B-BBEE ownership at FY2020 score.	●	**Target met and exceeded**
Improve inclusion of >51% black-owned enterprises and >30% black women-owned enterprises in Netcare's supply chain.	●	**Target met and exceeded**
Invest 1% of net profit after tax (NPAT) on enterprise development and 2% of NPAT on supplier development.	●	**Target met**
Invest 1% of NPAT on corporate social investment initiatives.	●	**Target met and exceeded**
Improve skills development rating on the B-BBEE scorecard.	●	**Target met and exceeded**

Environmental sustainability		
Digitise healthcare risk waste management processes and governance.	●	**Target met**
Develop new 10-year strategy for environmental sustainability to 2030.	●	**Target met**

Organic growth		
Attract 60 new doctors.	●	**Target met**
Secure additional hospital inclusion on designated service provider networks.	●	**Target met**

Integration		
Develop integrated Group-wide marketing approach, communication strategy and stakeholder strategy.	●	**Target met**
Achieve targeted doctor participation on **appoint**med™.	●	**Target met**
Develop a comprehensive customer engagement model.	●	**Target not met** Disrupted by COVID-19.

Investment		
Complete build of Akeso Richards Bay Clinic.	●	**Target met**
Return on invested capital	●	**Target not met** Achievement impacted by COVID-19.
Net debt to EBITDA	●	**Target not met** Achievement impacted by COVID-19.
EBITDA/net interest (times)	⊙	**Target partially met** Achievement impacted by COVID-19.
Cash conversion	●	**Target met**

An overall performance score of 60% was achieved on the Group and divisional balanced scorecards, meeting the criteria for payment of the STI. Accordingly, the Remuneration Committee approved the allocation of STIs for 1 406 junior managers, middle managers and senior executives. The value of the STI was R100 million and this amounted to 4.9% of operating profit after taking the bonus provision into account. Circa 17.5% of the total incentive pool was paid to executives (F band), 11.3% to senior managers (E Band), and 71.2% to middle and junior managers (C upper and D band). Employees below these management levels have a contracted guaranteed 13th cheque.

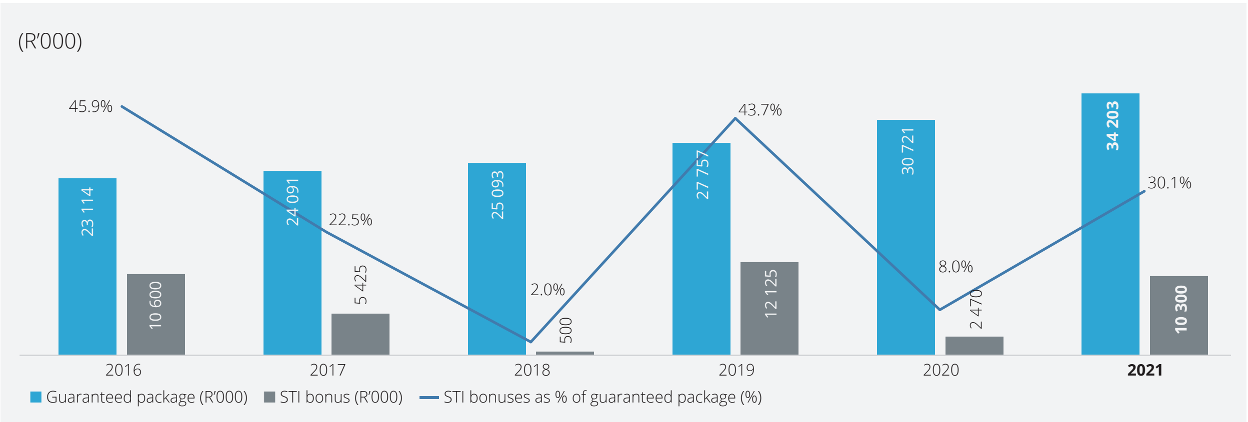
Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Variable remuneration

Short-term incentives relative to AGP

(Executive directors and prescribed officers)



The graph above illustrates the incentives awarded over a six-year period, including the incentives that were approved by the Remuneration Committee for FY2021 to be paid in December 2021.

Executive director STIs

The table below provides a view of the STIs received by the CEO and CFO over the last three years.

R'000	**2021**	2020	2019
RH Friedland	**3 000**	Zero[1]	5 000
KN Gibson	**2 000**	618	1 825

1. The CEO chose to voluntarily forego any discretionary STI.

Executive remuneration

The table below summarises executive remuneration for FY2021.

R'000	**Guaranteed package**	**Bonuses**	**Total**
Executive directors			
RH Friedland	**10 604**	**3 000**	**13 604**
KN Gibson	**5 510**	**2 000**	**7 510**
Prescribed officers			
T Akaloo	**3 739**	**1 000**	**4 739**
J du Plessis	**5 008**	**1 700**	**6 708**
C Grindell	**3 520**	**1 400**	**4 920**
S Mhlongo*	**1 604**	**Zero**	**1 604**
WN van der Merwe	**4 218**	**1 200**	**5 418**

** Resigned in March 2021.*

The table below summarises executive remuneration for FY2020.

R'000	Guaranteed package	Bonuses	Total
Executive directors			
RH Friedland	10 247	Zero	10 247
KN Gibson	5 323	618	5 941
Prescribed officers			
J du Plessis	4 835	753	5 588
C Grindell	3 400	524	3 924
S Mhlongo	3 094	285	3 379
WN van der Merwe	3 822	289	4 111

LTI vesting outcomes

Following the review of the performance conditions imposed in respect of FSP 3, the performance shares of FSP 3, tranche 2, due to vest on 1 December 2021 were forfeited as the performance parameters were not met.

Performance parameter	Target
ROCE (over three years) 50% weighting	ROCE of WACC plus 6% = 17.3% ● **Target not Met**
HEPS 50% weighting	HEPS of CPI plus 4% ● **Target not met**

The second tranche of retention awards of FSP 3, which have no performance conditions, were paid out in June 2021.

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Forfeitable shares

Held by executive directors and prescribed officers at 30 September 2021 (number of options)

Number of options	Grant date	1 Oct 2020	Shares forfeited during the year	Exercised (sold and retained)	30 Sep 2021	Market price at exercise date (cents)	Gain arising on exercise (R'000)
Executive directors	FSP 2: 20 Jan 2016 FSP 3: 20 Jan 2018						
RH Friedland[1]		951 670	**(179 252)**	**(253 390)**	**519 028**	**15.33**	**3 883**
KN Gibson[2]		406 452	**(76 414)**	**(108 115)**	**221 923**	**15.33**	**1 657**
Prescribed officers							
T Akaloo		137 500	**(18 750)**	**(31 250)**	**87 500**	**15.39**	**481**
J du Plessis		323 688	**(60 206)**	**(85 613)**	**177 869**	**15.33**	**1 312**
C Grindell		165 109	**(24 798)**	**(41 686)**	**98 625**	**15.39**	**642**
S Mhlongo		114 584	**(98 959)**	**(15 625)**	**–**	**15.15**	**237**
WN van der Merwe		210 817	**(32 791)**	**(50 944)**	**127 082**	**15.36**	**783**
		2 309 820	**(491 170)**	**(586 623)**	**1 232 027**		**8 995**

1. *RH Friedland exercised 253 390 (FY2020: 187 530) share options during the year in terms of the FSP.*
2. *KN Gibson exercised 108 115 (FY2020: 79 802) share options during the year in terms of the FSP.*

The audited financial table has been included in the annual financial statements under note 4.1.2.

Non-executive director remuneration

Non-executive directors are paid a fixed fee for their services as directors and for services provided as members of Board committees. These fees vary depending on their roles within the committees. Fees are set at levels that will attract and retain the calibre of directors necessary to contribute to a highly effective Board. Non-executive directors do not qualify for participation in any share or incentive schemes.

Board and governance committee meeting attendance

The table below outlines the number of Board meetings, committee meetings and ad hoc meetings held during FY2021.

Director	Netcare Board	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	Consistency of Care Committee#	Social and Ethics Committee
MR Bower	o 8/8	C 3/3	o 2/2		o 5/5		
T Brewer	C 8/8		o 2/2	C 3/3	o 5/5		o 2/2
B Bulo	o 8/8	o 3/3	C 2/2			o 1/1	
RH Friedland	o 8/8	*	o 2/2	*	*	o 1/1	o 2/2
KN Gibson	o 8/8	*	o 2/2				
L Human	o 8/8		o 2/2	o 3/3			
D Kneale	o 8/8	o 3/3		o 3/3	C 5/5		
MJ Kuscus	o 7/8		o 2/2			C 1/1	o 2/2
KD Moroka	o 8/8			o 3/3			C 2/2
A Laubscher[1]						o 1/1	

C Chair.
o Committee member.
** Attends by invitation.*
1. A Laubscher is a member of the Consistency of Care Committee.
 # The second Consistency of Care Committee meeting was cancelled due to COVID-19.

Fees paid to non-executive directors

(based on Board, committee and ad hoc committee attendance)

R'000	Board	Audit	Nom[1]	Risk	Rem[2]	S&E[3]	CoC[4]	Fin & Invest[5]	**2021 total**	2020 total
MR Bower	685	242		136	126			210	**1 399**	1 388
T Brewer	1 340		179	136	126	126		210	**2 117**	2 113
B Bulo	685	179		193			186		**1 243**	1 182
L Human	685		126	136			186		**1 133**	943
D Kneale	685	179	126		186				**1 176**	849
MJ Kuscus	685			136		126	235		**1 182**	1 178
K Moroka	685		126			179			**990**	990
Total	5 450	600	557	737	438	431	607	420	**9 240**	8 643

1. Nomination.
2. Remuneration.
3. Social and Ethics.
4. Consistency of Care.
5. Finance and Investment (operating committee).

Extracts from the shareholder report continued

Extract 1: Remuneration report continued

Proposed non-executive directors' fees

The Remuneration Committee has proposed a variable increase in non-executive directors' fees exclusive of VAT for FY2022, informed by a PwC benchmarking exercise.

The increases remain subject to shareholder approval at the AGM on 4 February 2022. The fees that have been adjusted have been referenced accordingly, and the balance remains at current levels.

PwC has independently benchmarked the proposed fees, with the following comparators used in the benchmark:
- Publicly disclosed non-executive director fees for a comparator group of companies listed on the JSE.
- Quartile benchmarks to ensure that accurate data is provided.

Based on the findings of the PWC benchmarking, a 4.6% increase for the Audit Committee Chair and the Remuneration Committee Chair are being tabled for approval by shareholders at the 2022 AGM.

Proposed non-executive director fees

R'000	**Proposed 2022**	Increase	Actual 2021	Actual 2020
Board				
Chair	**1 340**		1 340	1 340
Member	**685**		685	685
Audit Committee				
Chair	**253**	4.6%	242	235
Member	**179**		179	179
Nomination Committee				
Chair	**179**		179	179
Member	**126**		126	126
Risk Committee				
Chair	**193**		193	179
Member	**136**		136	126
Remuneration Committee				
Chair	**195**	4.6%	186	179
Member	**126**		126	126
Social and Ethics Committee				
Chair	**179**		179	179
Member	**126**		126	126
Consistency of Care Committee				
Chair	**235**		235	225
Member	**186**		186	179
Payable per meeting				
Ad hoc committees (including the Finance and Investment Committee)	**42**		42	42

Note: values exclude VAT.

Extract 2: Analysis of shareholders

	Number of shareholders	Percentage of shareholders	**Number of shares in issue[1]**	Percentage of issued share capital
Shareholder Spread				
1 – 1 000	13 765	51.70	**2 732 277**	0.21
1 001 – 50 000	11 521	43.27	**84 515 312**	6.32
50 001 – 100 000	415	1.56	**29 601 817**	2.21
100 001 – 10 000 000	908	3.41	**760 211 435**	56.85
10 000 001 and above	15	0.06	**460 165 312**	34.41
Total	26 624	100.00	**1 337 226 153**	100.00
Distribution of shareholders per category				
Individuals	23 123	86.85	**88 334 870**	6.61
Private companies	536	2.01	**69 993 382**	5.23
Nominees and Trusts	1 475	5.54	**18 336 572**	1.37
Banks and brokerage firms	68	0.26	**24 889 819**	1.86
Insurance companies	123	0.46	**62 511 496**	4.68
Pension funds and medical aid schemes	614	2.31	**497 738 564**	37.22
Collective investment schemes and mutual funds	685	2.57	**575 421 450**	43.03
Total	26 624	100.00	**1 337 226 153**	100.00
Public and non-public shareholdings				
Public	26 622	99.99	**1 336 488 115**	99.94
Non-public	2	0.01	**738 038**	0.06
Total	26 624	100.00	**1 337 226 153**	100.00

1. *Number of shares in issue net of treasury shares.*

Extracts from the shareholder report continued

Extract 2: Analysis of shareholders continued

	Number of shares in issue[1]	Percentage of issued share capital
Beneficial shareholders holding 5% or more		
Public Investment Corporation on behalf of Government Employee Pension Fund[2]	**296 016 447**	22.14
Total	**296 016 447**	22.14
Investment manager: Top 10		
Public Investment Corporation Group	**219 037 313**	16.38
Ninety One SA (Pty) Limited	**75 842 400**	5.67
Visio Capital Management (Pty) Limited	**58 086 464**	4.34
Old Mutual Investment Group (South Africa) (Pty) Limited	**57 625 924**	4.31
The Vanguard Group, Inc.	**50 375 980**	3.77
Foord Asset Management (Pty) Limited	**49 471 384**	3.70
Truffle Asset Management (Pty) Limited	**42 891 206**	3.21
Laurium Capital (Pty) Ltd	**42 529 648**	3.18
Allan Gray Proprietary Limited	**35 268 214**	2.64
BlackRock Institutional Trust Company, N.A.	**34 101 066**	2.55
Total	**665 229 599**	49.75
Beneficial owner: Top 10		
Public Investment Corporation Limited	**306 190 592**	22.90
Norges Bank Investment Management (NBIM)	**55 983 284**	4.19
Alexander Forbes Investments	**45 927 232**	3.43
Old Mutual Life Assurance Company SA	**27 428 882**	2.05
Eskom Pension and Provident Fund	**22 463 924**	1.68
Vanguard Total International Stock Index Fund	**19 616 216**	1.47
Vanguard Emerging Markets Stock Index Fund (US)	**19 480 471**	1.46
Truffle Sanlam Collective Investments SA Equity Fund	**14 790 032**	1.11
Caisse de Depot et Placement du Quebec	**11 830 211**	0.88
Foord Balanced Fund	**11 262 019**	0.84
Total	**534 972 863**	40.01
Geographic ownership		
South Africa	**972 350 202**	72.71
International	**364 875 951**	27.29
Total	**1 337 226 153**	100.00

1. Number of shares in issue net of treasury shares.
2. As the treasury shares held by the HPFL B-BBEE scheme carry voting rights, the effective voting power of the Government Employee Pension Fund is 20.7%.

Extract 3: Ordinary share capital

Number of shares (million)	**2021**	2020
Authorised		
Ordinary shares of 1.0 cent each	**2 500**	2 500
Issued		
Shares in issue at beginning of year	**1 439**	1 452
Shares cancelled during the year	**–**	(13)
Shares in issue at end of year	**1 439**	1 439
Treasury shares		
Treasury shares at beginning of year	**(104)**	(107)
Sale of treasury shares	**2**	3
Treasury shares at end of year	**(102)**	(104)
Total issued ordinary shares (net of treasury shares)	**1 337**	1 335
Treasury shares are held as follows:		
HPFL B-BBEE Trusts	**96**	96
Forfeitable Share Plan	**6**	8

Rm	**2021**	2020
Authorised		
Ordinary shares of 1.0 cent each	**25**	25
Issued ordinary share capital		
Balance at beginning of year	**4 297**	4 334
Share buy-back	**–**	(37)
Balance at end of year	**4 297**	4 297

Extracts from the shareholder report continued

Extract 4: Directors' responsibility and approval

The directors of Netcare Limited are responsible for the preparation and integrity of the annual financial statements of the company and the Group, which have been prepared under the supervision of the Chief Financial Officer, Mr KN Gibson, CA(SA). These annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act), and the JSE Listings Requirements in line with the accounting policies of the Group, which are supported by prudent judgements and estimates. The Group's external auditors, Deloitte & Touche, are engaged to express an independent opinion on these financial statements which has been presented on pages 11 to 13[1].

To enable the directors to fulfil this responsibility, the Group maintains internal accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the Group's policies and procedures to prevent and detect material misstatement and loss.

The directors are of the opinion that such accounting and administrative control systems have been maintained during the year, and based on information and explanations from management believe that the system of internal control is adequate for ensuring the:

- Reliability and integrity of financial and operating information;
- Adequate safeguarding, verification and accountability of assets against unauthorised use or disposition; and
- Compliance of established systems with policies, procedures, laws and regulations.

Nothing has come to the attention of the Netcare Board that caused it to believe that the Group's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The directors have considered control deficiencies identified by the internal and external auditors and have concluded that these have not resulted in a material misstatement of these financial statements. The directors have considered the proposed and completed remedial actions in respect of the identified control deficiencies.

The annual financial statements are prepared on a going concern basis and in accordance with IFRS. These financial statements are audited by the external auditors in conformity with International Standards on Auditing.

The annual financial statements were approved by the Board of directors on 18 November 2021 and are signed on its behalf by:

T Brewer
Non-executive Board Chair

RH Friedland
Chief Executive Officer

KN Gibson
Chief Financial Officer

Sandton

18 November 2021

1. Page numbers refer to the pages in the full annual financial statements.

Extract 5: Interests of directors

The beneficial and non-beneficial interests of directors in the ordinary shares of the company were:

Number of shares	1 October 2020[1]	**Options exercised**	**Disposed**	**30 September 2021**	**Directly[2]**
Executive directors					
RH Friedland	122 252	**253 390**	**(119 989)**	**255 653**	**255 653**
KN Gibson	426 005	**108 115**	**(51 196)**	**482 924**	**482 924**
	548 257	**361 505**	**(171 185)**	**738 577**	**738 577**

1. The information in this column is consistent with 30 September 2020.
2. The direct shares held are beneficial.

Our Board of directors

Non-executive directors

(■C) ■■■

T (Thevendrie) Brewer | 49

BCom, PGDA, CA(SA)
Board Chair
Appointed: 24 January 2011
Tenure: 10 years

Skills: Governance, healthcare, general business management, global commerce, investment banking, financial services, legal, human resources, compensation, public policy.
Board attendance: 4/4

(■C)■■

MR (Mark) Bower | 66

BCom (Cum Laude), BCompt, BCompt (Hons), CA(SA)
Independent non-executive director
Appointed: 23 November 2015
Tenure: 6 years

Skills: Governance, general business management, global commerce, financial services, human resources, compensation.
Board attendance: 4/4

(■C)■■

B (Bukelwa) Bulo | 44

BBusSci Hons, PGDA, CA(SA)
Independent non-executive director
Appointed: 23 November 2015
Tenure: 6 years

Skills: Governance, general business management, investment banking, financial services.
Board attendance: 4/4

KEY
- ■ Audit Committee
- ■ Nomination Committee
- ■ Risk Committee
- ■ Remuneration Committee
- ■ Social and Ethics Committee
- ■ Consistency of Care Committee
- C Chair

■■■

L (Lezanne) Human | 52

BSc Hons Operations Research (Cum Laude), MSc Applied Mathematics (Cum Laude), MBA (Cum Laude)
Independent non-executive director
Appointed: 13 May 2019
Tenure: 2 years

Skills: Governance, digital, general business management, global commerce, financial services.
Board attendance: 4/4

(■C)■■

D (David) Kneale | 67

BA
Independent non-executive director
Appointed: 1 January 2020
Tenure: 2 years

Skills: Governance, healthcare, general business management, global commerce, financial services, compensation.
Board attendance: 4/4

(■C) ■■

MJ (Martin) Kuscus | 66

BA Cur, EDP
Independent non-executive director
Appointed: 1 July 2008
Tenure: 13 years

Skills: Governance, healthcare, general business management, global commerce, human resources, public policy.
Board attendance: 4/4

Non-executive directors continued

Dr T (Thabi) Leoka | 42

BA (Hons) MA, MSc Economics and Economic History and PhD in Economics

Independent non-executive director

Appointment effective: 1 January 2022

Skills: Governance, economist, general business management, emerging markets economics, columnist, global commerce.

(C)

Adv KD (Kgomotso) Moroka | 67

BProc, LLB

Independent non-executive director

Appointment effective: 23 July 2006

Tenure: 15 years

Skills: Governance, healthcare, general business management, financial services, legal, human resources, public policy.

Board attendance: 4/4

Dr R (Rozett) Phillips | 51

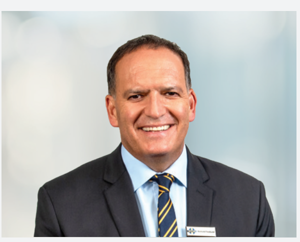
MBChB, MBA, Dip Future Studies (USB)

Independent non-executive director

Appointment effective: 1 January 2022

Skills: General business management, strategy consulting, digital, largescale technology implementation, human capital transformation.

Executive directors



Dr RH (Richard) Friedland | 59

BvSc, MBBCh (Cum Laude), Dip Fin Man, MBA

Chief Executive Officer

Appointed: 15 May 1997

Tenure: 24 years

Skills: Governance, healthcare, general business management, global commerce, financial services, human resources, compensation.

Board attendance: 4/4

KN (Keith) Gibson | 51

BAcc, CA(SA)

Chief Financial Officer

Appointed: 10 November 2011

Tenure: 10 years

Skills: Governance, healthcare, general business management, global commerce, investment banking, financial services, human resources, compensation.

Board attendance: 4/4

KEY

- Audit Committee
- Nomination Committee
- Risk Committee
- Remuneration Committee
- Social and Ethics Committee
- Consistency of Care Committee
- C Chair

Shareholders' diary

Annual general meeting	4 February 2022	
Reports		
Interim results announcement	May	
Final results announcement	November	
Dividends		
Ordinary dividends		
	Declared	**Paid**
Interim	May	July
Final	November	January
Preference dividend		
Interim	April	May
Final	October	November

Proxy form

for the year ended 30 September 2021

Netcare Limited

Registration number: 1996/008242/06
JSE share code: NTC
ISIN: ZAE000011953
(Netcare or the Company)

Form of Proxy – for use at the 25th annual general meeting (AGM) of the Company to be held virtually at 10h00 on Friday, 4 February 2022.

This proxy form is only for use by:
1. Registered members who have not yet dematerialised their shares in the Company, and
2. Registered members who have already dematerialised their shares in the Company and are registered in their own names in the Company's sub-register*.
3. This form is to be read in conjunction with the rights extended to shareholders in terms of Section 58 of the Companies Act.

I/We (full name) of (address)

email address contact number

holding ordinary shares in the Company,

do hereby appoint or failing him/her,

or failing them, the Chair of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 25th AGM of the Company to be held on Friday, 4 February 2022 at 10h00 and at any adjournment or postponement thereof as follows:

Insert X in the appropriate block

Resolution	For	Against	Abstain
1. Ordinary resolutions numbers 1.1 to 1.4: Re-election and election of directors			
Ordinary resolution 1.1: K Moroka			
Ordinary resolution 1.2: M Kuscus			
Ordinary resolution 1.3: T Leoka			
Ordinary resolution 1.4: R Phillips			
2. Ordinary resolution number 2: Re-appointment of independent external auditors			
3. Ordinary resolutions number 3.1 to 3.4: Appointment of Audit Committee members:			
Ordinary resolution 3.1: MR Bower (Chair)			
Ordinary resolution 3.2: B Bulo			
Ordinary resolution 3.3: D Kneale			
Ordinary resolution 3.4: T Leoka			
4. Ordinary resolution number 4: Signature of documents			
5. Non-binding resolution number 1: Approval of the remuneration policy			
6. Non-binding resolution number 2: Approval of the implementation report			
7. Special resolution number 1: General authority to repurchase shares			
8. Special resolution number 2: Approval of non-executive directors' remuneration for the period 1 October 2021 to 30 September 2022			
9. Special resolution number 3: Financial assistance to related and inter-related companies in terms of Sections 44 and 45 of the Companies Act			

Every person present and entitled to vote at the AGM as a member or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of shares such person holds or represents, but in the event of a poll, every share shall have one vote.

Indicate instructions to proxy by way of a cross in the space provided above. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at this day of 2021/2022

Signature assisted by (if applicable)

* *Members registered in their own names are members who have appointed CTSE Registry Services Central Securities Depository Participant (ABSA Investor Services) with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.*

Please read the notes and instructions overleaf.

Proxy form continued

1. A member may insert the name(s) of one or more proxies (none of whom needs to be a member of the Company) in the space provided, with or without deleting the words 'Chair of the meeting'. The person whose name stands first on the proxy form and has not been deleted and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chair of the AGM.
2. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box/boxes provided. Failure to comply with the above will be deemed to authorise the proxy to vote as he/she thinks fit or, where the proxy is the Chair, such failure shall be deemed to authorise the Chair to vote in favour of the resolutions in respect of all the members' votes exercisable thereat.
3. The completion and lodging of this proxy form shall in no way preclude the member from attending, speaking and voting in person at the AGM to the exclusion of any proxy appointed in terms hereof.
4. Should this proxy form not be completed and/or received in accordance with these notes, the Chair may accept or reject it, provided that in respect of this acceptance, the Chair is satisfied as to the manner in which the member wishes to vote.
5. Documentary evidence establishing the authority of the person signing the proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company's Transfer Secretaries or waived by the Chair of the AGM.
6. Where this proxy form is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.
7. Where shares are held jointly, all joint holders are required to sign.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the Company's Transfer Secretaries.
9. Any alteration or correction made to this proxy form must be signed in full and not initialled by the signatories.
10. This proxy form must be lodged at the registered office of the Company or the Transfer Secretaries, CTSE Registry Services, 4th Floor, Building A, Hill on Empire, 16 Empire Road, Parktown or by email: netcare@4Axregistry.co.za, preferably not later than 48 hours (10h00 on Wednesday, 02 February 2022) before the AGM. Nevertheless, completed proxy forms may be lodged with the Transfer Secretaries by no later than immediately prior to the commencement of voting on the resolutions tabled at the AGM.

Disclaimer

Certain statements in this document constitute ‘forward-looking statements’. Forward-looking statements may be identified by words such as ‘believe’, ‘anticipate’, ‘expect’, ‘plan’, ‘estimate’, ‘intend’, ‘project’, ‘target’, ‘predict’ and ‘hope’. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or the healthcare sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group’s present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

Any forward-looking information contained in this notice has not been reviewed or reported on by the Company’s external auditors.

Forward-looking statements apply only as of the date on which they are made, and Netcare does not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise.

www.netcare.co.za

Investor relations: ir@netcare.co.za