



NETCARE

Netcare Limited Shareholder report

for the year ended 30 September 2022



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Our reporting suite



Integrated report

Primary report to stakeholders available in print and online

Provides material information on the Group's strategy to create a sustainable competitive advantage and deliberate social, economic and environmental value; in particular how Netcare creates and preserves enterprise value and mitigates its erosion over time, in relation to the six capitals. Applying this value lens, the integrated report includes material information and data that is presented and analysed in more detail in the supplementary reports. It complies with the JSE Limited (JSE) Listings Requirements and the South African Companies Act 71 of 2008, as amended (Companies Act).

Reporting frameworks applied:

- International Integrated Reporting <IR> Framework (January 2021).
- King Report on Corporate Governance for South Africa (2016)TM (King IV)¹.

[Link to strategic pillars](#)



Supplementary reports

Publications that cater to the specific information needs of our stakeholders and satisfy compliance reporting requirements, available online at www.netcare.co.za/Netcare-Investor-Relations



Shareholder report

Provides detailed disclosure on the Group's approach to corporate governance, its full remuneration policy and implementation report and the summarised Group annual financial statements; of particular interest to investors, debt providers and regulators. The report complies with the JSE Listings Requirements and the Companies Act.

Reporting framework applied:

- King IV.

[Link to strategic pillars](#)



Environmental, social and governance report

Sets out in detail the Group's economic, social and environmental impacts and the governance practices and approaches that ensure they are appropriately managed; of particular interest to shareholders, analysts, regulators and broader society.

Reporting frameworks applied:

- King IV.
- Global Reporting Initiative's (GRI) Standards (core option).
- Task Force on Climate-related Financial Disclosures (TCFD).

[Link to strategic pillars](#)



Quality report

Sets out the Group's consistency of care strategy, and includes clinical outcomes data and measurement requirements; of particular interest to patients, doctors and funders.

[Link to strategic pillars](#)



Annual financial statements

Sets out the Group's audited annual financial statements, and includes the report of the independent auditor. The report complies with the JSE Listings Requirements and the Companies Act.

Reporting frameworks applied:

- King IV.
- International Financial Reporting Standards (IFRS).
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides.

[Link to strategic pillars](#)



Additional information

- GRI content index.
- TCFD content index.
- Notice of annual general meeting and proxy form.
- Hospital listing.



Strategic pillars



Consistency of care



Disruptive innovation



Transformation of our society



Organic growth



Integration



Investment



Environmental sustainability

Feedback

We welcome your feedback to enhance the quality of our integrated report and supplementary information. Please email your feedback to ir@netcareinvestor.co.za.

¹. King IV copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Board of directors

To create and protect value for stakeholders as Netcare transforms to a patient centred organisation that is digitally enabled and data driven, the Board approves strategy, sets policy, ensures capital prudence and oversees the Group's governance frameworks and control environment.

Non-executive directors



T (Thevendrie) Brewer | 50

Independent Board chair
 BCom, PGDA, CA(SA)
Appointed: 24 January 2011
Tenure: 11 years
Board attendance: 4/4
Resigned: effective 31 December 2022.
Skills: Governance, healthcare, general business management, global commerce, investment banking, financial services, legal, human resources, compensation, public policy.



MR (Mark) Bower | 67

Independent non-executive director
 BCom (Cum Laude), BCompt, BCompt (Hons), CA(SA)
Appointed: 23 November 2015
Tenure: 7 years
Board attendance: 4/4
New appointments: appointed chair of the Board and Nomination Committee, and as a member of the Social and Ethics Committee effective 1 January 2023 and as chair of the Remuneration Committee effective 3 February 2023.
Skills: Governance, general business management, global commerce, financial services, human resources, compensation.



B (Bukelwa) Bulu | 45

Independent non-executive director
 BBusSci Hons, PGDA, CA(SA)
Appointed: 23 November 2015
Tenure: 7 years
Board attendance: 4/4
New appointments: appointed chair of the Audit Committee effective 1 January 2023.
Skills: Governance, general business management, investment banking, financial services.



L (Lezanne) Human | 53

Independent non-executive director
 BSc Hons Operations Research (Cum Laude), MSc Applied Mathematics (Cum Laude), MBA (Cum Laude)
Appointed: 13 May 2019
Tenure: 3 years
Board attendance: 4/4
New appointments: appointed chair of the Consistency of Care Committee and as a member of the Remuneration Committee effective 1 January 2023.
Skills: Governance, digital/large scale technology implementation, general business management, global commerce, financial services.



D (David) Kneale | 68

Independent non-executive director
 BA
Appointed: 1 January 2020
Tenure: 3 years
Board attendance: 3/4
Retired: effective 3 February 2023.
Skills: Governance, healthcare, general business management, global commerce, financial services, compensation.



MJ (Martin) Kuscus | 67

Independent non-executive director
 BA Cur, EDP
Appointed: 1 July 2008
Tenure: 14 years
Board attendance: 4/4
Retired: effective 31 December 2022.
Skills: Governance, healthcare, general business management, global commerce, human resources, public policy.

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

Non-executive directors continued



Dr T (Thabi) Leoka | 43

Independent non-executive director
 BA (Hons) MA, MSc Economics and Economic History, PhD in Economics
Appointed: 1 January 2022
Tenure: 9 months
Board attendance: 3/3
New appointments: appointed chair of the Risk Committee effective 1 January 2023.
Skills: Governance, economics and emerging markets economics, general business management, global commerce.



Adv KD (Kgomotso) Moroka | 68

Independent non-executive director
 BProc, LLB
Appointed: 23 July 2006
Tenure: 16 years
Board attendance: 4/4
Retired: effective 31 December 2022.
Skills: Governance, healthcare, general business management, financial services, legal, human resources, public policy.



Dr R (Rozett) Phillips | 52

Independent non-executive director
 MBChB, MBA, Dip Future Studies (USB)
Appointed: 1 January 2022
Tenure: 9 months
Board attendance: 3/3
New appointments: appointed chair of the Social and Ethics Committee and as a member of the Nomination Committee effective 1 January 2023.
Skills: Governance, general business management, strategy consulting, digital/large scale technology implementation, human capital (transformation).

Executive directors



Dr RH (Richard) Friedland | 60

Chief executive officer
 BvSc, MBCh (Cum Laude), Dip Fin Man, MBA
Appointed: 15 May 1997
Tenure: 25 years
Board attendance: 4/4
Skills: Governance, healthcare, digital/large scale technology implementation, general business management, global commerce, financial services, human resources, compensation, environmental and sustainability management.



KN (Keith) Gibson | 52

Chief financial officer
 BAcc, CA(SA)
Appointed: 10 November 2011
Tenure: 11 years
Board attendance: 4/4
Skills: Governance, healthcare, general business management, global commerce, investment banking, financial services, human resources, compensation.

New appointments

Effective from 1 January 2023



I (Ian) Kirk | 64

Independent non-executive director
 CA (SA)
Appointed: 1 January 2023
Skills: Governance, general business management, financial services, global commerce, strategy consulting, compensation.



L (Louisa) Stephens | 46

Independent non-executive director
 CA (SA) and Chartered Director
Appointed: 1 January 2023
Skills: Governance, general business management, global commerce, debt and equity financing, investment management, corporate finance, credit management.

Governance report

Governance report

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Netcare's Board of directors (the Board) subscribes to the principles of King IV, the Companies Act, the JSE Listings Requirements and other relevant laws. The Board's integrated application of King IV's principles and recommended practices aim to achieve the intended governance outcomes of an ethical culture, good performance, effective control and legitimacy, which in turn, support the Group's achievement of the sector-specific objectives of the **Quadruple Aim** – to balance the value of our services with their cost to society – and are pivotal to the delivery of the Group's purpose – to deliver the best and safest care.

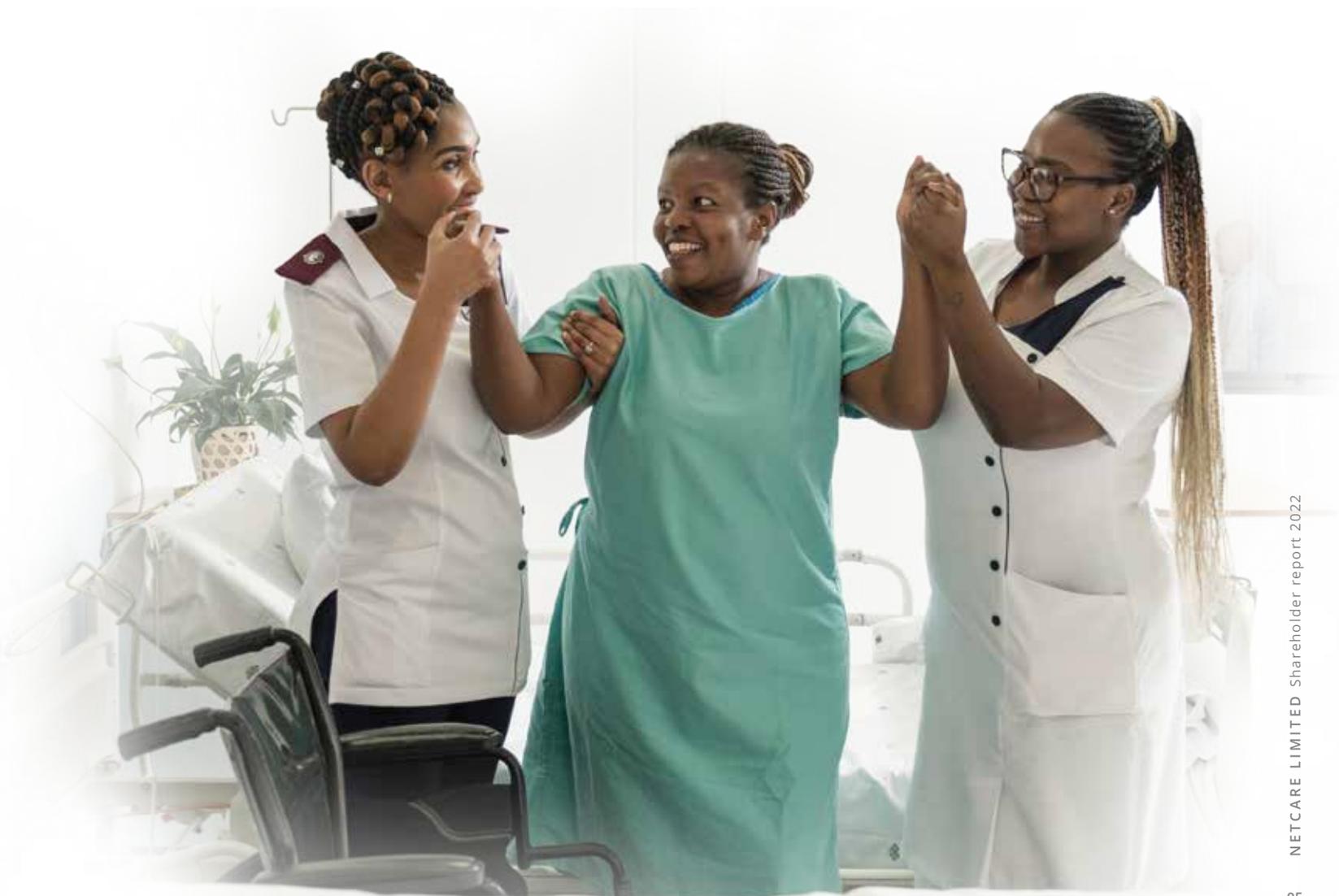
The Board is committed to a transparent and effective governance process that provides stakeholders with a high degree of confidence that the Group is being managed ethically, within acceptable risk parameters and in compliance with all applicable laws and international best practices. It is prepared to do what is needed to create and protect value for stakeholders as Netcare transforms to a patient centred organisation that is digitally enabled and data driven. As part of these commitments, the Board approves strategy, sets policy, ensures capital prudence and oversees the Group's governance frameworks and control environment. The Board considers sound corporate governance as pivotal to delivering on its purpose.

The Board met four times during FY2022 with additional ad-hoc meetings held to support and provide counsel to the executive team. As a collective, the diversity, skill and experience of the Board ensure robust deliberations at Board meetings guided

by strategic considerations. The Board acts ethically, responsibly and effectively. When making decisions, Board members do so independently and with competence and diligence. All Board directors have an excellent attendance record.

The Group is satisfied that the composition of the Board reflects the appropriate balance of diversity, independence, professional and sector knowledge, skills and experience relevant to its business operations.

The Board is responsible for clearly defining roles and responsibilities within the Group, ensuring that its obligations are delegated to appropriate individuals, functions or committees. The day-to-day management of Netcare is assigned to key executives and senior management. Discussions between the Board and the executive team on governance, risk and operations are appropriately and constructively challenging, and hold executive management to account.



Governance report continued

Key outcomes per King IV

Principle	Key outcomes for the Group in FY2022	Where to find information
<p>1 Ethical leadership</p> <p>2 Organisation values, ethics and culture</p>	<ul style="list-style-type: none"> Included in the FTSE/JSE Top 30 Responsible Investment Index. Included in the Dow Jones Emerging Markets Index. Assessed by MSCI ESG Research Inc. and rated AA. Refresher training on ethical leadership and anti-bribery and corruption was undertaken by the Board, Executive Committee and the procurement team. Conducted a fraud risk maturity assessment from the perspective of employees, demonstrating a high level of anti-fraud and anti-bribery and corruption awareness and compliance. 	<p>This report:</p> <ul style="list-style-type: none"> Ethical leadership: PG 09. ESG rating performance: PG 12. Responsibilities of the Board: PG 17. Social and Ethics Committee: PG 26.
<p>3 Responsible corporate citizenship</p>	<ul style="list-style-type: none"> Included in the FTSE/JSE Top 30 Responsible Investment Index. Included in the Dow Jones Emerging Markets Index. Achieved a B- rating from Institutional Shareholder Services. Achieved a medium ESG risk rating from Morningstar Sustainalytics. Joined the United Nations (UN) Race to Zero 2050 Challenge in 2021. Set a target to halve measurable emissions (Scopes 1, 2 and 3) by FY2030. Won four gold awards in the 2022 Health Care Climate Challenge Awards for third consecutive year. Awarded the Commercial Corporate Company of the Year Award in SA for our energy management programme. Achieved a Level 3 B-BBEE rating. Targets were set to halve measurable emissions (Scopes 1, 2 and 3) by FY2030. 	<p>This report:</p> <ul style="list-style-type: none"> Responsible corporate citizenship: PG 11. ESG rating performance: PG 12. Social and Ethics Committee: PG 26. <p>Integrated report:</p> <ul style="list-style-type: none"> Board chair's review: PG 17. Chief executive officer's review: PG 24. Social and relationship capital: PG 101. Natural capital: PG 152. <p>ESG report:</p> <ul style="list-style-type: none"> ESG report.
<p>4 Strategy, implementation and performance</p>	<ul style="list-style-type: none"> Completed a number of key strategic projects with many of the remaining projects close to completion. NetcarePlus and Netcare Diagnostics, the Group's growth initiatives, are starting to gain traction in their markets. Steady financial recovery from the COVID-19 pandemic although the Group does face headwinds in its operating environment. Good progress made on progressing the Group's environmental, social and governance (ESG) priorities. A new marketing strategy was launched. The Group is in a sound financial position with access to sufficient borrowing facilities to meet its funding requirements for the foreseeable future. 	<p>This report:</p> <ul style="list-style-type: none"> Responsibilities of the Board: PG 17. Board committees: PG 21. <p>Integrated report:</p> <ul style="list-style-type: none"> Our strategy: PG 10. Chief executive officer's review: PG 24. Our context: PG 40. Overview of strategic progress: PG 71. Chief financial officer's review: PG 162.
<p>5 Reports and disclosure</p>	<ul style="list-style-type: none"> Published the FY2022 integrated reporting suite (prepared according to applicable reporting frameworks). The 2021 Integrated Report ranked third in the EY Excellence in Integrated Reporting Awards. Obtained assurance on financial information and certain non-financial performance indicators in line with the combined assurance model. 	<p>This report:</p> <ul style="list-style-type: none"> Our reporting suite: PG 01. Responsibilities of the Board: PG 17. Audit Committee: PG 22. Accountability and control: PG 31. <p>Integrated report:</p> <ul style="list-style-type: none"> Our report: PG 02. Our material matters: PG 55. <p>ESG report:</p> <ul style="list-style-type: none"> ESG report Group annual financial statements.
<p>6 Role of the governing body</p>	<ul style="list-style-type: none"> The Board fully complied with its terms of reference as confirmed by the Board chair and the company secretary. 	<p>This report:</p> <ul style="list-style-type: none"> Responsibilities of the Board: PG 17.

Key outcomes per King IV continued

Principle	Key outcomes for the Group in FY2022	Where to find information
7 Composition of the governing body	<ul style="list-style-type: none"> A diverse Board with a wide range of relevant skills, expertise and experience. Recruitment of two new directors to invigorate the Board with new experience and perspectives. The Board comprises 55% female and 55% black representation. Board committee memberships and chair roles were refreshed to better align skillsets with committee mandates (effective 1 January 2023). 	<p>This report:</p> <p> The Board: PG 14. Board composition: PG 14.</p>
8 Committees of the governing body	<ul style="list-style-type: none"> The Board committees fully complied with their terms of reference as confirmed by the Board chair and the company secretary. 	<p>This report:</p> <p> Delegation of authority framework: PG 20. Board committees: PG 21.</p>
9 Performance evaluation	<ul style="list-style-type: none"> High adherence to principles of King IV. 	<p>This report:</p> <p> Evaluation of performance and independence: PG 19.</p>
10 Delegation of management	<ul style="list-style-type: none"> An appropriately skilled leadership with the experience, knowledge and capability to deliver against the business strategy with succession plans in place for the Executive Committee and the Board. 	<p>This report:</p> <p> Evaluation of performance and independence: PG 19. Operating committees: PG 28.</p>
11 Risk and opportunity governance	<ul style="list-style-type: none"> A risk-aware culture embedded at all levels of the Group and an agile risk management process able to quickly identify and put controls in place to manage multiple risks. 	<p>This report:</p> <p> Audit Committee: PG 22. Risk Committee: PG 24. Governance of risk and opportunity: PG 30.</p> <p>Integrated report:</p> <p> Chief executive officer's review: PG 24. Our risks and opportunities: PG 58.</p>
12 Technology and information governance	<ul style="list-style-type: none"> A business strategy that addresses changes and trends in global healthcare. Regularly reviewed and appropriate cybersecurity, data protection and disaster recovery plans. The digitisation of the Netcare ecosystem is well underway with a number of benefits starting to emerge: patient safety, clinical outcomes and patient engagement as well as fewer telephonic orders and prescribing errors. 	<p>This report:</p> <p> Audit Committee: PG 22. Risk Committee: PG 24. Governance of information and technology: PG 32.</p> <p>Integrated report:</p> <p> Our risks and opportunities: PG 58.</p>
13 Compliance governance	<ul style="list-style-type: none"> No material penalties, sanctions or fines for contraventions of, or non-compliance with, regulatory obligations were incurred during FY2022. 	<p>This report:</p> <p> Audit Committee: PG 22. Risk Committee: PG 24. Social and Ethics Committee: PG 26. Compliance governance: PG 33.</p>

Governance report continued

Key outcomes per King IV continued

Principle	Key outcomes for the Group in FY2022	Where to find information
14 Remuneration governance	<ul style="list-style-type: none"> A remuneration policy and implementation process that align with the Group's strategic imperatives and stakeholder interests. 84.5% and 86.4% of shareholders voted in favour of the remuneration policy and the implementation report respectively (2022 AGM). Formally implemented the Single Incentive Plan. 	<p>This report:</p> <ul style="list-style-type: none"> Remuneration Committee: PG 25. Remuneration governance: PG 34. Remuneration report: PG 38.
15 Assurance	<ul style="list-style-type: none"> The Audit and Risk Committees are satisfied that the external auditor for FY2022 is independent and that no non-audit services that may impair their independence were performed. Adequate and effective controls that support the integrity of reporting for better decision-making, both internally and for stakeholders. No key governance or control failures were experienced in the period under review. 	<p>This report:</p> <ul style="list-style-type: none"> Combined assurance: PG 34. Adequate and effective controls: PG 30.
16 Stakeholder inclusion	<ul style="list-style-type: none"> A Stakeholder Engagement Plan and engagement that is appropriate and effective, and supports Netcare's strategy and ESG imperatives. 	<p>This report:</p> <ul style="list-style-type: none"> Stakeholder inclusion: PG 37. <p>Integrated report:</p> <ul style="list-style-type: none"> Stakeholder engagement: PG 47.
17 Not applicable.		



Ethical leadership

King IV: Principles 1 and 2

The Board assumes ultimate responsibility for the Group's ethical performance. Its oversight of strategy rests on an ethical foundation and directors hold one another accountable for acting in the best interests of the Group. This includes discharging the Board's duties with integrity, competence, responsibility, fairness and transparency.

Through the Audit and Social and Ethics Committees, the Board governs the Group's approach to ethics, ensures awareness around Netcare's commitment to doing business ethically and monitors that compliance with Netcare's Code of Ethics is consistently applied. The committees ensure compliance with the Group's business ethics programme, including strict adherence to laws and regulations relating to anti-bribery and corruption, fraud, and anti-money laundering.

Management is responsible for embedding the Code of Ethics across the Group.

In FY2022, the Board, Executive Committee and the procurement team attended business ethics and anti-bribery and corruption refresher training delivered by ENSafrica. ENSafrica also conducted an independent fraud risk maturity assessment from the perspective of employees with the results indicating a mature awareness around the risk of fraud and anti-bribery and corruption.

Conflicts of interest

Directors are required to timeously inform the Board of actual or potential conflicts of interests in terms of particular items of business or other directorships. In addition, in line with various legislation, directors, prescribed officers and certain senior managers submit a declaration of their material interests at least once a year or more frequently should their circumstances change. The Audit Committee monitors and oversees significant related party transactions and relationships.

Share dealings

The directors' dealing policy governs directors' dealings in Netcare shares and is supplemented with additional guidance on how to manage price sensitive information and the appropriate cautionary conduct required during a closed period. All directors, prescribed officers, directors of major subsidiaries and company secretaries must receive written approval from the Board chair prior to buying or selling Netcare shares. Directors' share dealings are disclosed to the Issuer Regulation Division of the JSE and are communicated through its electronic news service.

The Group operates a closed period policy in line with the JSE Listings Requirements. During closed periods, directors, officers and directors of major subsidiaries and associates (as defined by the JSE Listings Requirements) are prohibited from dealing in Netcare shares. Parties who may have access to confidential or price-sensitive information are cautioned against the possibility of insider trading during these periods.

Ethics management

Netcare is committed to high moral, ethical and legal standards, and supports the code, principles and values of the Health Professions Council of South Africa (HPCSA). All employees are expected to fulfil this commitment when conducting Netcare's business. Our values, policies and Code of Ethics provide a governing framework for ethical leadership and behaviour, which is further supported by a human rights awareness programme that forms part of our induction programme.

Netcare's Code of Ethics guides the interaction between the Group and its stakeholders, including its partners and suppliers in the healthcare value chain. It articulates the Group's policy regarding conflict of interest, gifts, confidentiality, fair dealings and the protection and appropriate use of Netcare's tangible and intangible assets. Employees must disclose potential conflict of interest, gifts and invitations by a supplier or third party.

Training interventions, fraud awareness campaigns and an annual employee ethics survey are used to entrench the Code's principles and build and maintain a values-based culture beyond compliance. The employee ethics survey assesses familiarity with the ethics programme (policies and structures), and aims to elicit a view of the organisational culture (leadership and engagement) and an understanding of how core values are lived and executed in daily decision-making by management.

Ethical leadership continued

Managing unethical behaviour

We take a zero-tolerance approach to theft, fraud and corruption, as well as discrimination and racism.

Forensic Services investigate all reported incidents of theft, fraud and corruption and all confirmed cases are reported to the South African Police Services and, where appropriate, to the applicable registered bodies such as the HPCSA. Civil recoveries are pursued when this is financially appropriate.

A number of mechanisms are in place for stakeholders to report irregularities and unethical behaviour; including unethical medical behaviour. Forensic Services can be contacted by telephone, email or meeting request, and the Fraud and Ethics Hotline and anonymous email are available to whistle-blowers wanting to protect their anonymity. These mechanisms are

available to all Netcare employees and the public. The victimisation of whistle-blowers is not tolerated.

The anonymous toll-free SHOUT line allows employees to report alleged or perceived discriminatory or racist action or behaviour. The service is delivered in partnership with Independent Counselling and Advisory Services (ICAS), which operates a confidential call centre that provides support to affected parties.

Every incident reported through the above mentioned mechanisms is investigated. Reports of alleged theft, fraud or unethical behaviour are logged in the defalcation register and reported to management every second month. A summary of the defalcation register, fraud trends and material incidents are periodically provided to the Risk and Social and Ethics Committees.

Fraud and ethics reporting	2022	2021	2020
Incidents of alleged fraud and irregularities	113	182	228
Incidents of alleged unethical medical behaviour	0	0	2
Total incidents of alleged misconduct	113	182	230
Incidents investigated and closed ¹	105	161	209
Incidents reported through the fraud and ethics hotline ²	13	21	34

1. Open cases are still under investigation.

2. The balance of incidents were reported through other mechanisms such as direct engagement, email or the incident management system.

Most of the incidents reported in FY2022 related to either theft, fraudulent payments, or medical aid fraud with the majority being perpetrated by third parties. Most of these incidents were reported directly to Forensic Services either by telephone or email.

The Fraud and Ethics Hotline facilitates anonymous reports of unethical behaviour.

0680FRAUD1 (0860 372 831)

If anonymity is not a concern, reports can be made to:

fraud@netcare.co.za

Toll-free line to report incidents of discrimination:

0800 611 036

Responsible corporate citizenship

King IV: Principle 3

The **Quadruple Aim** underpins Netcare's essential contribution to the effectiveness of the national healthcare systems it serves and is the ultimate expression of the Group's corporate citizenship. The Social and Ethics Committee monitors overall corporate citizenship performance and oversees the Group's commitment to social and economic development, fair labour practices and environmental responsibility, ensuring that the Group deliberately prioritises its socioeconomic and environmental outcomes. The committee's mandate includes oversight of human rights, safety, developing and retaining a skilled and diverse workforce, and responding to the changing regulatory environment. The Sustainability and Operational Transformation Committees at management level are responsible for the implementation of the Group's transformation and environmental sustainability strategies. Through these strategies, the Board's commitment to creating and preserving value includes current and future generations of South Africans.

Netcare's intention to be a powerful force for social good finds expression through our efforts to transform our employee profile, diversify our supply chain, contribute to the reforming of SA's healthcare system, finding ways to provide affordable access to healthcare for more South Africans and the medical procedures we support for indigent patients. We work openly and transparently with government, non-governmental organisations (NGOs) and lobby groups. For example, our participation in the national 'Future of Nursing' Workforce Project, National Health Insurance discussions and presentations to Parliament, the COVID-19 vaccination programme and various initiatives under the auspices of the Health and Welfare Sector Education Training Authority.

Our environmental sustainability strategy recognises not only that climate change and a deteriorating environment place the wellbeing of entire populations at risk, but also that we

unavoidably contribute to the problem. While our strategy was driven largely to secure the resources needed to provide optimal care, it has become the foundation to reach carbon neutrality by 2050. Since the implementation of our environmental sustainability strategy in 2013, Netcare has received several international and local accolades for our energy projects.

We also consider the United Nation's (UN) Universal Declaration of Human Rights, the principles of the International Labour Organization and other voluntary codes, including the principles of the UN Global Compact, of which we are a member, as part of our commitment to good corporate citizenship.

Netcare does not make, and has not made, contributions to political parties, government affiliates or candidates, whether in cash or in kind.



CDP
(global rating)

Assesses climate change disclosure.

Last rating date:
December 2022
(valid to December 2023)

FTSE Russell
(SA rating)

An investment index that represents South African companies meeting ESG criteria as defined by the FTSE ESG Model.

Last rating date:
June 2022

S & P Global Corporate Sustainability Assessment
(global rating)

An investment index of emerging markets sustainability leaders.

Last rating date:
July 2021





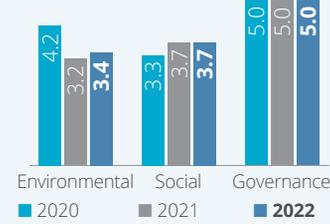
Climate change
Scored B
(2021: B)



Water
Scored B
(2021: B)

Included in the FTSE/JSE Top 30 Responsible Investment Index

4.0 out of 5
(2021: 3.9)



Category	2020	2021	2022
Environmental	4.2	3.2	3.4
Social	3.3	3.7	3.7
Governance	5.0	5.0	5.0

Note: in the overall Top 5 subsector Netcare was the second best performer.

Included in the Dow Jones Emerging Markets Index for the

eighth consecutive year

Scored 78%
(FY2020: 83%)

Note: the S&P Global Corporate Sustainability Assessment results for 2022 were not available at the time of reporting



United Nations

First healthcare organisation in Africa to join the United Nation's Race to Zero 2050 Challenge

Our environmental sustainability strategy is designed to reach zero Scope 2 emissions, zero waste to landfill and reduce water consumption by 20% by FY2030.



Global Green and Healthy Hospitals (GGHH)

Gold in all four categories of the 2022 Health Care Climate Challenge Awards for the third year in a row

Categories include climate resilience, climate leadership, climate mitigation (greenhouse gas reduction) and climate mitigation (renewable energy). The network promotes healthcare without harm.



MSCI ESG Research Inc.

(global rating)

Provides ESG data, reports and ratings based on published methodologies.

Last report date: July 2022

Institutional Shareholder Services

(global rating)

Provides investors with in-depth insight to incorporate sustainability in their investment decisions.

Last rating date: February 2022



Standard Bank
We listed the first sustainability bond of R1 billion in Africa in 2021



Southern African Energy Efficiency Confederation
Awarded the Commercial Corporate Company of the Year Award in SA for our energy management programme.

Achieved 'AA' rating
the second highest awarded in a six-point scale
(2021: AA)
Netcare has maintained AA rating for six years.

Achieved B- rating
with a performance score of 66.44 and a very high transparency level.
(2021: B- rating)



UN Sustainable Development Goals

We believe that our strategic priorities are able to make a material and impactful contribution to the following global challenges identified by the United Nations' Sustainable Development Goals (SDGs).



Our ESG report: provides more detail on the specific targets related to each of the above SDGs.

The Board

Board composition

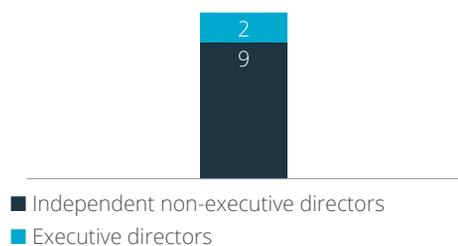
King IV: Principle 7

The Board applies a unitary structure comprising directors with the appropriate independence, professional and sector knowledge and experience for the nature, complexity and strategic demands of the Group. The diversity of the Board supports different perspectives in its strategic decision-making and ensures effective governance.

The Board is chaired by an independent non-executive director whose role is separate from that of the chief executive officer (CEO).

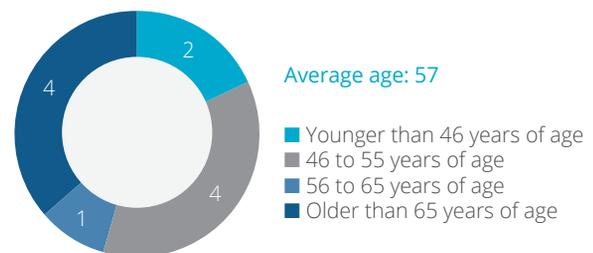
Board composition at 30 September 2022

Independence



Independent non-executive directors are re-elected every three years. Other than the CEO and chief financial officer (CFO), all members are considered independent. Board chair, Mrs Thevendrie Brewer, is independent and free from any conflicts of interest.

Age



We seek to balance experience and institutional memory with youthful energy and fresh insight. The Board continuity programme addresses succession planning and ensures that skillsets are retained following the retirement of members and that the Board functions effectively over time.

The programme covers director selection and appointment, director induction and training, and the evaluation of director performance.

Board succession plans are adequate.

Diversity

Black South African representation

55%

FY2021: 44%
FY2022 target: 55%

Women representation

55%

FY2021: 44%
FY2022 target: 55%

Black women representation

45%

FY2021: 33%
FY2022 target: 36%

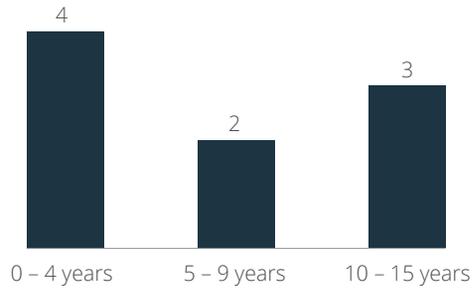
The Nomination Committee manages director rotation and is guided by our Board appointment policy, which ensures a formal and transparent appointment process with a focus on gender and attributes of culture, age, field of knowledge, skills and experience, and broader diversity aspects.

 **Diversity policy:** <https://www.netcare.co.za/Netcare-Investor-Relations/Governance/FTSE-Russell>

The Nomination Committee objectively and subjectively evaluates the continued independence of non-executive directors who have served for a period of nine years or longer, considering factors that may impair their independence. The review is aligned to King IV's recommended practices. The average tenure of non-executive directors will shorten with the new appointments made in FY2022.

Tenure of non-executive directors

Average years of tenure of independent non-executive directors: 7 years



Skill

(% of directors with specified skill)



The Board possesses a wide range of professional expertise, skills and experience with sufficient sector knowledge. The Nomination Committee regularly reviews potential candidates to invigorate the capabilities of the Board with new experience and perspective, and ensures that valuable knowledge, skills and experience are retained to maintain continuity.

Where gaps in knowledge or skills are identified, directors are provided with development training and/or new appointments are made. The Board has access to subject matter experts for matters requiring specialised guidance.

In line with our digital transformation and our strategy to grow into new markets with innovatively funded healthcare products, the skills of the Board have been enhanced in the past three years, particularly in terms of growing digital expertise. Appointments made in FY2022 have bolstered the Board's digital and financial services skills in line with these strategic priorities. ESG and legal skills are likely to inform future appointments.

The Board continued

Board changes

Three Board directors, chair Thevendrie Brewer, Martin Kuscus and Adv Kgomotso Moroka, will complete their Board memberships at the end of 2022. David Kneale has indicated his intention to retire as a non-executive director, effective 3 February 2023 at the conclusion of the annual general meeting (AGM). Netcare thanks these directors for their invaluable contribution during their tenures.

Mark Bower has been appointed as Board chair with effect from 1 January 2023. Ian Kirk and Louisa Stephens have been appointed as independent non-executive directors with effect from 1 January 2023. Ian Kirk is a qualified chartered accountant with senior leadership and board level experience in financial services and professional services. He has served as executive, chair and as non-executive director for listed and non-listed companies for over 25 years, including chairing industry associations. Louisa Stephens is both a chartered director and chartered accountant, with over 15 years' experience in debt

and equity financing and investment management, and is also an independent financial trader, dealing across industries both locally and abroad. She has served on various boards and board committees and has listed business experience and strong governance credentials.

Director appointments and induction

Careful succession planning ensures that the Board remains relevant to the growth opportunities the Group has chosen to pursue and responsive to the shifts in our operating environment (emerging risks, threats and uncertainties).

Our induction programme for new Board members familiarises them with the Group's operations, commercial risks, financial affairs and strategic position. The Board chair, the Group's company secretary, requisite reading material, and engagements with divisional and functional heads and the internal and external auditors, all assist in briefing new directors on their fiduciary duties and responsibilities. New directors also receive information on the JSE Listings Requirements, King IV, the Companies Act and the obligations with which they are required to comply.

Access to information and professional advice

Board directors have unrestricted access to management, and all Group information, records, documents and property. Information is distributed in a timely manner prior to Board meetings to enable directors to adequately prepare and apply their minds. Directors are entitled, at the Group's expense, to seek professional advice regarding the affairs of the Group. This advice can be procured independently or coordinated through the company secretary.

Company secretary

All directors have access to the advice and services of company secretary, Charles Vikisi, who acts as a conduit between the Netcare Board and the Group, is responsible for the flow of information to the Board and its committees, and ensures compliance with Board procedures. In addition to various statutory functions, and while maintaining an arm's length relationship with the Board, the company secretary also provides directors and the Board collectively with guidance on their duties, responsibilities and powers as set out in Companies Act. He also advises on issues of law, governance and related matters, including the impact of legislative and regulatory developments.

The Board confirms that Mr Vikisi is suitably qualified, experienced, and fit and proper to perform the function of company secretary and provide independent advice to the Board, and has no affiliation or association to any single Board member nor holds any directorships.



Responsibilities of the Board

King IV: Principles 4, 5 and 6

The Board’s Charter, which aligns with King IV’s governance principles and recommended practices, is reviewed annually and updated when required to reflect prevailing good corporate governance. It outlines the policies and practices of the Board on matters such as directors’ dealings in the securities of the company and declarations of conflicts of interest. The Board chair and the company secretary confirm that the Board fully complies with its terms of reference.

Strategy

The Board delegates to management the detailed formulation and implementation of Netcare’s strategy, which the Board approves and oversees. Strategic priorities are set, reviewed and revised as necessary in line with opportunities, attendant risks and uncertainties relating to cyclical and structural trends in the healthcare, digital and financial services sectors.

The Board assesses both the positive and negative outcomes of the Group’s business model, monitors performance against financial and non-financial measures, and critically assesses investments (acquisitions, potential mergers and expansionary projects) to ensure they are value accretive and meet the reasonable expectations of stakeholders over time.

Reporting

The Group’s annual reporting suite is prepared according to the applicable reporting frameworks (see page 01). The integrated report explains how Netcare creates sustainable, measurable value for the Group and its stakeholders over time, through its business model, governance and risk management processes, management systems and strategy. The Board reviews and approves the material matters, which form the basis for preparing the integrated report and ensures that it includes sufficient forward-looking information. The Board, through the Audit Committee, ensures the necessary controls are in place to verify the integrity of the integrated report and other disclosures.

Strategy

Assisted by: all governance committees.

Key activities in FY2022

- Kept abreast of the progress made on Netcare’s strategic projects, including a review of legal and compliance issues.
- Monitored the implementation of various initiatives relating to the enhancement of the Group’s consistency of care, social and environmental performance.
- Reviewed the business performance of NetcarePlus as well as its strategy and marketing initiatives.
- Reviewed the Netcare Diagnostics strategy and rollout plan.
- Reviewed the Group’s marketing strategy.
- Considered updated global, South African and Netcare-specific scenarios.
- Implemented the recommendations of the independent evaluation of Board performance and independence.

Board opinion

The Board is satisfied that the Group’s business model and strategy are appropriate and that the successful implementation of the strategy will transform the business model to realise a sustainable competitive advantage.

Key objectives for FY2023

- Review business risks relating to water security, electricity supply and fire.
- Continue to monitor the implementation of key strategic initiatives and the delivery of new business areas.
- Continue to oversee the Group’s efforts to address the shortage of nurses and critical skills in the healthcare sector.

Stakeholder inclusiveness

Assisted by: Remuneration, Social and Ethics, and Consistency of Care Committees.

Key activities in FY2022

- Reviewed the principles, policies, and protocols relating to the Group’s stakeholder engagement plan.
- Participated in sector-wide engagement platforms relating to reforming SA’s healthcare system and healthcare policy development.

Board opinion

The Board is satisfied that the Group’s stakeholder engagement strategy is effective and supports Netcare’s strategy and ESG imperatives.

Key objectives for FY2023

- Formulate a framework and programme for government-facing stakeholder engagement.

The Board continued

Ethics

Assisted by: all governance committees.

Key activities in FY2022

- Oversaw initiatives to embed an ethical and values-driven culture.
- Reviewed the results of the independent fraud maturity risk assessment.

Board opinion

The Board is satisfied with the Group's implementation of the King IV principles and recommended practices, as well as the various best practice risk mitigating approaches undertaken by management.

Key objectives for FY2023

- Implement action plans to address the areas of improvement identified by the fraud maturity risk assessment conducted in FY2022.

Material matters and reporting

Assisted by: all governance committees.

Key activities in FY2022

- Oversaw the Group's response to and management of matters considered material to its ability to create and protect stakeholder value. Key focus areas for the year were progressing the implementation of the Group's strategic projects, succession planning and the impact of nursing shortages on the Group's growth.
- Considered and reviewed the most recent proactive monitoring and thematic reports issued by the JSE.
- Oversaw the preparation of the integrated report and ESG report, including consideration and approval of the Group's material matters.
- Oversaw the fair presentation of the Group's annual financial statements and other shareholder information.

Board opinion

The Board is satisfied that:

- The Group's risk management systems and processes support its business model and strategy, and that the appetite for risk is appropriate and risks are managed accordingly.
- The Group annual financial statements for FY2022 fairly present the Group's operational results and financial position.
- The integrated and ESG reports provide a fair and balanced account of the Group's strategy, performance and prospects related to its material matters.

Key objectives for FY2023

- Continue to ensure meaningful, material and transparent external reporting.

Technology governance

Assisted by: Audit and Risk Committees.

Key activities in FY2022

- Oversaw a cyber risk assessment.
- Reviewed cybersecurity initiatives and disaster recovery plans.
- Reviewed the integrity of critical data and initiatives to improve data quality.
- Monitored the implementation of key information and technology projects and ensured that potential cost and schedule overruns were avoided.

Board opinion

The Board is satisfied that the governance of information and technology is properly managed and aligned with business needs and strategy, and that the disaster recovery programme will support the continuity of critical business processes.

Key objectives for FY2023

- Continue to monitor the implementation of key information and technology projects, including data and digital strategies, as the transformation of the Netcare ecosystem nears completion.

Compliance

Assisted by: all governance committees.

Key activities in FY2022

- Ensured that the Group's various partnerships and strategic initiatives complied with applicable legislation.
- Considered matters relating to King IV and the JSE Listings Requirements.
- Oversaw the Protection of Personal Information Act (POPIA) compliance programme, including employee training.
- Reviewed regulatory and policy updates and kept abreast of upcoming regulatory changes.

Board opinion

The Board is satisfied that:

- There is no current or pending legal action that will materially affect the Group's operations.
- The Group complies with all applicable legislation.

Key objectives for FY2023

- Continue to ensure the effectiveness of the Group's governance, risk and compliance frameworks, and implement policies that ensure regulatory compliance and value creation for stakeholders.

Performance

Assisted by: all governance committees.

Key activities in FY2022

- Oversaw the implementation of the new Single Incentive Plan.
- Approved additional special allowances to attract and retain nurses with clinical specialisation skills.
- Monitored the implementation of the remuneration policy and associated practices.
- Evaluated performance against the Group and individual balanced scorecards.
- Reviewed the benchmarking of non-executive fees.

Board opinion

The Board is satisfied that the Group's remuneration policy supports the achievement of both financial and ESG-related objectives.

Key objectives for FY2023

- Oversee the implementation of the remuneration policy and associated practices.
- Benchmark the remuneration of executive and non-executive directors.

Evaluation of performance and independence

King IV: Principle 9

The annual self-assessment of the Board's performance and effectiveness, as well as that of its committees and individual directors, is overseen by the Chair's Forum and Nomination Committee. The evaluation covers the governance of financial, economic, quality, social and environmental issues and includes a review of ethical outcomes. The Board assessed its effectiveness as well as that of its committees.

Delegation of authority

Delegation of authority framework

King IV: Principles 8 and 10

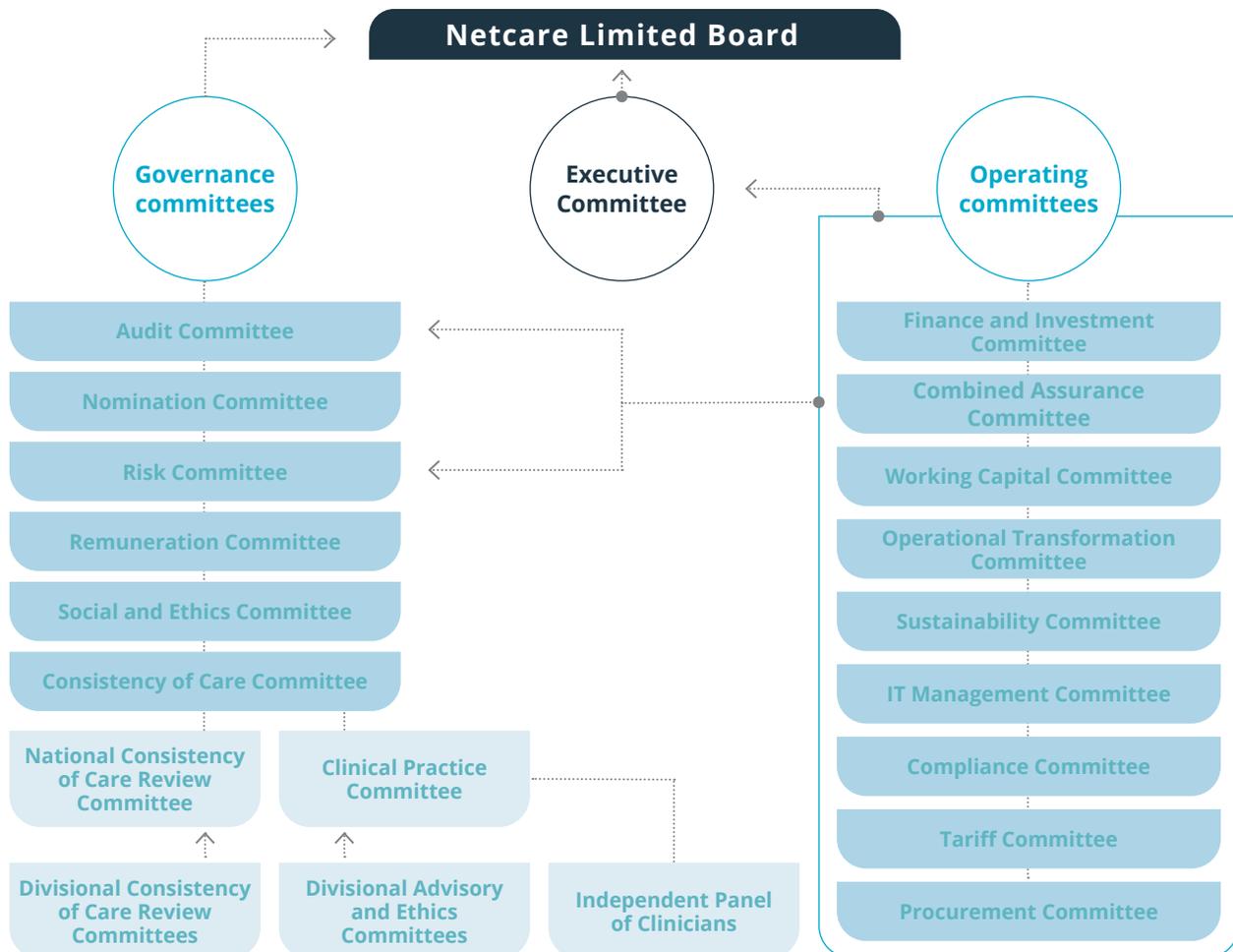
Our well-developed delegation of authority framework places the Board at the helm of the Group's governance structure and processes, which give effect to its strategic stewardship and oversight of all Group operations.

Relevant policies and oversight procedures are in place to ensure all entities adhere to the governance standards and best practices adopted by the Board. The framework supports the achievement of Netcare's strategy while ensuring that the Group complies with relevant legislation, practices good corporate governance and balances the interests of stakeholders.

The Board delegates duties to individual members, groups of members or its standing committees to assist it to discharge its responsibilities. Specific aspects of governance are addressed in greater depth through the Board committees. The framework includes the subsidiary companies' governance framework, ensuring that there is an appropriate flow of information between the Group and its subsidiaries.

- The delegation of authority framework requires that the Board:
- Confirms and ensures that Netcare is appropriately resourced and that its delegation to management contributes to an effective arrangement through which authority and responsibilities are exercised.
 - Ensures that its committees are appropriately constituted and have the right skills and competencies to fulfill their mandates.
 - Ensures that its arrangements for delegation within its committees promote independent judgement and assist with balance of power and the effective discharge of its duties.
 - Ensures that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities.
 - Ensures that appropriate systems of internal controls are maintained.

Delegation of authority framework



Note: the Procurement Committee was reconvened during FY2022.

Board committees

King IV: Principle 4 and 8

The Board committees and membership recommended by King IV, the JSE Listings Requirements and the Companies Act are in place. Each committee has formal terms of reference, approved by the Board, which specify its responsibilities. Committee terms of reference are regularly reviewed to ensure they adhere to King IV's governance principles and recommended practices, applicable legislation and listings requirements, and where appropriate, international best practice.

The composition of the committees and the distribution of authority between the chair and other directors is balanced and eliminates instances where individual(s) dominate decision-making or undue dependency is created. Each Board committee is chaired by an independent non-executive director and certain executives attend committee meetings by invitation. External and internal auditors attend the Audit Committee meetings.

These committees ensure that good governance processes and procedures are appropriately embedded in the Group's business model.

The Board chair and company secretary have confirmed that the Board committees fully complied with their terms of reference in FY2022.



Committee terms of reference: <https://www.netcare.co.za/Netcare-Investor-Relations/Governance/FTSE-Russell>.



Delegation of authority continued

Audit committee

	Attendance	Notes
Chair: MR Bower	3/3	New appointment: B Bulo as chair with effect 1 January 2023. Retirement: D Kneale effective 3 February 2023.
Member: B Bulo	3/3	
Member: D Kneale	2/3	
Member: Dr T Leoka	2/2	
By invitation: Dr RH Friedland, KN Gibson, external and internal audit		

Key responsibilities

- Ensures the integrity of the Group's financial statements and accounting policies.
- Provides independent and objective assurance to the Board on the effectiveness of internal control, governance and risk management systems.
- Oversees the internal audit function, financial risk management, governance, compliance and the IT control environment, as well as the scope of combined assurance.

Key activities in FY2022

- Confirmed the Internal Audit Charter and approved the risk-based audit plan.
- Reviewed:
 - The valuation of goodwill, property, plant and equipment, loans and receivables and investments to identify potential impairments.
 - The assertion of going concern, quality of earnings and deferred taxation assets.
 - Impairment of investments in public private partnerships.
 - Top business risks.
 - Risk Committee reports, all aspects of financial reporting, and cybercrime and cybersecurity, including comprehensive cyber liability insurance.
 - The most recent proactive monitoring and thematic reports issued by the JSE to ensure compliance.
 - CEO and CFO disclosure statement attestation.
- Monitored:
 - The progress of the computer-assisted audit platform implementation.
 - The outputs of the combined assurance model.
- Oversaw the external audit function and related audit fees.
- Ensured appropriate financial reporting procedures are in place and adhered to.

Key outcome

The Group is in a sound financial position with access to sufficient borrowing facilities to meet its funding requirements for the foreseeable future.

 **Committee terms of reference:** <https://www.netcare.co.za/Netcare-Investor-Relations/Governance/FTSE-Russell>.

Key objectives for FY2023

- Continue to review and assess the Group's business risks.
- Ratify revisions to the internal audit plan quarterly.
- Oversee the review of the adequacy and effectiveness of internal financial controls relied upon in the preparation of financial statements.
- Review all material areas of judgement in the financial statements.
- Continue to monitor the implementation of the computer-assisted audit platform.

Nomination committee

	Attendance	Notes
Chair: T Brewer	3/3	<p>New appointment: MR Bower as chair and Dr R Phillips as a member with effect 1 January 2023.</p> <p>Resignation/retirement: T Brewer and Adv KD Moroka effective 31 December 2022 and D Kneale effective 3 February 2023.</p>
Member: L Human	3/3	
Member: D Kneale	3/3	
Member: Adv KD Moroka	3/3	
By invitation: Dr RH Friedland		
<p>Key responsibilities</p> <ul style="list-style-type: none"> • Sets the primary roles and responsibilities of the Board. • Determines and monitors the composition of the Board, succession planning, director appointment and director independence. • Oversees succession planning for the Executive Committee. • Reviews the competence and skills of the Executive Committee and senior management. 		
<p>Key activities in FY2022</p> <ul style="list-style-type: none"> • Reviewed: <ul style="list-style-type: none"> – The composition of the Board committees, updating membership and appointing new chairs, where required. – Talent management processes across management levels. – The succession plans for the Board and Executive Committee. – The independence of the non-executive directors. 		
<p>Key outcome</p> <p>Board committee memberships and chair roles have been refreshed to better align skillsets with committee mandates (effective 1 January 2023). Ian Kirk and Louisa Stephens have been appointed to the Board with effect 1 January 2023.</p>		
<p>Key objectives for FY2023</p> <ul style="list-style-type: none"> • Consider further appointments to the Board. • Finalise succession plans for the Executive Committee. • Oversee the completion of the Netcare leadership development journey, which includes coaching interventions for the Executive Committee and high potential individuals. • Conduct a detailed review of talent assessment. 		

Delegation of authority continued

Risk committee

	Attendance	Notes
Chair: B Bulo	2/2	<p>New appointment: Dr T Leoka as chair with effect 1 January 2023.</p> <p>Resignation/retirement: T Brewer and MJ Kuscus effective 31 December 2022.</p>
Member: MR Bower	2/2	
Member: T Brewer	2/2	
Member: L Human	2/2	
Member: MJ Kuscus	2/2	
Member: Dr T Leoka	1/1	
Member: Dr RH Friedland	2/2	
Member: KN Gibson	2/2	
<p>Key responsibilities</p> <ul style="list-style-type: none"> Assists the Board in discharging its risk management responsibilities. Sets the Group's risk management strategy, risk management policy and plan. Ensures adequate processes and systems are in place to identify and manage top business risks, including the implementation, monitoring and reporting of suitable risk mitigation plans. 		
<p>Key activities in FY2022</p> <ul style="list-style-type: none"> Approved the Group's top business risks and the Group's insurance cover. Reviewed: <ul style="list-style-type: none"> The process and results of the strategies to mitigate and manage risks. ESG initiatives, risks and assessments, including the Group's proactive mitigation plans to deal with electricity outages, water shortages and risk of fire and civil unrest. Oversaw interventions to manage cybersecurity, information management and data security. Noted the action plans to address areas of improvement arising out of the governance of risk and compliance survey. 		
<p>Key outcome</p> <p>A risk-aware culture embedded at all levels of the Group and an agile risk management process able to quickly identify and put controls in place to manage multiple risks.</p> <p> Governance of risk and opportunity: PG 30.</p> <p> Our top business risks: PG 59 of the integrated report.</p>		
<p>Key objectives for FY2023</p> <ul style="list-style-type: none"> Continue to monitor the Group's ESG-related risks. 		

Remuneration committee

	Attendance	Notes
Chair: D Kneale	2/2	<p>New appointment: MR Bower as chair with effect 3 February 2023 and L Human as a member with effect 1 January 2023.</p> <p>Resignation: T Brewer effective 31 December 2022 and D Kneale effective 3 February 2023.</p>
Member: MR Bower	2/2	
Member: T Brewer	2/2	
By invitation: Dr RH Friedland, Dr N Ndzwayiba		
<p>Key responsibilities</p> <ul style="list-style-type: none"> • Provides the context for remuneration policy and decisions. • Determines the remuneration of non-executive and executive directors, prescribed officers and senior management, as well as average increases for all other employees. • Sets the remuneration policy, including the incorporation of ESG aspects as part of key performance indicators. 		
<p>Key activities in FY2022</p> <ul style="list-style-type: none"> • Reviewed the key performance indicators used to evaluate the performance of executive directors, prescribed officers and senior managers. • Benchmarked non-executive director remuneration against comparator group of companies listed on the JSE and quartile benchmarks assisted by PwC, and made recommendations to the Board. • Approved: <ul style="list-style-type: none"> – Annual salary increase criteria and incentive payments. – The King IV-aligned remuneration report. • Noted the King IV guidance paper on effective stakeholder engagement related to remuneration. 		
<p>Key outcome</p> <p>The 2022 remuneration policy and implementation report were presented to shareholders for separate non-binding advisory vote at the AGM held on 4 February 2022. The policy reflected the improvements that shareholders requested in the Group's engagement with them over recent years. The remuneration policy was approved by 84.5% and the implementation report by 86.4% of the shareholders who voted.</p> <p> Remuneration report: PG 38.</p>		
<p>Key objectives for FY2023</p> <ul style="list-style-type: none"> • Continued implementation and monitoring of the new Single Incentive Plan. • Benchmark the remuneration of executive and non-executive directors. 		

Delegation of authority continued

Social and ethics committee

	Attendance	Notes
Chair: Adv KD Moroka	2/2	New appointments: Dr R Phillips as chair and MR Bower as a member with effect 1 January 2023. Resignation/retirements: T Brewer, Adv KD Moroka and MJ Kuscus effective 31 December 2022.
Member: T Brewer	2/2	
Member: MJ Kuscus	2/2	
Member: Dr T Leoka	1/1	
Member: Dr R Phillips	1/1	
Member: Dr RH Friedland	2/2	

Key responsibilities

- Oversees plans to embed an ethical culture and the appropriate management of organisational ethics.
- Oversees legislative compliance, social and economic development, environmental sustainability and good corporate citizenship.
- Reviews the governance of non-profit organisations affiliated to Netcare, including the Netcare Foundation.

Key activities in FY2022

- Reviewed:
 - The Group's broad-based black economic empowerment (B-BBEE) plans and scorecard, and progress against the FY2022 employment equity plan with particular focus on diversity at executive and senior levels.
 - Enterprise and supplier development opportunities.
 - The results of the ESG assessments by various global sustainability benchmarking institutions.
- Oversaw the roll out of:
 - The governance of risk and compliance survey and reviewed the results. The survey covers a number of areas, including licensing, procurement practices, regulatory understanding and compliance, the ethical framework and IT controls, among others.
 - Ethics and anti-bribery and corruption refresher training and awareness for the Board, Executive Committee and the procurement team.
- Noted:
 - King IV guidance papers on corporate failures and lessons learned, responsibilities of governing bodies in responding to climate change, and effective stakeholder engagement in the context of remuneration.
 - The Companies Amendment Bill's proposals relating to the Social and Ethics Committee (appointment of committee members at the AGM and the presentation and voting on the Social and Ethics Committee Report at the AGM).
 - Noted the action plans to address areas of improvement arising out of the governance of risk and compliance survey.

Key outcome

The Group achieved a B-BBEE score of 90.13 (Level 3) and continued to perform well in all ESG indices. The FY2022 employee ethics survey indicated an entrenched ethics culture and a high level of awareness of ethics and related issues.

 **Society and environmental sustainability:** PG 123 and 152 respectively in the integrated report.

 **ESG report.**

Key objectives for FY2023

- Oversee the development of the Group's 2025 employment equity plan.
- Oversee the implementation of the Group's environmental sustainability strategy.
- Continue to focus on ESG matters within the committee's mandate.
- Extend the ethics survey to more areas of the Group.
- Oversee the enhancement of the annual declaration of interest.
- Formulate a framework and programme for government-facing stakeholder engagement.

Consistency of care committee

	Attendance	Notes
Chair: MJ Kuscus	2/2	<p>New appointments: Dr R Phillips as chair with effect 1 January 2023.</p> <p>Retirements: MJ Kuscus effective 31 December 2022.</p>
Member: B Buló	2/2	
Member: L Human	2/2	
Member: Dr R Phillips	1/1	
Member: Dr RH Friedland	1/1	
Member: Dr A Laubscher	2/2	

Key responsibilities

- Oversees the implementation of the consistency of care strategy.
- Reviews quality management systems and monitors clinical governance and performance against quality measures that support safe, high-quality, person centred health and care.
- Identifies clinical risks that could impact quality and safety outcomes.
- Monitors patient experience, patient reported outcomes and perception of care.

Key activities in FY2022

- Reviewed:
 - Systems to enhance measurable improvements in quality outcomes.
 - Strategic initiatives implemented to support focused engagement with doctors and funders, improve patient experience, drive person centred health and care and close inefficiency gaps.
 - The progress of the #WeCare projects developed by the attendees of the Stanford Applied Compassion Training programme.
 - The quality of care outcomes for public reporting.
- Monitored doctor conduct to ensure strict adherence to professional ethics and Netcare's values and behaviours.

Key outcome

- Implemented a new patient feedback survey and the Care4YOU compassion training programme across the Hospital Division.
- The clinical governance framework and regulatory processes were reviewed and enhanced.
- The quality of care report was published.

 Our patients, doctor partnerships and private medical funders: PG 101, 113 and 116 respectively in the integrated report.

 Quality report.

Key objectives for FY2023

- Oversee the progress of the consistency of care strategy across all divisions, and the ongoing monitoring of all strategic projects relating to the strategy.

Delegation of authority continued

Operating committees

King IV: Principle 10

The delegation of authority framework details the powers and matters reserved for the Board, and the responsibilities delegated to management via the CEO. Netcare's operating committees support the Board committees and the Executive Committee. The Board ensures that key management functions are led by competent and appropriately authorised individuals, supported by functions that are adequately resourced. Operating committees are convened to address specific business imperatives.

Executive committee

Responsibilities

Leads the implementation and execution of Netcare's strategy, policies and operational planning as well as the shaping of the Group's philosophies and practices.

Key activities in FY2022

- Monitored the Group's new business development projects and delivery of key strategic projects.
- Monitored all EMR platform implementations across divisions.
- Reviewed divisional and operational performance.
- Reviewed the Group's digital and data strategies.

Finance and investment committee

Responsibilities

Ensures that capital expenditure is managed within budgeted targets and allocated to achieve the most appropriate returns.

Key activities in FY2022

- Ensured capital expenditure met defined hurdles and financial requirements.
- Reviewed adherence to the Group's transactions approval framework.
- Reviewed currency and interest rate risk.
- Approved various capital and investment projects.
- Monitored treasury protocols.
- Reviewed the Group's weighted average cost of capital.
- Approved the updated committee terms of reference.

Combined assurance committee

Responsibilities

Coordinates a framework of protocols and persons to provide assurance on top business risks.

Key activities in FY2022

- Continued to drive and monitor the five levels of assurance matrix.
- Reported on matters of significance, including high-risk issues and whether the level of assurance provided is suitable.

Working capital committee

Responsibilities

Monitors and reviews working capital requirements.

Key activities in FY2022

- Oversaw working capital targets for FY2022.
- Monitored economic risks to ensure that the Group is not unduly exposed.
- Interacted with the Commissioner of Compensation for Occupational Injuries and Diseases to improve payment timeframes of approved claims.

Operational transformation committee

Responsibilities

Guides, monitors, reviews and evaluates the Group's progress on transformation, with specific reference to the seven primary pillars of the B-BBEE scorecard.

Key activities in FY2022

- Reviewed progress against the requirements of the Department of Trade, Industry and Competition Codes of Good Practice for B-BBEE.
- Liaised with relevant stakeholders on B-BBEE targets.
- Reviewed progress against Netcare's FY2022 employment equity.

Sustainability committee

Responsibilities

Leads the environmental sustainability strategy and initiatives to meet the strategy's targets, and oversees key environmental initiatives such as those relating to energy and water efficiency.

Key activities in FY2022

- Monitored the progress made against the environmental sustainability strategy.
- Reviewed water and waste complexity and optimisation opportunities.
- Oversaw the initial roll out of the zero waste to landfill initiative.
- Oversaw the Group's environmental sustainability reporting.

IT management committee

Responsibilities

Manages IT risk and provides IT-related strategic and governance direction across the business.

Key activities in FY2022

- Assessed the Group's control environment in relation to privacy and information security.
- Participated in the cyber risk self-assessment.
- Oversaw the implementation of strategic and continuous business improvement projects.
- Continued to roll out employee awareness campaigns on cybersecurity.

Compliance committee

Responsibilities

Monitors the legislative landscape and assesses the potential impact of new laws and regulations on the Group.

Key activities in FY2022

- Reviewed policies and implemented various initiatives to ensure compliance with POPIA.
- Rolled out the ethics survey across the Group and reported the results to the Social and Ethics Committee.
- Reviewed and ensured compliance with the Disaster Management Act.
- Implemented the compliance programme for NetcarePlus as required by the Financial Sector Conduct Authority.

Tariff committee

Responsibilities

Provides direction on negotiations with funders.

Key activities in FY2022

- Engaged funders on current and future alternative reimbursement models.
- Engaged in value-based contracting negotiations.

Procurement committee (reconvened in FY2022)

Responsibilities

Enhances procurement processes and reviews the supplier base, including ethics in the supply chain.

Key activities in FY2022

- Continued to negotiate preferential pricing aligned with bulk purchasing.
- Provided input into the enterprise and supplier development initiatives in support of the various group entities.

Adequate and effective controls

Governance of risk and opportunity

King IV: Principle 11

The Board has direct responsibility for the governance of risk and approves the risk policy that gives effect to its risk appetite. The policy affirms that the overarching aim of effective risk management is to protect and grow sustainable value for all stakeholders by embedding risk management into strategic decision-making. The Audit and Risk Committees assist the Board with the governance of risk. They oversee the implementation of clearly defined processes to identify and effectively manage risks.

Netcare's risk management framework – embedded in its business activities and decision-making processes at all levels of the Group – ensures that the actions taken to achieve strategic objectives fall within the appetite for risk. The framework defines how the Group identifies, understands and mitigates risks, and realises their related opportunities.

Identifying top business risks

Operational and executive management teams across Netcare's divisions identify the key risks affecting their operations; both business and operational risks. These risks are evaluated based on their causes, sources, impacts, likelihood and materiality as well as the Group's potential exposure (low, medium, high and significant) and the resultant impact on our ability to achieve our strategic priorities. The attention required from the Board and executive teams to manage a risk is also considered.

Working with the Risk and Audit Committees, the risk management function identifies the top business risks for the Group, which are the risks that affect Netcare's sustainability and/or adversely impact its most important intangible assets; being, the competence and commitment of our managers and employees, the competitive strength of our brands and stakeholder perceptions, which collectively determine the health of our reputation. Business risks can be short, medium or long term in nature.

Operational risks are those risks arising from the execution of business functions, including loss due to inadequate or failed internal processes, people and systems. By their nature, operational risks can be mitigated by management's actions.

 Our top business risks: PG 59 of the integrated report.

Managing risks

Netcare's systems and processes of managing risk consider the following:

- Changes in the external and internal operating context.
- Organisational resilience.
- Nature and potential impact of risks and the likelihood that they may materialise.
- Extent and categories of risks regarded as acceptable.
- Ability to reduce the incidence and impact on the business if risks materialise.
- Effectiveness of risk response plans.
- Cost of risk response plans and processes relative to the exposure and benefits obtained.
- Expectations and concerns of key stakeholders.

Top business risks are managed in accordance with our appetite for each risk and in tandem with our strategy, not only to mitigate impact but also to optimise competitive advantage. The Risk Committee reviews and approves the top business risks, which are also presented to the Audit Committee. These inter-related risks include matters over which Netcare exerts limited influence.

Board opinion

The Board is satisfied that it is appropriately informed on the top business risks facing the Group, and that our risk mitigation strategy and existing insurance cover are adequate and appropriate in relation to our identified risk exposures. It has considered the effectiveness of the systems and processes of risk management and found them to be sound.

The Board is confident that:

- Our risk management systems and processes support our strategy and business model.
- Our appetite for risk is appropriate and risks are managed accordingly.
- Our risk-aware culture enables relevant, informed and consistent decision-making relating to risk.
- In the event of a disastrous incident, the documented and tested major incident plan, pandemic preparedness plan and disaster recovery programme support the continuity of critical business processes.

Accountability and control

King IV: Principle 5

Going concern

The annual financial statements are based on appropriate accounting policies and the external auditors independently examine them in accordance with International Standards on Auditing. The Group's annual financial statements have been prepared on a going concern basis.



Board opinion: PG 30.



Accounting policies used to prepare the annual financial statements and directors' responsibility and approval can be found in the full annual financial statements.



Audit Committee report in the annual financial statements.

Independent quality review

In line with the requirements of the Institute of Internal Auditors (IIA) Standards, Internal Audit undergoes an independent quality review at least once every five years. The last assessment, conducted by a globally recognised consulting firm, was in FY2019. Internal Audit received a 'generally conforms' rating, the highest level of compliance to the IIA Standards, and achieved an 'established' maturity rating. The review indicated that Netcare's internal audit function is professional, established and regarded as a trusted advisor to the business. The next independent quality review is planned for FY2024.

Internal control and internal audit

The Board is responsible for ensuring that an appropriate system of internal controls is maintained to provide reasonable assurance that:

- Netcare's assets are appropriately safeguarded and managed.
- Losses arising from fraud and/or other illegal acts are minimised.
- Accounting records, financial statements and operating information are accurate, complete and fairly presented.

The Board delegates these responsibilities to the Audit Committee and Internal Audit assists the committee by fulfilling an assurance and consulting function, and providing independent and objective assurance over Netcare's systems of internal controls. The Audit Committee annually approves both the Internal Audit Charter (which aligns to the recommendations of King IV and the International Standards for the Professional Practice of Internal Auditing as determined by the IIA) and the risk-based audit plan. The Audit Committee chair meets regularly in separate sessions with management, external audit and Internal Audit.

Internal Audit conducts independent financial, IT and operational process and control effectiveness reviews using a systematic and disciplined approach, supported by a data analytics tool. In addition to highlighting process improvements, Internal Audit's activities provide assurance to Netcare's stakeholders that the Group operates in a responsible manner.

Internal Audit's day-to-day activities include:

- Evaluating risks, control and governance processes.
- Objectively assessing the design of the internal control framework.
- Systematically analysing and evaluating business processes and the effectiveness of key internal controls.
- Assisting in the investigation of instances of alleged fraud, corruption, unethical behaviour and irregularities, as well as providing pertinent information on these issues to the Group.
- Effectively coordinating the combined assurance function which streamlines the activities of various assurance providers without compromising the level of assurance attained.

To ensure that Internal Audit remains independent and sufficiently objective, and meets its responsibilities, the Head of the department reports functionally to the Audit Committee's chair and administratively to the CFO. Internal Audit has unrestricted access to all company records and employees, including the CEO, the Board chair and the chair and members of the Audit Committee.

Adequate and effective controls continued

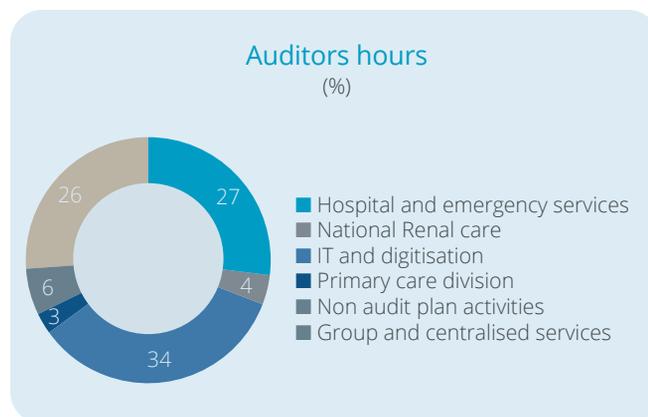
The Internal Audit team is appropriately qualified and experienced. Team members hold a Bachelor of Commerce, as a minimum qualification, and the majority have signed off SAICA articles. All team members sign an annual Code of Ethics declaration (based on the IIA standards).

FY2022 performance

- Presented the results of the audit reviews to the Board, Audit Committee and senior management.
- Kept the Board and Audit Committee updated on the adequacy of the department's resources.
- Reported to the Audit Committee on the quality assurance and improvement programme and the critical success factors used to monitor its performance.
- Coordinated the process to provide the required steps to be performed by various functions within the Group, to ensure that the CEO and CFO are in a position to attest to an adequate and effective internal financial control environment as required by the JSE Listings Requirements.
- Provided either assurance or consulting services in various areas of the business in line with management requests and authorised by the Audit Committee's chair and the CFO, when required.
- Regularly reported to the divisional Internal Audit Committee and the Audit Committee on the progress of agreed remedial actions implemented to support and maintain a sound control environment.
- Continued to drive digitisation through the use of data analytics in the auditing process.
- Effectively used the agile audit approach to revise the Internal Audit Plan to cater for the changing environment.

Audit hours

Audit hours are allocated to the various areas within the Group to ensure adequate coverage of the current Netcare environment as well as alignment with the Netcare strategy and risks.



Audit committee conclusion for FY2022

Nothing has come to Internal Audit's attention to suggest that the organisation's system of internal financial controls does not form a sound basis for the preparation of reliable financial statements of Netcare; and nothing qualitatively or quantitatively material has come to Internal Audit's attention to suggest that Netcare's governance, risk management and control processes are not effective.

Governance of information and technology

King IV: Principle 12

IT is an integral part of Netcare's business and fundamental to the Group's sustainability and growth. It spans across all aspects, components and processes of our business and is therefore not only an operational enabler for Netcare, but an important strategic asset to create opportunities and to gain competitive advantage.

The Board, together with the Audit and Risk Committees, oversee the governance of IT and are kept comprehensively updated on the progress of the EMR and data-related implementations. A number of management committees provide oversight on information and technology governance, including the Executive Committee, the IT Management Committee (headed by the chief information officer), the Information Security Management Committee, the POPIA Steering Committee and the Group Compliance Committee, among others. The IT Management Committee is integral to the IT governance framework, having overall responsibility for recommendations and decisions regarding IT priorities, funding and other IT and security requirements. It also reviews IT risk and opportunity management.

The Data Council guides the data governance programme, oversees data governance projects and initiatives, approves Group-wide data policies and standards, and provides ongoing support, understanding and awareness of data.

Group IT supports the principles and practices of fairness, transparency, responsibility and accountability in its dealings with stakeholders. Netcare's robust IT governance framework covers IT risk and IT compliance and carefully manages risk exposure to acceptable levels. The guidelines of the framework and the IT operating model are measurable, ensuring that the governance of IT processes and resources is effective and efficient, and that the integrity, continuity, confidentiality and availability of information is managed in a cost-effective manner.

The protection of personal information in the Group's day-to-day business operations is fundamental. We maintain a sound approach to the implementation of privacy protection measures across all business operations, aligned to applicable privacy and data protection laws. The cybersecurity and privacy frameworks ensure that the Group is able to effectively monitor, govern and enforce best practice policies as well as appropriately respond to and recover from cyber-related incidents and prevent or minimise data loss.

Compliance governance

King IV: Principle 13

The Board, with the assistance of the Audit, Risk and Social and Ethics Committees, ensures that the Group complies with applicable laws, regulations, codes and standards. Adherence to non-binding rules is considered an integral part of doing business. Compliance risk is monitored by the Risk Committee. All committees are regularly updated on the Group’s underlying policies and processes to govern compliance.

The Compliance Committee and the compliance function monitor the legislative landscape on an ongoing basis and assess the potential impact of new laws as well as relevant sector developments on the Group. Through their activities, the Compliance Committee and the compliance function keep the Board and its committees apprised of material developments. Changes required are delegated to management and must be achieved within defined timeframes. The implementation of changes is overseen by the Compliance Committee and the Compliance function.

We use a risk-based approach to review the Group’s policies. All divisions, business units, operational and administrative business areas and subsidiaries are required to comply with all applicable legislation and regulations. Each area conducts an annual governance, compliance, legislative and contractual risk review, and evaluates the regulatory environment impacting the Group and the healthcare sector.

Key legislation, regulations and standards applicable to the Group’s strategic pillars

Strategic pillars	Key legislation or standard
 <p>Consistency of care Delivering consistently excellent clinical services, ensuring the best and safest person centred care.</p>	<ul style="list-style-type: none"> • National Health Act. • Mental Health Act. • Occupational Health and Safety Act. • Waste Management Act.
 <p>Disruptive innovation Implementing medical technologies, digitisation and data solutions for the benefit of our business and patients.</p>	<ul style="list-style-type: none"> • POPIA. • Electronic Communications and Transactions Act. • General Data Protection Regulation.
 <p>Transformation of our society Continuing to invest in and develop our workforce and communities.</p>	<ul style="list-style-type: none"> • B-BBEE. • Companies Act and Regulations. • Universal Declaration of Human Rights. • International Labour Organization. • UN Global Compact.
 <p>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.</p>	<ul style="list-style-type: none"> • Competition Act. • Long-term Insurance Act. • Short-term Insurance Act. • Financial Advisory and Intermediary Services.
 <p>Integration Creating strategic and synergistic partnerships between all divisions and functions.</p>	<ul style="list-style-type: none"> • Competition Act.
 <p>Investment Creating economic value and optimising capacity utilisation.</p>	<ul style="list-style-type: none"> • Competition Act. • FTSE/JSE Responsible Investment Index. • Organization for Economic Co-operation and Development.
 <p>Environmental sustainability Ensuring minimal environmental impact by managing our resources responsibly, efficiently and to the benefit of the environment.</p>	<ul style="list-style-type: none"> • National Environmental Management Act. • FTSE/JSE Responsible Investment Index. • TCFD. • UN Global Compact.

Litigation and legal

The company secretary, who is also the general counsel, is responsible for overseeing the legal function. Although the outcomes of legal proceedings, claims and actions instituted against the Group cannot be predicted, the Group is suitably resourced to manage this process. Detailed legal reports are

provided to the Risk Committee and the chair of the Risk Committee reports to the Board on any material legal matters. The Board is of the opinion that there is no current or pending action that will materially affect the operations of the Group.

The Group’s insurance policy insures directors against liabilities they may incur in carrying out their duties.

Adequate and effective controls continued

Remuneration governance

King IV: Principle 15

The Board, assisted by the Remuneration Committee, ensures that executive directors and prescribed officers, as well as employees are remunerated fairly, responsibly, transparently and in line with industry standards, to attract and retain the talent required to achieve the Group's strategy and to create sustainable value. It also ensures that the remuneration policy supports value creation. The Remuneration Committee engages proactively with shareholders on changes to the remuneration policy and the implementation report.

 Remuneration report: PG 38.

Combined assurance

King IV: Principle 15

The Audit Committee has adopted the five levels of assurance model. The model is underpinned by the delegation of authority framework, aligned to King IV, and designed to effectively address the Group's key risks and material matters through a combination of the following assurance service providers and functions.



 Board committees: PG 21.

Level 2 assurance

Non-independent assurance providers

Executive management, including elements of strategy implementation, performance measurement and continuous monitoring mechanisms.

Management	<ul style="list-style-type: none"> • Accountable to the Board for identifying and assessing risks. • Responsible for developing, implementing, maintaining and reporting on the internal policies and control procedures to mitigate identified risks, without compromising the Group's ability to achieve its strategic priorities. • Submits quarterly statements of assurance to the Executive Committee. • All major divisions, business units and operational and administrative business areas conduct at least three management self-assessments each year. The results are reported to the Audit Committee. The self-assessment process enhances overall risk management practices and supports a culture of ownership over internal control procedures.
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Level 3 assurance

Non-independent assurance providers

Specialist functions independent from management, which facilitate and oversee risk management and compliance.

Risk Management function	<ul style="list-style-type: none"> • Acts as the custodian of the risk management policy and plan. • Coordinates risk management activities throughout the Group, including reporting to the Risk Committee. • Benchmarks the systems and processes of risk management against local and international standards and best practices.
Quality assurance reviews	<ul style="list-style-type: none"> • All Netcare facilities and services are reviewed against comprehensive clinical quality and risk management criteria. Facility, divisional and Group level reports highlight any high-risk areas. • Independent subject matter experts conduct verification reviews. A standardised tool is used, which incorporates the National Department of Health's (NDoH) Core Standards, criteria from the Office of Health Standards Compliance (OHSC) Private Hospital Inspection Tools, Netcare's additional standards, and specific criteria based on trends and risks identified by quality data. Risk-based policies and standard operating procedures support quality assurance.
Data Council	<ul style="list-style-type: none"> • Prioritises data initiatives and implements Group-wide data definitions and standards of critical data sets to ensure data integrity and continuous data monitoring.
Clinical Data Council	<ul style="list-style-type: none"> • Coordinates the collection of clinical data across all divisions, ensures that clinical data collection, reports and analyses align, and ensures the accuracy and completeness of datasets.

Adequate and effective controls continued

Level 4 assurance

Independent assurance

Independent internal assurance provider.

Internal Audit

- Provides independent and objective assurance to the Audit and Consistency of Care Committees on the effectiveness of internal control and risk management systems, and recommends improvements.

Level 5 assurance

Independent assurance

Independent external assurance providers.

British Standards Institution

- Conducts annual surveillance audits on sample facilities across all divisions to ensure Netcare remains compliant with the ISO 9001:2015 certification standards.

Office of Health Standards Compliance

- Audits our facilities on their compliance with the NDoH's Core Standards. Compliance certificates will be valid for four years.

Deloitte & Touche

- Audits our annual financial statements.

Note: not all assurance providers are covered in the table. More detail on internal and independent assurance is provided per top business risk in the integrated report, starting on page 60.

The Combined Assurance Committee coordinates the efforts of all assurance providers to avoid duplication and optimise value. It assesses the skills and experience of the assurance providers as well as the nature and extent of the assurance work provided. The committee meets twice a year (or as required) and reports to the Audit Committee. The chair of the Audit Committee approves the Combined Assurance Committee's terms of reference.

ESG-related assurance and verification

The Global Carbon Exchange SA Proprietary Limited independently assures selected environmental indicators. The verification, at a limited level of assurance, is performed in accordance with the principles of the WBCSD/WRI GHG Protocol Corporate Accounting Standard, 2nd Edition, 2004, and with ISO 14064-3 (2006).

Our B-BBEE scorecard is independently evaluated and verified by Empowerdex.

Stakeholder inclusion

King IV: Principle 16

Netcare's stakeholder engagement strategy drives a comprehensive and inclusive approach to our key stakeholder relationships, ensuring our engagement with them is effective, proactive and consistent. Engagement with the stakeholder groups who are most likely to have an impact on the Group's ability to deliver our business strategy are prioritised. The Group aims to understand their concerns and expectations, and how these link to Netcare's top business issues, risks and strategic priorities. Through this understanding, we are able to address stakeholder concerns and provide the relevant and appropriate information stakeholders need to make decisions about Netcare.

The Board monitors stakeholder management, and delegates responsibility for proactive and constructive stakeholder engagement to management. Issues of strategic concern are elevated through the Executive Committee to the Board.

Netcare applies a decentralised stakeholder engagement model. Relationship owners within the Group are held responsible for ensuring that their engagement with stakeholders is appropriate, sufficiently frequent and aligned to our strategic priorities. Methods of engagement are monitored to ensure they are appropriate and consider the different needs of each stakeholder group. Frequency of engagement also varies and can take the form of a single event to engage on a specific issue, ongoing dialogue, or specific mechanisms such as our investor roadshows and presentations, complaint management processes, patient feedback surveys or employee engagement survey. The Group's memberships in sector and business associations, relationships with trade unions and partnerships with NGOs are key underpins of its engagement with employees, government, regulators and broader communities, among others.

The digital transformation underway at Netcare is redefining how we engage with our patients, doctors, allied healthcare practitioners and funders. Our EMR platforms across the Netcare ecosystem remove repetitive tasks, freeing up doctor and nurse time to better care for patients. As these systems start to integrate with one another, engagement with our patients, doctors, allied healthcare practitioners and funders will be enhanced further and become more strategic based on the insights gained from data analytics.

During FY2022, stakeholder engagement was enhanced through a new patient feedback survey for the Hospital Division, the Group-wide Voice of OUR Employees engagement survey, the roll out of our compassion programme – Care4YOU – and a redesign of Netcare's website, One Netcare, and patient portal, MyNetcare Online. Encouragingly, patient use of digital solutions such as **appointmed™** and the online hospital pre-admissions tool is increasing. Another cohort of leaders from across divisions have been enrolled in the Stanford Applied Compassion Training programme and are tasked with developing projects that support our employee-based #WeCare initiative.

 Stakeholder engagement: PG 47 in the integrated report.



Remuneration report

Remuneration report

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- 44 Remuneration policy overview
- 52 Implementation report



Report by the Remuneration Committee chair

I am pleased to present our remuneration report for the Netcare Group for the financial year ended 30 September 2022 (FY2022).

The past two years (FY2020 and FY2021) have been highly challenging for our business, executives and employees. Our people braved the brutality of a pandemic and stood resolute on the frontline to serve our nation and humanity during the deadly waves of COVID-19. Despite their heroic efforts, for which we are deeply grateful, we were unable to reward them appropriately. Subdued financial performance due to the deferral of elective surgeries and high COVID-19 admissions did not allow for it.

Pleasingly, in FY2022, the Group delivered a strong performance, driven by an improvement in activity as COVID-19 cases declined significantly. This enabled a recovery in demand for non-COVID-19 medical and surgical procedures, and facilitated the shift towards the normalisation of case mix and length of stay. As a result, the Group delivered a much improved financial performance while also executing extremely well on non-financial strategic priorities.

The recovery in overall performance has only been possible because of our people, the heartbeat of our business. During the financial year, we prioritised employee wellbeing given the social, economic and psychological impact of COVID-19, particularly for frontline healthcare workers. In addition to psychosocial support offered via Independent Counselling and Advisory Services (ICAS) and Dube and Pottas Social Workers, we implemented a structured compassion-based initiative (Care4YOU) in all our hospitals. This extended to more than 23 000 employees including permanent staff and third-party contractors who work in our facilities.

The Care4YOU programme created safe spaces to process COVID-19 trauma, empowered our teams with tools to replenish their emotional and mental wellbeing by exercising self-compassion, and facilitated the transition to post-traumatic growth for themselves and Netcare. The return on this investment is evident in our overall employee engagement score of 79% against global benchmarks of 77% and 9% higher than our last survey conducted in 2017; and a strong overall score of 8.5 out of 10 for employees' perception of care and compassion at Netcare.

Collectively, these efforts and results culminated in favourable outcomes for all stakeholders including shareholders, suppliers, our employees and communities.

Netcare's remuneration report:

- Aligns with the principles and recommended practices of the King Report on Corporate Governance for South Africa (King IV) and applies Principle 14's three-part structure.
- Meets the JSE Limited (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.

Remuneration report continued

Overview of Group Performance for FY2022

The Group delivered a strong recovery in financial and operational performance in FY2022. Most financial and non-financial strategic performance metrics were met and/or exceeded with the following noteworthy highlights:

- Normalised EBITDA margin: 16.2% (FY2021:15.2%).
- Adjusted HEPS: 83.2 cents (FY2021: 67.4 cents).
- Return on invested capital (ROIC): 8.8% (FY2021: 7.9%).
- Cash conversion ratio: 113.0% (FY2021: 118.8%).
- Impactful roll out of Care4YOU to 50¹ of our hospitals, with tangible improvements in employee engagement and patient feedback scores for nurse compassion.
- Excellent progress in our digitisation strategy with the delivery of the CareOn electronic medical record (EMR) platform to a total of 21 hospitals, on schedule and within budget, and with 84% doctor adoption.
- Advanced our environmental sustainability initiatives with significant progress made in projects that conserve water, reduce waste to landfill and increase use of renewable energy.
- Improved racial and gender representation of our Board, and established a strong baseline score of 7.5 out of 10 for employee perception of diversity and inclusivity at Netcare.
- Significant improvement in preferential procurement spend on >51% black-owned suppliers, >30% black women-owned suppliers and qualifying small enterprises (QSEs), while spend on exempted micro-enterprises (EMEs) remains a key area of focus for FY2023.

 See pages 52 to 54 for more on our performance against FY2022 objectives.

Overview of Executive Remuneration for FY2022

On the back of this strong performance, the Remuneration Committee determined that the formulaic outcome under the Single Incentive Plan (SIP) Group balanced scorecard (BSC) was 136.4% of the maximum 150.0% possible. There were no adjustments to the formula, which was based on previously approved performance conditions.

The committee carefully considered overall Group performance as well as the performance of each executive, and approved incentives based on the aggregated score prescribed in the SIP. Each executive had to achieve 60% on their divisional/individual BSC to qualify for an incentive. The approved incentive translated to 7.2%² of EBIT inclusive of catch-up awards. The incentive was settled in cash (20%) and deferred shares (80%) in line with the SIP. The number of deferred shares awarded fell below the 1% threshold of total issued shares.

Deferred shares vest over a five-year period for executives with minimum shareholding requirements applicable (outlined on page 50). This is to ensure that the executives are exposed to share price performance and shareholder objectives while offering a competitive value proposition for our executives.

Structure of the report

This report comprises three sections.

The **first section** provides an overview of the roles and responsibilities of the committee, details the key decisions taken during the financial year on executive remuneration, and outlines our engagement with shareholders.

The **second section** gives an overview of our SIP and outlines the financial and non-financial strategic performance targets. These took into account Netcare's recovery following two successive years of operating in an environment dominated by COVID-19.

The **third section** details how we have implemented our current remuneration policy.

The committee believes that the remuneration policy strikes a fair balance between rewarding executives for achieving stretching but motivational short-term objectives linked to long-term strategy, talent retention and the delivery of shareholder value.

The remuneration policy and implementation report will be tabled for approval at the annual general meeting (AGM) on 3 February 2023.

Mr. David Kneale

Remuneration Committee Chairperson

¹ Netcare Bougainville Hospitals has since been sold.
² For more information see page 54.

Role of the Remuneration Committee

The Remuneration Committee oversees the development and implementation of the Group's remuneration policy. This includes determining the appropriate annual financial and non-financial strategic targets to ensure we reward superior performance linked to shareholder and stakeholder expectations, while attracting, motivating and retaining senior executives with appropriate expertise to drive the long-term growth and success of Netcare.

The committee considers the remuneration of the Board chair and the Board of directors, and proposes fee adjustments to shareholders for approval at the AGM. The committee also reviews and recommends any material changes to employee remuneration and benefit structures to the Board for approval, ensuring that the Group's remuneration practices are responsible, internally equitable and externally competitive.

The committee ensures that Netcare's remuneration reporting is straightforward, comprehensive and transparent, and recognises the need for continuous improvement in this regard. As such, we review and approve the remuneration disclosures in the integrated report and any other disclosures required by King IV, the Companies Act and the JSE Listings Requirements. The committee also considers the results of the non-binding vote on remuneration policy and the implementation report, and responds meaningfully to feedback from shareholders.

Committee Composition

The committee is duly constituted in accordance with the JSE Listings Requirements and King IV. In the year under review, it comprised three independent non-executive directors:

- Mr D Kneale (appointed to the Board and the committee on 1 January 2020, retiring with effect from the conclusion of the annual general meeting on 3 February 2023);
- Mr Bower (appointed to the committee on 1 October 2019, and as chair from 3 February 2023); and
- Mrs T Brewer (appointed to the committee on 28 October 2011, and resignation effective 31 December 2022).

Ms L Human and Ms L Stevens will join the committee effective 1 January 2023.

Any member of the Netcare Board is entitled to attend committee meetings as an observer. Netcare's company secretary acts as the secretary of the committee while the chief executive officer (CEO), chief financial officer (CFO), director for human resources and transformation, and external advisors may be invited to attend committee meetings as and when appropriate. No member of the Executive Committee is allowed to attend meetings that relate to their remuneration outcome.

Remuneration report continued

Part 1 Background continued

Key decisions of the committee in FY2022

The committee met twice during the year to provide strategic guidance and approvals as detailed below.

Key decisions

<p>2022 salary adjustments <i>Above CPI-linked salary adjustments for our employees in non-managerial roles and below CPI-linked salary increases for executives and senior managers</i></p>	<p>Endorsed the award of higher salary increases to our employees in non-managerial roles. Our nursing staff received higher salary adjustments including a skills allowance, compared to non-nursing employees. The Executive Committee and senior managers received lower salary increases. This decision aligns with our objective of progressively narrowing the income gap between highest and lowest income earners.</p>	<p> PG 52</p>
<p>Wage negotiations <i>Reached wage agreement with all four trade unions within mandate</i></p>	<p>Considered the outcome of wage negotiations for FY2022/23. Pleasingly, these were concluded successfully and agreement was reached on terms and conditions of employment with all four recognised trade unions.</p>	
<p>Special allowances for critical skills <i>Additional allowances awarded to nurses with clinical specialisation with a portion earmarked for SANC professional registration fees</i></p>	<p>Approved additional special allowances to attract and retain nurses with specialised clinical skills. A portion of this was set aside to pay the annual professional registration fees of the South African Nursing Council (SANC). From October 2022, Netcare will pay these annual fees for all practising nurses in our employ.</p>	
<p>Non-executive directors' remuneration</p>	<p>Considered the results of an independent benchmarking exercise of non-executive directors' fees. The outcome informed the proposed adjustments to non-executive directors' remuneration for FY2023, which will be presented for approval at the AGM on 3 February 2023.</p>	<p> PG 59</p>
<p>Short-term incentives (STI) and long-term incentives (LTI)</p>	<p>Reviewed and approved the Group BSC performance for FY2022, and the BSC performance of each Executive Committee member. Based on achieved targets, the committee approved the award of incentives in line with the rules of the SIP.</p>	<p> PG 53</p>
<p>Wrapping up of Forfeitable Share Plan (FSP 3)</p>	<p>Reviewed the performance conditions for the third performance tranche of FSP3, which were due to vest on 1 December 2022; this being the last tranche of the old FSP scheme.</p> <ul style="list-style-type: none"> • Performance condition 1: average compound annual growth rate over the performance period of headline earnings per share (HEPS) of at least CPI plus 4%; and • Performance condition 2: average return on capital employed (ROCE) of at least the weighted average cost of capital (WACC) plus 6% calculated over the performance period. <p>The third tranche of FSP3 was forfeited as the three-year rolling financial targets of the measured periods (FY2020, FY2021 and FY2022) were adversely affected by COVID-19 disruptions to our operations. There were no adjustments to the formulaic vesting based on the previously disclosed performance conditions.</p>	<p> PG 55</p>
<p>Remuneration Committee terms of reference</p>	<p>Reviewed our terms of reference and recommended them to the Board for approval.</p>	

Shareholder engagement

The Remuneration Committee is committed to enhancing Netcare's remuneration practices and ensuring that our reporting is comprehensive, transparent and meets shareholder expectations. Accordingly, select members of the Executive Committee met with shareholders in November 2021 on Netcare's new SIP. During these meetings, and in subsequent engagements following the 2022 AGM, shareholders provided valuable feedback on the SIP, remuneration policy and implementation report. The committee gave due consideration to this feedback. Below is a summary of salient feedback and our responses.

Feedback	Response
Shareholders enquired whether investment targets will be disclosed; and whether metrics and targets will be disclosed annually.	All financial targets for the measured period will be disclosed at the end of the performance period.
Shareholders requested disclosure of actual results versus targets, for all metrics partially met or not met.	In this year's report, we have disclosed targets and actual results for all financial and non-financial metrics (see page 53). We will continue to do so in the future.
Most shareholders agreed that the targets and mechanism of the previous LTI scheme were unrealistic in the current environment.	This has been addressed by replacing the FSP with the SIP from FY2022.
Shareholders recognised that targets for FY2022 should be set in the context of prevailing uncertainty caused by anticipated further waves of COVID-19. However, clarity was sought on how targets would be set for periods beyond FY2022.	As the operating environment normalises, we expect improvement in underlying financial performance in FY2023 and beyond. It is important to note that the targets provide only an indicative range and were set considering current market dynamics and in line with the guidance provided in our results commentary. In terms of the SIP, the Remuneration Committee reviews targets on an annual basis and has discretion to revise targets at the start of each year to ensure they are sufficiently stretching.
The inclusion of non-financial targets was generally well received, particularly performance targets that take environmental, social and governance (ESG) issues into account.	Financial targets are assigned a 60% weighting and non-financial targets a weighting of 40%. Non-financial targets are critical enablers for the Group's overall strategy and support the achievement of financial targets.
Environmental sustainability targets should be measurable and demonstrate that the projects will generate a sufficient return.	Clearly defined and measurable targets have been published in our integrated and ESG reports, and our environmental sustainability initiatives have generated savings and benefits of close to R1.1 billion to date.
The current levels of shareholding of the CEO were considered too low.	The COVID-19 pandemic adversely affected the achievement of performance targets over the last two years. As a result, in terms of the FSP, no shares were allocated to the CEO for the last two financial periods. This, in turn, affected the accumulation of his shares. The SIP will address this issue.
The proposed level of minimum shareholding requirements (MSR) were debated relative to shareholding requirements applied in the United States, noting that American shareholding requirements are much higher than in South Africa, due to the higher share awards received by executives of American listed companies.	<p>The MSR levels proposed for Netcare are aligned with South African benchmarks, where the median MSR for our comparators is 200% of cost to company (CTC) for the CEO, built up over five years.</p> <p>The share component of the SIP will provide substantial exposure to the share price over the next five years, given the MSR. Therefore, if the CEO meets his SIP objectives, with a concomitant award of 200%, of which 80% is share-based, 160% of his package will be delivered in deferred shares. In five years, the CEO should have a potential exposure of five times 160% of deferred shares awarded, with 60% still unvested. This will equate to 4.8 times the CEO's salary, plus the additional 200% of own shares held to meet the MSR. In effect, this will equate to a multiple of nearly seven times the CEO's salary.</p>
Board members' remuneration	Board members' remuneration is externally benchmarked every year and the outcome informs the recommended fee increases submitted for shareholder approval. See page 59 for proposed FY2023 Board remuneration.

Remuneration report continued

Part 1 Background continued

The committee is satisfied that it has comprehensively responded to shareholder feedback and expectations. We are pleased that 84.4% of shareholders voted in favour of our remuneration policy (FY2021: 89.8%) and 86.4% voted in favour of our implementation report (FY2021: 95.4%).

	2022			2021		
	Votes in favour	Votes against	Abstentions	Votes in favour	Votes against	Abstentions
Remuneration policy	84.4%	15.6%	1.8%	89.8%	10.2%	0.1%
Implementation report	86.4%	13.6%	0.4%	95.4%	4.6%	0.1%
Non-executive director remuneration	94.6%	5.4%	0.2%	100.0%	0.0%	0.1%

Non-binding advisory votes

Both the remuneration policy and implementation report for FY2022 will be presented for separate non-binding advisory votes from shareholders at the AGM on 3 February 2023. The related resolutions are set out in the 2022 AGM notice.

Should the remuneration policy and/or implementation report be voted against by 25% or more of the voting rights exercised at the 2023 AGM, we undertake to engage with shareholders to fully understand the reasons for dissenting votes and to address legitimate and reasonable objections raised.

Board approval

The Remuneration Committee reviewed and recommended the remuneration report to the Board for approval. The Board approved the report on 17 November 2022.

Part 2 Remuneration policy overview

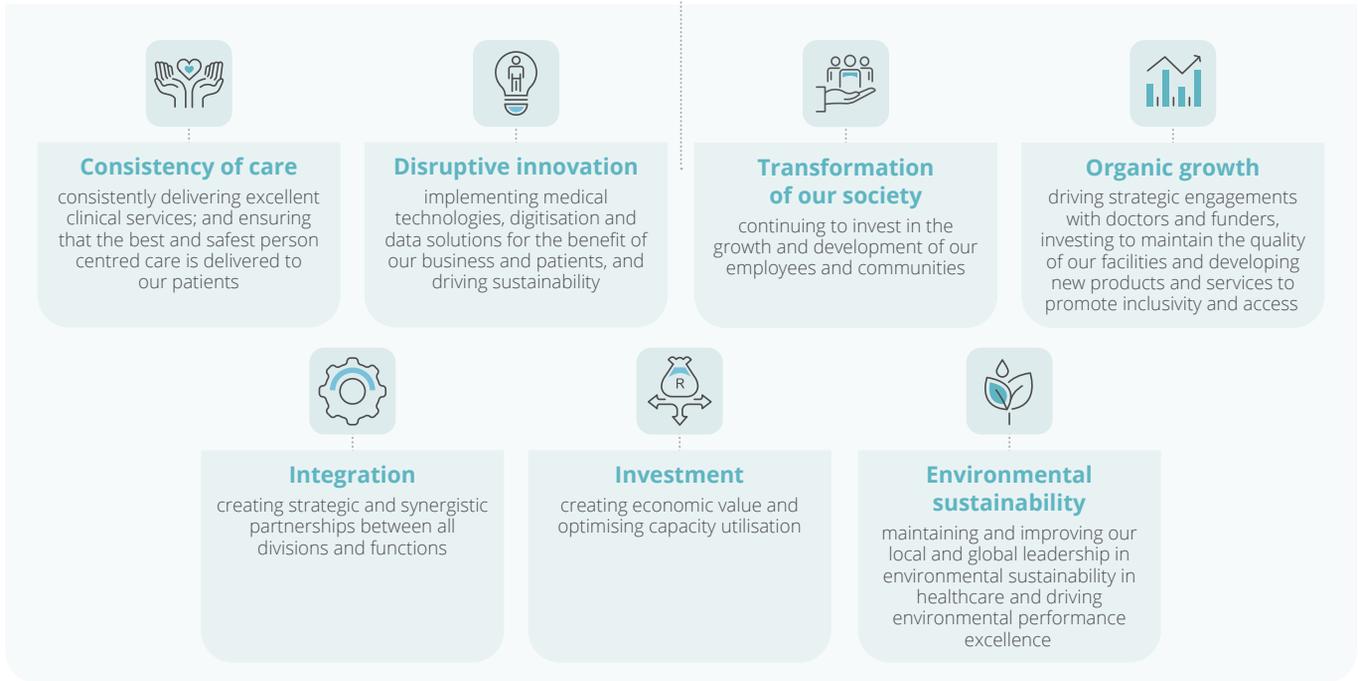
Subject to non-binding advisory vote at the AGM on 3 February 2023

FY2022 marked the first year of the SIP. The SIP aims to create flexibility in Netcare's remuneration policy by ensuring that it is responsive to market volatility and remains competitive, while driving and rewarding high performance linked to the long-term delivery of our strategy and shareholder value.

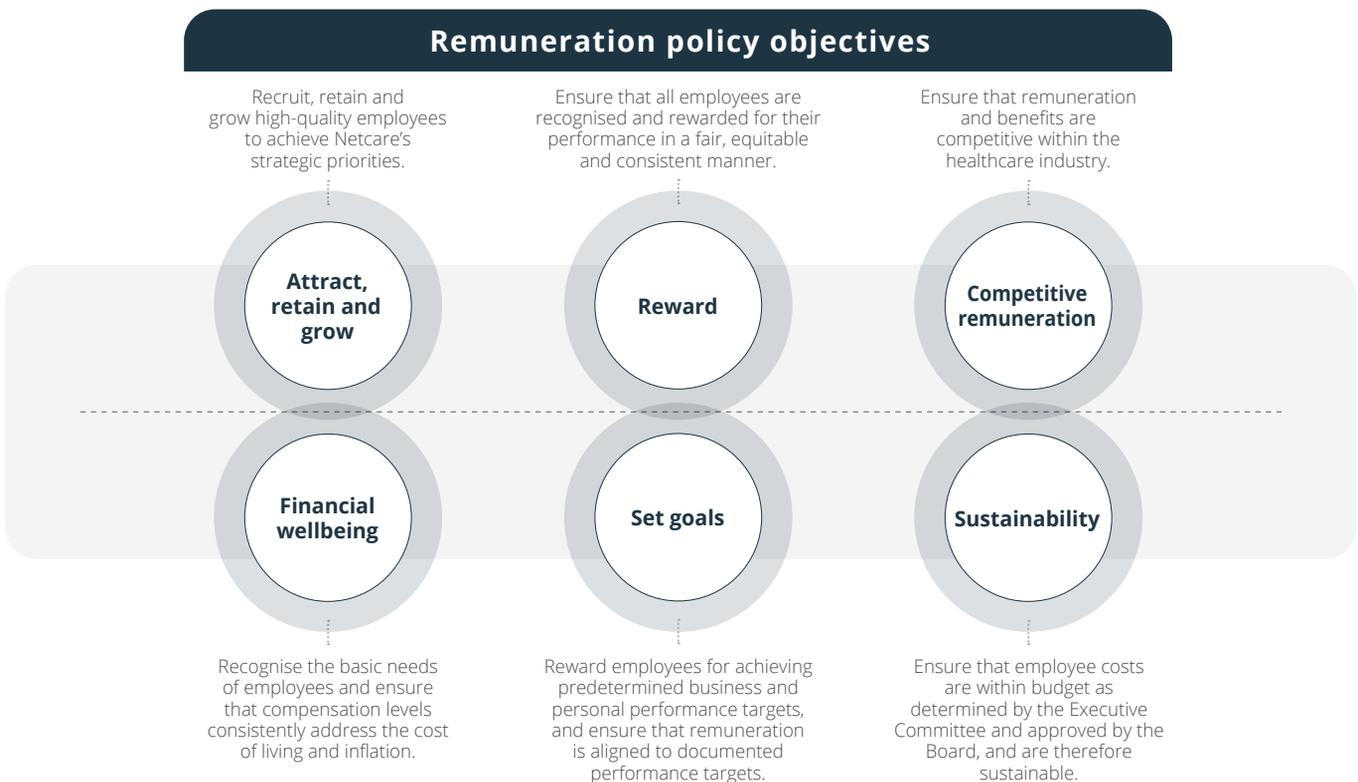
The policy was designed to address the shortcomings of the FSP, which fell short of rewarding executives and senior management appropriately for performance, as 50% of the three-year rolling performance targets were consistently not met. This was due to difficulties in forecasting targets in a volatile market. The second and third tranche of the FSP3 performance vestings were forfeited altogether as the three-year rolling performance targets were not met as a result of the adverse impact of COVID-19 on performance. In addition, FSP3 concluded in December 2022 and the award of FSP4 was deferred and subsequently cancelled, due to difficulty in setting long-term targets within the context of the unfolding pandemic. These factors made the FSP scheme demotivational and presented talent retention risks. Additionally, the performance targets under the FSP scheme were purely financial, leaving no room for strategic non-financial targets, including ESG imperatives.

The SIP responds to these challenges by ensuring that the Group has annual performance targets, approved by the Remuneration Committee, that are realistic and motivational, while being appropriately stretching and linked to Netcare's long-term strategy. The scheme strikes a fair balance between annual financial and strategic non-financial targets, and aligns annual performance and incentives with shareholder and stakeholder expectations. It also presents a competitive value proposition for high-performing executives and senior managers by striking a fair balance between short-term incentives and long-term value, linked to retention and exposure to share price performance. The scheme also addresses the gap created by the deferral of FSP4 through an adjustment to the awards for FY2022 to FY2024 (catch-up awards) to ensure that the intended, market-aligned level of LTI awards are made on average over time, subject to the applicable performance conditions.

The SIP is externally benchmarked to drive and reward a high-performance culture that supports Netcare's strategy of providing person centred health and care that is digitally enabled and data driven, underpinned by the following strategic priorities:



The policy aims to achieve a fair balance between a competitive structured package (SP), and STIs and LTIs. It also includes minimum shareholding requirements and malus and claw-back clauses to mitigate the risk of adverse events that could materially harm the company and its stakeholders.



Remuneration report continued

Part 2 Remuneration policy overview 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 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

Our remuneration policy and practice, including salary increases, STIs, LTIs and benefits, are periodically benchmarked against the broader market and industry to ensure that our remuneration trends are internally equitable and externally competitive, and take into account factors affecting the Group's financial position, the industry and South Africa (SA).

In FY2022, we engaged PwC to benchmark non-executive directors' fees against an appropriate comparator group. In selecting the comparator group, PwC applied the 'closeness metric' using total assets and revenue, both weighted at 50%. This resulted in 12 companies being selected of which six are healthcare and pharmaceutical companies, two are financial services companies with medical aids, two are consumer staples and two are consumer discretionary companies.

The outcome of the benchmark showed that the Group's decision to freeze non-executive directors' fee increases in the main over the last three years, and to only offer inflation linked increases to fees for non-executive directors' roles which fell below the tolerance band, has been effective in ensuring greater alignment with market peers. As a result, the Board resolved to continue the freeze on fee increases for FY2023 for Board roles that remain above the market median and offer inflation linked adjustments to fees for those non-executive directors' roles which are below market, as set out on page 59.

The total cost of the PwC benchmarking exercise amounted to approximately R86 000 excluding value added tax (VAT).

This year, the Remuneration Committee resolved to defer the external benchmarking of the CEO's and CFO's remuneration to January 2023, given that the 2021 benchmarking showed that the annual guaranteed package (AGP) of both executive directors compared well to the market. However, their total rewards inclusive of STI and LTI were lower than market benchmarks, largely due to lower STIs (ex gratia) and the deferral of FSP4 allocations in FY2020. Both directors will receive incentives, to be paid in December 2022 under the SIP, to close this gap. Post this award, an external benchmarking exercise will be conducted to determine whether the gaps identified have narrowed relative to the median of the comparator group.

Executive remuneration structure

The remuneration of Netcare executives comprises fixed remuneration (guaranteed package) and variable remuneration (STIs and LTIs). Hence, the remuneration packages for executive directors, prescribed officers and senior executives for the year ended 30 September 2022 comprised an AGP, and STIs and LTIs awarded in line with the SIP.

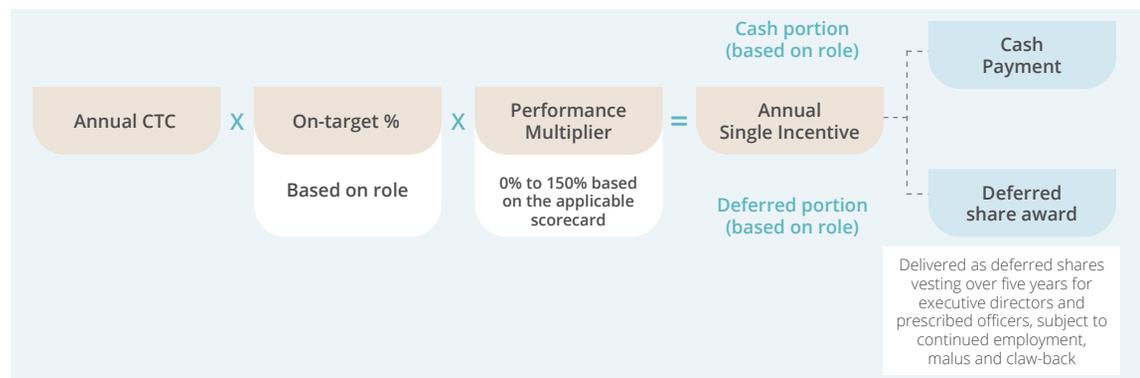
Structured package (fixed remuneration)	
Objective	To reflect individual contribution and market value relative to role and to recognise skill and experience.
Basis for determination	Guaranteed pay includes salary and employee benefits. It is determined based on the complexity of the role, market value 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.

Single Incentive Policy (variable pay)

Objectives	<ul style="list-style-type: none"> To reward in cash and deferred shares Group performance and individual contribution in the short term and long term. 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. Develop performance criteria, which are flexible and customised, to drive the required business outcomes and performance on an annually reviewed basis, balanced across financial and non-financial performance.
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Eligibility Executive directors, prescribed officers, senior executives and managers.

The SIP is calculated by multiplying the individual's annual CTC by an on-target percentage (this being the total incentive for which the individual qualifies when meeting objectives) and the performance multiplier based on BSC achievement for the measured period as illustrated below:



Basis of determination

The on-target percentage for 2022 is illustrated in the table below for the various participants:

Executive Leadership	On-target %	Cash %	
CEO	200%	20% of the total	Balance in deferred shares (over 5 years)
CFO and managing director (MD): Hospital Division	165%	20% of the total	Balance in deferred shares (over 5 years)
Other members of the Executive Committee	125%	20% of the total	Balance in deferred shares (over 5 years)

The performance multiplier ranges from zero if none of the threshold levels are achieved to 100% for on-target performance and up to 150% for outperformance:

- Below threshold – 0%
- Threshold – 50%
- On Target – 100%
- Outperform – 150%

Linear interpolation is applied for performance between threshold and target, and target and outperform.

The annual value of the performance multiplier is determined based on Group and functional scorecards. This ensures that the scorecards for different roles drive the performance of the relevant entity/division/function while retaining a minimum level of exposure to Group outcomes for all participants to avoid 'silo' behaviour.

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

A score of 60% is required on the BSC at divisional and/or personal and business unit levels to qualify for an incentive.

Remuneration report continued

Part

2

Remuneration policy overview continued

Single Incentive Policy (variable pay) continued

<p>Delivery</p>	<p>The SIP is settled in cash and shares for executive directors and prescribed officers.</p> <p>The cash portion is settled annually in December each year.</p> <p>The balance, in deferred share awards, vest at 20% per annum over five years for the members of the Executive Committee and prescribed officers.</p> <p>While this formulaic determination provides the quantum of eligibility each year, the Remuneration Committee has discretion to determine the final award.</p> <p>The deferred awards are governed by a set of plan rules in line with the salient features described below and are issued in December each year.</p>
<p>Salient features of the deferred shares</p>	<ul style="list-style-type: none"> • The deferred shares are forfeitable shares that 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 that are subject to the same terms as the underlying 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 or cancelled. If the committee decides that the circumstances surrounding the termination warrant that the executive concerned is entitled to retain their deferred shares in terms of the Deferred Share Plan (DSP), then the committee may indicate in writing to such participant that they may retain their award, in full or in part, notwithstanding that they are no longer employed. • 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 based on the original terms or replaced by awards of similar value if this is not possible. • In the event of a change of capital structure, the 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 SIP were benchmarked against the costs of continuing the LTI (FSP) and STI scheme. The costs for on-target performance under the proposed SIP are broadly similar over a five-year period.
<p>Other deferred share awards</p>	<p>The SIP permits the granting of awards of deferred shares that are not part of the annual SIP, including:</p> <ul style="list-style-type: none"> • Sign-on awards included in the employment agreement for new employees, generally to compensate them for awards from a previous employer forfeited on resignation; and • Specific retention or counter-offer awards, which are not generally made to executive directors and prescribed officers. <p>Such awards are motivated by the CEO and approved by the Remuneration Committee.</p>
<p>Discretion and safeguards</p>	<p>The annual single incentive is subject to the discretion of the Remuneration Committee, which is applied to reduce the overall quantum of the single incentive, unless there are exceptional circumstances:</p> <ul style="list-style-type: none"> • If the aggregate value of the SIP for the year (including the cash and deferred portion but excluding the additional transition/catch-up awards) is more than 8.0% of EBIT; and • If the total number of deferred share awards for the year is more than 1.0% of shares in issue.
<p>Procurement of deferred shares</p>	<p>The shares required to settle deferred share awards are purchased in the market as soon as possible after their award and no new shares or treasury shares are used for this purpose.</p>

Group balanced scorecard 2023

Area	Measure	Weighting	Threshold	On-target	Outperform
Financial Results 60%	EBITDA margin	15.0%	FY2022 + 0.5%	FY2022 + 1.0%	FY2022 + 1.5%
	Adjusted HEPS – growth on FY2022	15.0%	CPI + GDP + 5.0%	CPI + GDP + 10.0%	CPI + GDP + 15.0%
	ROIC (measured over two-year period i.e. FY2022 and FY2023)	15.0%	WACC – 2.5%	WACC – 1.5%	WACC
	Cash conversion (measured over two-year period i.e. FY2022 and FY2023)	15.0%	100%	105%	110%
Consistency of Care 10%	Patient experience: continued improvement in the nurse compassion score of the patient feedback survey (PFS) for the Hospital Division	5.0%	8.16	8.26	8.36
	Doctor engagement: improved likelihood of doctor recommendation of Netcare as the workplace of choice	2.5%	7.65	7.75	7.95
	Specialists: gross number of new specialists granted admitting privileges in the Hospital Division	2.5%	75	80	85
Digitisation 10%	CareOn EMRs: additional number of beds in the Hospital Division linked to CareOn by September 2023	5.0%	3 354	3 554	3 817
	CareOn adoption by doctors: adoption of e-scripts	2.5%	75.0%	80.0%	85.0%
	CareOn adoption by doctors: adoption of clinical orders	2.5%	75.0%	80.0%	82.5%
Environmental sustainability 10%	Energy efficiency: additional year-on-year tCO ₂ e avoidance as a result of energy efficiency projects implemented	3.0%	923	1 026	1 077
	Renewable energy: additional year-on-year tCO ₂ e avoided as a result of renewable energy generated	3.0%	965	1 072	1 126
	Water savings: reduction in overall water consumption per bed in use in the Hospital Division	2.0%	1.5%	3.0%	5.0%
	General waste: reduction in waste to landfill as % of Hospital Division waste	1.0%	35.0%	40.0%	50.0%
	Healthcare risk waste (HCRW): reduction in HCRW to landfill as % of Hospital Division HCRW	1.0%	6.3%	6.9%	7.2%
Human capital and transformation 10%	Preferential procurement: improved procurement spend on >30% black women-owned enterprises, >51% black-owned enterprises, EMEs and QSEs with overall improvement on procurement rating as % of points available for procurement on the B-BBEE scorecard	5.0%	86.0%	89.0%	93.0%
	Employee retention: reduction in voluntary labour turnover	2.5%	14.8%	14.0%	13.8%
	Management diversity and inclusivity: increase in overall representation of black managers at middle management as a % of all middle managers	2.5%	55.0%	56.5%	58.0%
		100.0%			

1. Tonnes of carbon dioxide emissions.

Remuneration report continued

Part

2

Remuneration policy overview continued

Financial targets

Our 2023 financial targets show ongoing advancement in underlying business performance. The EBITDA margin targets reflect continuing improvement in a challenging market and include costs associated with the implementation of our strategy. In line with our guidance, we expect to incur strategic costs of R275 million in FY2023. A large portion of these costs is attributable to the CareOn project. Although we expect to realise savings of approximately R55 million to R65 million in FY2023, these costs will weigh on margins in the short term and mask the underlying improvement until the second half of FY2024, when the project becomes earnings accretive. In addition, we seek to mitigate the operational challenges in the market through efficiencies as reflected in continuing double digit HEPS growth. The Group remains committed to improving its ROIC in the medium term to exceed WACC. We continue to generate strong cash flows and aim to achieve a two-year cash conversion in excess of 100%.

Non-financial targets

We selected four broad categories of non-financial targets critical to the delivery of our financial metrics:

- **Consistency of care:** We continue to broaden our measurement of clinical outcomes and patient experience to ensure we deliver on our purpose of providing the best and safest care. Accordingly, our FY2023 targets drive focused interventions to improve the compassion displayed by our nurses when caring for our patients (nurse compassion score measured in our PFS). We also intend to increase the number of specialists joining Netcare, and to measure their net revenue contribution and the likelihood of growing and maintaining their practices within the Netcare ecosystem, measured through our annual doctor engagement survey.
- **Digitisation:** Targets for FY2023 aim to advance our healthcare digitisation project, which will transform our business, improve critical care and safety, and deliver efficiencies once fully implemented. We intend to roll out CareOn to a further 17 hospitals with 3 817 beds in FY2023, and to drive continued adoption of EMRs by doctors and all healthcare staff.
- **Environmental sustainability:** Our 2030 environmental sustainability strategy aims to achieve 100% utilisation of renewable energy, zero waste to landfill and 20% reduction in water usage. Accordingly, our FY2023 targets are aligned to this net zero strategy and build on the significant progress already made. In FY2023, we are targeting additional emissions avoidance through our energy efficiency and renewable energy projects currently underway as well as improved water usage per bed and reduced volumes of waste to landfill.
- **Human capital and transformation:** Our people are the heartbeat of our business and play a pivotal role in the delivery of our strategy. In FY2023, we aim to reduce employee turnover in a context of high demand and low supply of clinical, information technology and data science skills, among others. We are targeting improved diversity and inclusion within management; and to accelerate the inclusion of black-owned and black women-owned enterprises, QSEs and EMEs in our supply chain, critical for driving inclusive economic growth, creating employment opportunities and engendering social stability.

Minimum shareholding requirements

We benchmarked our MSR against peers and effected the changes outlined below.

Netcare executives are required to hold shares in the company and retain vested shares awarded under the SIP, to ensure alignment between the interests of executives and shareholders.

The Remuneration Committee approved the MSR policy for the SIP with the following minimum shareholding targets:

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

The policy requires the MSR to be reached in year five from the date of approval of the SIP, or five years from the date that the committee designates executives to be eligible for the SIP.

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

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

Executives may use personal investment shares or committed shares to satisfy the target minimum shareholding. Once the target minimum shareholding has been achieved, we expect executives to maintain their 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, approved in 2019/20, are as follows:

Malus (pre-vesting)

All LTI awards and the deferred shares issued under the new SIP 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 these) instances:

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

Clawback (post-vesting)

Clawback clauses apply to any variable remuneration awarded from 1 January 2020. In the case of the LTI and SIP, 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.

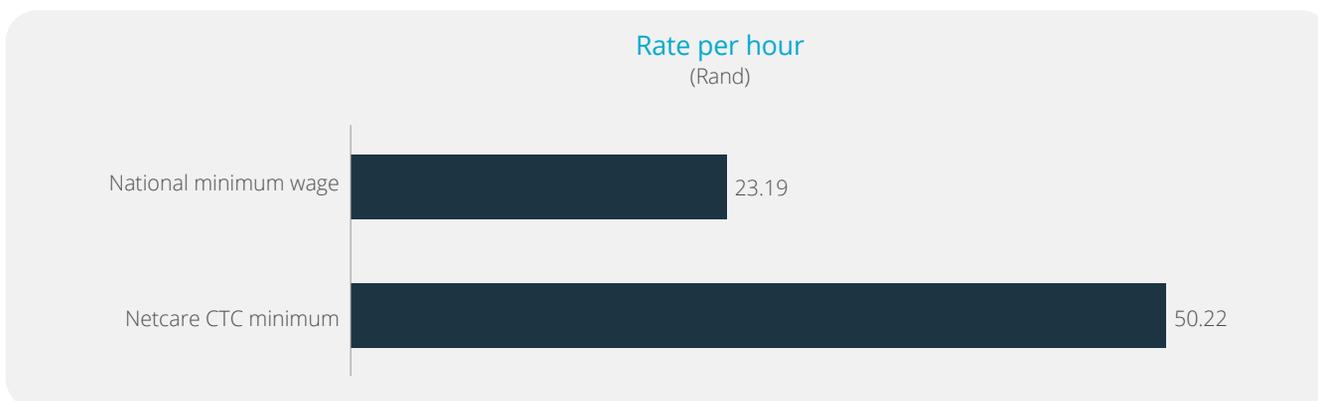
Fair and responsible employee remuneration

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 use a reputable job grading system to ensure equal pay for work of equal value. We benchmark salaries against other healthcare companies and non-healthcare companies of similar size to ensure our remuneration is competitive.

We also conduct an income differential analysis annually to ensure that there are no unfair pay differentials based on gender, race 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. Typically, these relate to educational levels, work experience and length of service in the role.

In considering King IV Principle 14 on remuneration governance, 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 measures below to progressively narrow the gap.

- Our minimum wage is 46% above the legislated national minimum wage.



- We offer higher annual salary increments for employees at the lower end of the pay scale compared to lower 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 for each completed 12-month period worked. This is paid to employees in service on 31 December of each year.
- All employees below executive level were each allocated 3 000 Netcare shares in October 2019 as part of Netcare's broad-based black economic empowerment (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 (BCEA).
- We offer our employees a four-month paid maternity leave benefit at 33% of structured package and allow the option of a fifth month without pay. This benefit compares favourably to the BCEA legislated four months unpaid maternity benefit.
- We also offer 10 days of paid parental leave compared to the legislated 10 days unpaid parental leave.
- We provide uniforms to our staff at no cost to them, with the uniform allocation made every 18 months.
- We provide subsidised meals to employees while on duty.

Remuneration report continued

Part

3

Implementation report

Subject to non-binding advisory vote at the AGM on 3 February 2023

This section outlines the implementation of the remuneration policy in FY2022.

We report on the inflation-linked increases in guaranteed packages, the performance outcome of the FY2022 BSC, and the total single incentive approved for executive directors and prescribed officers. We also disclose total figure remuneration and provide a schedule of the forfeitable shares held by executive directors and prescribed officers in line with the applicable requirements of King IV. We conclude with the remuneration of non-executive directors as required by King IV and the Companies Act.

Annual increases

During the financial year, we used Old Mutual's RemChannel data to benchmark the AGP of Executive Committee members and prescribed officers. This benchmark excluded the executive directors, being the CEO and CFO. The outcome showed that the AGPs of the Executive Committee align well with the market median. After taking into consideration the prevailing market conditions, affordability and shareholder expectations, the Remuneration Committee approved lower average salary adjustments for executives, senior managers and prescribed officers, and higher average adjustments for employees within the bargaining units, depending on scarcity of skills.

BSC performance for FY2022

The setting of appropriate financial targets for FY2022 was a difficult task given the high uncertainty that prevailed towards the end of FY2021. SA was emerging from a devastating third wave of COVID-19, normal activity had only just started to recover and the possibility of further waves of COVID-19 remained a significant threat to an accelerated and sustained recovery in FY2022.

Against this background, Netcare forecast both a fourth and fifth wave of COVID-19, with moderate recovery in between these periods. The fourth wave in December 2021 showed a significantly different pattern to the three previous waves, resulting in a 70% reduction in COVID-19 patient days. As a result, first quarter performance was substantially below original budget and target. However, activity began to improve from late January 2022 and with the fifth wave in April and May 2022 exhibiting similar characteristics, growth in elective surgery and normal non-COVID activity accelerated in the second half of the year. This resulted in a substantially better than anticipated financial performance for FY2022.

Given the relatively mild impact of the fourth and fifth waves of COVID-19 on operations, management was also able to apply additional focus to non-financial strategic imperatives. As a result, many of the strategic non-financial targets were achieved and, in certain instances, exceeded as tabled below.

Group BSC FY2022

Area	Measure	Weighting	Threshold	On-target	Outperform	Actual Achieved	Actual Score
Financial results 60%	EBITDA margin	15.0%	14.1%	14.6%	15.1%	16.2%	22.5%
	Adjusted HEPS	15.0%	56.7	63.0	69.3	83.2	22.5%
	ROIC	15.0%	6.7%	7.7%	10.7%	8.8%	17.7%
	Cash conversion	15.0%	90.0%	100.0%	110.0%	113.0%	22.5%
Consistency of care 10%	Care4YOU compassion programme: number of hospitals rolled out by September 2022	5.0%	30	50	50 by July 2022	50 by July 2022	7.5%
	Improved levels of compassion displayed by nurses as a result of Care4YOU	5.0%	8.00	8.11	8.20	8.11	5.0%
Digitisation 10%	CareOn EMRs: number of hospitals rolled out by September 2022	5.0%	15	20	21	21	7.5%
	CareOn adoption by doctors: adoption of e-scripts	2.5%	50.0%	70.0%	80.0%	84.0%	3.75%
	CareOn adoption by doctors: adoption of clinical orders	2.5%	50.0%	70.0%	80.0%	84.0%	3.75%
Environmental sustainability 10%	Reduction in carbon emissions (tCO ₂ e) through the implementation of energy efficient projects	5.0%	1 200	1 400	1 500	1 479	7.0%
	Reduction in water usage (kl) through recycling/efficiency projects	3.0%	19 900	21 900	22 300	28 096	4.5%
	Reduction in general waste to landfill percentage in pilot projects	2.0%	60.0% of general waste	75.0% of general waste	Achieve target and add 4 new hospitals to the pilot, improving their diversion to landfill by 20.0% from FY2021 baseline	79.0% and piloted waste project in four new hospitals, improving their waste diversion by more than 20%	3.0%
Transformation 10%	Board and management race and gender diversity: percentage of the points available for the management control overall pillar of the B-BBEE scorecard	5.0%	60.0%	64.0%	68.0%	60.2%	2.6%
	Inclusion of QSEs, EMEs and black-owned enterprises: percentage of the points available for preferential procurement in the B-BBEE scorecard	3.0%	75.0%	80.0%	85.0%	81.8%	3.6%
	Diversity and culture: # sites engagement, diversity and inclusion survey rolled out to by September 2022	2.0%	50.0%	100.0% by September 2022	100.0% by July 2022	100.0% by July 2022	3.0%
		100.0%					136.4%

Remuneration report continued

Part

3

Implementation report continued

Financial targets: normalised Group EBITDA improved by 9.5% to R3 496 million (FY2021: R3 193 million). Higher activity levels in the second half of FY2022, together with lower COVID-19 costs and ongoing efficiencies, resulted in strong operating leverage and an improvement in Group EBITDA margins of 100 basis points to 16.2% (FY2021: 15.2%). Normalised profit after taxation increased by 20.0% to R1 085 million (FY2021: R904 million) and adjusted HEPS increased by 23.4% to 83.2 cents (FY2021: 67.4 cents). The Group's ROIC improved to 8.8% (FY2021: 7.9%), below historical norms due to adverse trading conditions since the onset of COVID-19 in March 2020. The cash conversion ratio was 113.0% (FY2021: 118.8%).

Strategic non-financial targets: excellent progress was made in driving the strategic non-financial projects intended to operationalise Netcare's long-term strategy across our entire ecosystem, which will position Netcare to benefit from the long-term dynamics that drive healthcare demand. Below is a summary of achievements, with details available in the integrated and ESG reports.

- ✓ **Consistency of care:** We successfully initiated the Care4YOU compassion-based training programme at 50 Netcare hospitals, covering more than 23 000 employees, including contractors' staff. The programme has had a positive impact in improving the patient experience, evidenced by a higher nurse compassion score of 8.11. We had initially targeted the roll out of Care4YOU to 53 hospitals. Five hospitals were closed during the financial year (Netcare Bougainville, Netcare Ceres, Netcare Clinton, Netcare Optiklin and Netcare Union hospitals). Netcare Alberton Hospital was opened in April 2022 bringing the total number of hospitals at year-end to 49. Netcare Bougainville was closed after Care4YOU had been rolled out.
- ✓ **Digitisation:** We rolled out CareOn to 21 Netcare hospitals with 4 828 beds and approximately 13 700 active users, comprising nurses, doctors, allied health professionals, pharmacists and administrative personnel. The Group has already realised savings and benefits of R37 million in FY2022 from this transformative project.
- ✓ **Environmental sustainability:** Linked to our net zero strategy, our FY2022 targets set out to achieve further reduction in year-on-year carbon emissions, water consumption and waste generation across all our facilities. We met all our targets. We avoided an additional 1 479 tonnes of carbon dioxide emissions (tCO₂e) through our energy efficiency projects, saved 28 096 kilolitres (kl) of water through recycling, and recycled more than 79.0% of general waste at targeted facilities. This is the equivalent of driving 321 cars for an entire year (4.6 tonnes/annum/car) and filling 72 Olympic-sized swimming pools with water.
- ✓ **Transformation of society:** We advanced racial and gender diversity in our management team and supply chain, and successfully rolled out the employee engagement survey, which gave us a high baseline score of 7.5 on a scale of 0 to 10 for employee perceptions of inclusivity at Netcare. We achieved 54.5% representation of black directors on our Board (dtic target: 50.0%) and 45.5% representation of black women (dtic target: 25.0%). Pleasingly, we also met and exceeded the Department of Trade, Competition and Industry (dtic) targets and our own stretch targets for FY2022 on procurement spend with >51% black-owned suppliers, achieving 51.4% (R5.9 billion) of measurable spend with this supplier group (dtic target: 50.0%). Procurement spend on black women-owned suppliers was 32.6% (R3.7 billion) of measurable spend (dtic target: 12.0%). Our R1.0 billion procurement spend on QSEs represents 9.1% of measurable spend (dtic target: 15.0%) in line with the threshold target, while our procurement spend of R543 million with EMEs represents 4.7% of measurable spend (dtic target: 15.0%), falling below threshold. As a result, we met all our procurement targets.

The Group achieved an overall performance score of 136.4% against the maximum 150.0% possible for outperformance. This qualified for payment of the SIP (inclusive of catch-up awards intended to close the gap caused by the deferral and subsequent cancellation of FSP4) equivalent to 7.2% of EBIT including strategic costs. Without the catch-up awards, the SIP incentive amounted to 6.3% of EBIT including strategic costs.

Our Internal Audit team audited the Group BSC performance. The scores relating to the financial results are extracted from the audited annual financial statements on which Deloitte has issued an unmodified audit opinion. GCX independently verified our carbon emissions declarations and Empowerdex verified our BBBEE scores.

Total incentive awards paid to executives and prescribed officers

Based on this performance, potential eligibility and weighted BSC results for each director, the Board, on the recommendation of the Remuneration Committee, acknowledged the extraordinary efforts of management and approved the payment of the SIP based on the formula below:

$$\text{Annual CTC} \times \text{On-target \%} \times \text{Performance multiplier (0\% - 150\%)} = \text{Annual single incentive}$$

The table below outlines the approved total SIP for executive directors and prescribed officers.

Name	Annual CTC (actual)	On-target	Performance multiplier	Annual single incentive	% cash	Cash	% shares	Shares	Vesting period
RH Friedland	10 638 690	200%	136.4%	29 022 346	20%	5 804 469	80%	23 217 877	5 years
KN Gibson	5 699 903	165%	133.8%	12 581 232	20%	2 516 246	80%	10 064 985	5 years
J Du Plessis	5 181 925	165%	130.1%	11 126 173	20%	2 225 235	80%	8 900 938	5 years
T Akaloo	3 867 966	125%	116.8%	5 649 164	20%	1 129 833	80%	4 519 331	5 years
MFS Da Costa	4 776 408	125%	135.2%	8 074 517	20%	1 614 903	80%	6 459 614	5 years
CE Grindell	3 687 429	125%	135.7%	6 255 539	20%	1 251 108	80%	5 004 431	5 years
WN Van Der Merwe	4 342 574	125%	132.1%	7 169 590	20%	1 433 918	80%	5 735 672	5 years

FSP3 performance vesting

The FSP scheme ends in December 2022. Following a review of the performance conditions for tranche 3, due to vest on 1 December 2022, all shares were forfeited. The performance parameters were not met due to two of the measured trailing years falling within the COVID-19 period.

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

Remuneration report continued

Part 3 Implementation report continued

Remuneration of executive directors and prescribed officers

The table below provides an outline of the executive directors and prescribed officers' remuneration, in terms of total single-figure remuneration, as required by King IV and in line with the guideline note issued by the Institute of Directors South Africa and the South African Reward Association.

	Annual guaranteed package			Single incentive		Single Rem	Paid in 2022		
	Salary and benefits	Retirement fund savings and contributions	Guaranteed package	Cash Portion	Deferred share portion	Total single incentive	Total single-figure remuneration	Incentive paid in cash	Incentive paid in deferred shares
Executive directors									
RH Friedland	10 327 566	661 739	10 989 305	5 804 469	23 217 877	29 022 346	40 011 651	5 804 469	23 217 877
KN Gibson	5 349 198	367 563	5 716 761	2 516 246	10 064 985	12 581 231	18 297 992	2 516 246	10 064 985
	15 676 764	1 029 302	16 706 066	8 320 715	33 282 862	41 603 577	58 309 643	8 320 715	33 282 862
Prescribed officers									
J Du Plessis	4 880 584	315 611	5 196 195	2 225 235	8 900 938	11 126 173	16 322 367	2 225 235	8 900 938
CE Grindell	3 465 827	247 212	3 713 039	1 251 108	5 004 431	6 255 539	9 968 578	1 251 108	5 004 431
MFS Da Costa	4 477 964	298 444	4 776 408	1 614 903	6 459 614	8 074 517	12 850 925	1 614 903	6 459 614
T Akaloo	3 621 971	257 351	3 879 322	1 129 833	4 519 331	5 649 164	9 528 486	1 129 833	4 519 331
WN van der Merwe	4 072 272	282 936	4 355 208	1 433 918	5 735 672	7 169 590	11 524 799	1 433 918	5 735 672
	20 518 618	1 401 554	21 920 172	7 654 997	30 619 986	38 274 983	60 195 155	7 654 997	30 619 986

R	Guaranteed package	Bonuses	Total
Executive directors			
2021			
RH Friedland	10 603 383	3 000 000	13 603 383
KN Gibson	5 510 001	2 000 000	7 510 001
	16 113 384	5 000 000	21 113 384
Prescribed officers			
2021			
J Du Plessis	5 008 356	1 700 000	6 708 356
CE Grindell	3 519 835	1 400 000	4 919 835
S Mhlongo	1 603 803	–	1 603 803
T Akaloo	3 739 030	1 000 000	4 739 030
WN van der Merwe	4 218 277	1 200 000	5 418 277
	18 089 301	5 300 000	23 389 301

Forfeitable shares

Number of options held by executive directors and prescribed officers at 30 September 2022.

Number of options	Grant date	1 Oct 2021	Granted	Shares forfeited during the year	Exercised (sold and retained)	30 Sep 2022	Market price at exercise date (cents)	Gain arising on exercise R'000
Executive directors								
RH Friedland	FSP 2: 20-Jan-16	519 028	-	(444 868)	(74 160)	-	14.08	1 044
KN Gibson		221 923	-	(190 214)	(31 709)	-	14.08	446
Prescribed officers								
T Akaloo	FSP 3: 20-Jan-18	87 500	-	(75 000)	(12 500)	-	14.08	176
J Du Plessis		177 869	-	(152 454)	(25 415)	-	14.08	358
CE Grindell		98 625	-	(81 736)	(16 889)	-	14.08	238
MFS Da Costa ¹		126 703	-	(108 598)	(18 105)	-	14.08	255
WN van der Merwe		127 082	-	(108 924)	(18 158)	-	14.08	256
		1 358 730	-	(1 161 794)	(196 936)	-		2 773

1. MFS Da Costa was designed as a prescribed officer during the financial year.

Health Partners for Life

The following share options were held by directors and prescribed officers at 30 September 2022:

Number of options	Grant date	1 October 2021	Exercised	30 September 2022	Weighted average exercise price
Executive directors					
KN Gibson	2 Oct 2006	1 041	-	1 041	
Weighted average exercise price		12.34		12.34	
Prescribed officers					
CE Grindell	25 Oct 2006	1 200	-	1 200	
Weighted average exercise price		6.42		6.42	
		2 241	-	2 241	

No share options were granted in FY2022 (FY2021: nil).

2 241 Health Partners for Life share options had vested as at 30 September 2022 (FY2021: 2 241).

Remuneration report continued

Part 3 Implementation report continued

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 committee roles. 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 and committee meeting held as per the Memorandum of Incorporation. In addition, various additional or ad hoc meetings were held during FY2022 to support and provide counsel to the executive team.

Director	Board		Audit		Risk		Nominations		Remuneration		Consistency of Care		Social and Ethics	
	C	4/4	C	3/3	M	2/2	C	3/3	M	2/2	M	2/2	M	2/2
T Brewer ¹	C	4/4	C	3/3	M	2/2	C	3/3	M	2/2			M	2/2
MR Bower	M	4/4	C	3/3	M	2/2			M	2/2				
B Bulo	M	4/4	M	3/3	C	2/2					M	2/2		
L Human	M	4/4			M	2/2	M	3/3			M	2/2		
D Kneale ²	M	3/4	M	2/3			M	3/3	C	2/2				
MJ Kuscus ³	M	4/4			M	2/2					C	2/2	M	2/2
T Leoka ⁴	M	3/3	M	2/2	M	1/1							M	1/1
KD Moroka ⁵	M	4/4					M	3/3					C	2/2
R Phillips ⁶	M	3/3									M	1/1	M	1/1

C – Chairperson

M – Member

O – Attendance by invitation

1. T Brewer's resignation effective 31 December 2022.

2. D Kneale's retiring with effect from the conclusion of the AGM on 3 February 2023.

3. MJ Kuscus' retiring effective 31 December 2022.

4. Dr T Leoka appointed effective 1 January 2022.

5. Adv KD Moroka's retiring effective 31 December 2022.

6. Dr R Phillips appointed effective 1 January 2022.

Fees paid to non-executive directors

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

R'000	Board	Audit	Nominations	Risk	Remuneration	Social and Ethics	Consistency of Care	Finance and Investment	2022 total	2021 total
T Brewer	1 340		179	136	126	126		252	2 159	2 117
MR Bower	685	253		136	126			252	1 452	1 399
B Bulo	685	179		193			186		1 243	1 243
L Human	685		126	136			186		1 133	1 133
D Kneale	685	179	126		195				1 185	1 176
MJ Kuscus	685			136		126	235		1 182	1 182
T Leoka	513	134		68		94			809	-
K Moroka	685		126			179			990	990
R Phillips	513					94	139		746	-
Total	6 476	745	557	805	447	619	746	504	10 899	9 240

Proposed non-executive directors' fees

The Remuneration Committee has proposed a variable increase in non-executive directors' fees (exclusive of VAT) for FY2023, informed by a PWC benchmarking exercise.

The increases remain subject to shareholder approval at the AGM on 3 February 2023. The fees that have been adjusted have been referenced accordingly, and the balance remain 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, the following fee adjustments are being tabled for approval by shareholders at the 2023 AGM.

Proposed non-executive director fees

R'000	Proposed 2023	% Increase	Actual 2022	Actual 2021
Board				
Chair	1 420	6%	1 340	1 340
Member	685	0%	685	685
Audit Committee				
Chair	268	6%	253	242
Member	179	0%	179	179
Nomination Committee				
Chair	179	0%	179	179
Member	126	0%	126	126
Risk Committee				
Chair	205	6%	193	193
Member	144	6%	136	136
Remuneration Committee				
Chair	206	6%	195	186
Member	126	0%	126	126
Social and Ethics Committee				
Chair	179	0%	179	179
Member	126	0%	126	126
Consistency of Care Committee				
Chair	235	0%	235	235
Member	186	0%	186	186
Payable per meeting				
Ad hoc committees (including the Finance and Investment Committee)	42	0%	42	42

Note: values exclude VAT.

Summarised Group annual financial statements

for the year ended 30 September 2022

These summarised Group annual financial statements comprise a summary of the complete audited Group annual financial statements for the year ended 30 September 2022 that were approved by the Netcare Board on 17 November 2022. The summarised Group annual financial statements do not contain sufficient information to allow for a complete understanding of the results of the Group, as would be provided in the complete audited Group annual financial statements. These summarised Group financial statements, and the audited Group financial statements from which they have been derived, were compiled under the supervision of KN Gibson CA(SA), Chief Financial Officer of the Group.



The summarised consolidated annual financial statements comprise:

- Summarised Group statement of profit or loss.
- Summarised Group statement of comprehensive income.
- Summarised Group statement of financial position.
- Summarised Group statement of cash flows.
- Summarised Group statement of changes in equity.
- Headline earnings.
- Summarised segment report.

The directors are responsible for the preparation and fair representation of the annual financial statements in accordance with the requirements of the Companies Act No. 71 of 2008 and in compliance with the Company's Memorandum of Incorporation.

 The complete audited annual financial statements are available at www.netcare.co.za/Netcare-Investor-Relations/Reports/Financial-Results.

Operating activities

The activities of the Group's operating segments are described below:

- **Hospital and emergency services**

This segment is further disaggregated into Hospital and pharmacy operations, covering our private acute hospital network and day clinics, and non-acute services. The non-acute services include the provision of emergency services, the operation of private mental health clinics, cancer care, diagnostics services and the sale of healthcare products and vouchers.

- **Primary Care**

This segment offers comprehensive primary healthcare services, employee health and wellness services and administrative services to medical and dental practices.

Going concern

The directors have reviewed the Group and Company budget and cash flow forecasts and have satisfied themselves that the Group and Company are in a sound financial position and that they have access to sufficient borrowing facilities to meet their foreseeable cash requirements.

On the basis of this review, the Netcare directors have concluded that there is a reasonable expectation that the Group will continue to meet its financial covenants and meet its obligations as they fall due for at least the next 12 months from the date of approval of these financial statements. The directors consider it appropriate to adopt the going concern basis in preparing the Group and Company annual financial statements.

Accounting policies

The accounting policies and methods of computation applied in the preparation of the Group annual financial statements are in accordance with IFRS. All policies are consistent in all material respects with those applied in the audited consolidated financial statements for the year ended 30 September 2021.

Report of the independent auditor's

These summarised Group annual financial statements for the year ended 30 September 2022 have been extracted from the complete audited Group annual financial statements on which the auditors, Deloitte & Touche, have expressed an unmodified audit opinion and communication of a key audit matter.

The directors take full responsibility for the preparation of the summarised Group financial statements, which have been extracted from and are consistent in all material respects with the Group's consolidated financial statements.

Summarised Group annual financial statements continued

Summarised Group statement of profit or loss

for the year ended 30 September

Rm	2022	2021
Revenue¹	21 636	21 200
Cost of sales	(11 085)	(10 748)
Gross profit	10 551	10 452
Other income	435	330
Administrative and other expenses	(8 524)	(8 518)
Impairment of financial assets	(180)	(188)
Operating profit	2 282	2 076
Investment income	115	116
Finance costs	(885)	(903)
Other financial gains – net	1	1
Attributable losses of associates	(23)	(147)
Attributable earnings of joint ventures	44	33
Profit before taxation	1 534	1 176
Taxation	(484)	(416)
Profit for the year	1 050	760
<i>Attributable to:</i>		
Owners of the parent	975	730
Preference shareholders	38	39
Profit attributable to shareholders	1 013	769
Non-controlling interest	37	(9)
	1 050	760
Cents		
Basic earnings per share	72.3	54.6
Diluted earnings per share	71.7	54.3

• Improved H2 2022 resulting in FY2022 revenue exceeding pre-pandemic revenue (FY2019).

R249 million strategic project costs (2021: R172 million)

Lower average net debt offset by higher average cost of debt

R24 million impact of change in corporate tax rate

1. Refer to segment report on page 20 for detail on the disaggregation of revenue.

Summarised Group statement of comprehensive income

for the year ended 30 September

Rm	2022	2021
Profit for the year	1 050	760
Items that will not subsequently be reclassified to profit or loss	(21)	(25)
Remeasurement of defined benefit obligation	—	1
Fair value adjustment on equity investments	(21)	(26)
Items that may subsequently be reclassified to profit or loss	62	75
Effect of cash flow hedge accounting	85	104
Amortisation of the cash flow hedge accounting reserve	43	103
Change in the fair value of cash flow hedges	42	1
Taxation on items that may subsequently be reclassified to profit or loss	(23)	(29)
Other comprehensive income for the year	41	50
Total comprehensive income for the year	1 091	810
<i>Attributable to:</i>		
Owners of the parent	1 016	780
Preference shareholders	38	39
Non-controlling interest	37	(9)
	1 091	810

Summarised Group annual financial statements continued

Summarised Group statement of financial position

at 30 September

Rm	2022	2021
ASSETS		
Non-current assets		
Property, plant and equipment	13 469	12 915
Right of use assets	3 770	3 600
Goodwill	1 606	1 606
Intangible assets	237	200
Equity-accounted investments, loans and receivables	594	643
Financial assets	99	63
Deferred lease assets	17	12
Deferred taxation	1 040	987
Total non-current assets	20 832	20 026
Current assets		
Loans and receivables	59	132
Financial assets	2	4
Inventories	562	640
Trade and other receivables	3 288	3 251
Taxation receivable	28	112
Cash and cash equivalents	1 499	1 456
Total current assets	5 438	5 595
Total assets	26 270	25 621
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	4 297	4 297
Treasury shares	(3 504)	(3 557)
Other reserves	473	413
Retained earnings	8 980	8 780
Equity attributable to owners of the parent	10 246	9 933
Preference share capital and premium	644	644
Non-controlling interest	54	12
Total shareholders' equity	10 944	10 589
Non-current liabilities		
Long-term debt	5 265	4 936
Long-term lease liabilities	3 906	3 588
Financial liabilities	—	32
Post-employment healthcare benefit obligations	533	503
Deferred taxation	319	309
Provisions	22	42
Total non-current liabilities	10 045	9 410
Current liabilities		
Trade and other payables	3 521	3 207
Short-term debt	1 105	1 851
Short-term lease liabilities	582	508
Financial liabilities	20	38
Taxation payable	49	18
Bank overdrafts	4	—
Total current liabilities	5 281	5 622
Total equity and liabilities	26 270	25 621

Summarised Group statement of cash flows

for the year ended 30 September

Rm	2022	2021
Cash flows from operating activities		
Cash received from customers	21 522	20 702
Cash paid to suppliers and employees	(17 572)	(16 908)
Cash generated from operations	3 950	3 794
Interest paid on debt	(419)	(441)
Interest paid on lease liabilities	(409)	(371)
Taxation paid	(439)	(618)
Ordinary dividends paid by subsidiaries	(25)	(19)
Ordinary dividends paid	(728)	—
Preference dividends paid	(38)	(39)
Distribution paid to beneficiaries of the HPFL B-BBEE ¹ trusts	(8)	(1)
Net cash from operating activities	1 884	2 305
Cash flows from investing activities		
Advances to associates	(30)	(12)
Advances from/(to) joint ventures	17	(9)
Payments for acquisition of property, plant and equipment	(1 382)	(1 132)
Payments for additions to intangible assets	(14)	(12)
Proceeds on disposal of property, plant and equipment and intangible assets	35	36
Payments for investments and loans	(8)	(105)
Acquisition of business ²	—	—
Interest received	115	116
Dividends received	19	92
Net cash from investing activities	(1 248)	(1 026)
Cash flows from financing activities		
Proceeds on disposal of treasury shares	29	1
Acquisition of treasury shares	(29)	—
Debt raised	1 903	1 000
Debt repaid	(2 325)	(2 108)
Payment for acquisition of non-controlling interests	—	(1)
Proceeds from issue of shares to non-controlling interests	2	9
Payment of principal elements of lease liabilities	(177)	(170)
Net cash from financing activities	(597)	(1 269)
Net increase in cash and cash equivalents	39	10
Cash and cash equivalents at the beginning of the year	1 456	1 446
Cash and cash equivalents at the end of the year	1 495	1 456
Consisting of		
Cash on hand and balances with banks	1 499	1 456
Bank overdrafts	(4)	—
	1 495	1 456

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Below R1 million.

Summarised Group annual financial statements continued

Summarised Group statement of changes in equity

for the year ended 30 September

Rm	Ordinary share capital	Treasury shares	Cash flow hedge accounting reserve
Balance at 1 October 2020	4 297	(3 851)	(106)
Sale of treasury shares	—	2	—
Transfer ²	—	292	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Other reserve movements	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE ¹ trusts	—	—	—
Tax recognised in equity	—	—	—
Changes in equity interests in subsidiaries	—	—	—
Total comprehensive income for the year	—	—	75
Profit for the year	—	—	—
Other comprehensive income	—	—	75
Balance at 1 October 2021	4 297	(3 557)	(31)
Sale of treasury shares	—	82	—
Purchase of treasury shares	—	(29)	—
Acquisition of subsidiaries	—	—	—
Transfer ²	—	—	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Other reserve movements	—	—	—
Distributions to beneficiaries of the HPFL B-BBEE ¹ trusts	—	—	—
Tax recognised in equity	—	—	—
Changes in equity interests in subsidiaries	—	—	—
Total comprehensive income for the year	—	—	62
Profit for the year	—	—	—
Other comprehensive income	—	—	62
Balance at 30 September 2022	4 297	(3 504)	31

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Transfer of treasury shares and share-based payment reserve in respect of vested shares.

Share-based payment reserve	Retained earnings	Equity attributable to owners of the parent	Preference share capital and premium	Non-controlling interest	Total shareholders' equity
889	7 894	9 123	644	32	9 799
—	—	2	—	—	2
(471)	179	—	—	—	—
26	—	26	—	—	26
—	—	—	(39)	—	(39)
—	—	—	—	(19)	(19)
—	(6)	(6)	—	8	2
—	(1)	(1)	—	—	(1)
—	(1)	(1)	—	—	(1)
—	10	10	—	—	10
—	705	780	39	(9)	810
—	730	730	39	(9)	760
—	(25)	50	—	—	50
444	8 780	9 933	644	12	10 589
—	(53)	29	—	—	29
—	—	(29)	—	—	(29)
—	(1)	(1)	—	17	16
(42)	42	—	—	—	—
41	—	41	—	—	41
—	—	—	(38)	—	(38)
—	(728)	(728)	—	(25)	(753)
(1)	8	7	—	—	7
—	(8)	(8)	—	—	(8)
—	(2)	(2)	—	—	(2)
—	(12)	(12)	—	13	1
—	954	1 016	38	37	1 091
—	975	975	38	37	1 050
—	(21)	41	—	—	41
442	8 980	10 246	644	54	10 944

Summarised Group annual financial statements continued

Headline earnings

for the year ended 30 September

Rm	2022	2021
Reconciliation of headline earnings		
Profit for the year	1 050	760
Adjusted for:		
Dividends paid on shares attributable to the Forfeitable Share Plan and HPFL B-BBEE ¹ Trust units	(8)	—
Preference shareholders	(38)	(39)
Non-controlling interest	(37)	9
Profit for the purposes of basic and diluted earnings per share	967	730
Adjusted for:		
Recognition of impairment of intangible assets in equity accounted earnings	—	13
Net loss on disposal of property, plant and equipment and intangible assets	9	5
Recognition of impairment of property, plant and equipment in operating profit and equity accounted earnings	13	75
Recognition of impairment of investment in associate	3	—
Profit on disposal of property, plant and equipment and intangible assets	(2)	(1)
Headline earnings	990	822

1. Health Partners for Life Broad-based Black Economic Empowerment.

Rm	2022	2021
Adjusted headline earnings		
Headline earnings	990	822
Adjusted for:		
Amortisation of cash flow hedge accounting reserve	8	14
Fair value gains on derivative financial instruments	(2)	(3)
De-designation of portion of hedging instrument	—	1
Impairment of financial assets	40	—
Ineffectiveness losses on cash flow hedges	2	1
Reversal of loan impairment	—	(11)
Recognition of impairment of loan to joint venture	1	9
Restructure costs	2	—
Net impact of Lesotho PPP ¹ termination	—	35
Impairment of associate loans	48	—
Tax rate change	24	—
Tax effect of adjusting items	—	32
Adjusted headline earnings	1 113	900
Cents		
Headline earnings per share	74.0	61.5
Diluted headline earnings per share	73.4	61.2
Adjusted headline earnings per share	83.2	67.4
Diluted adjusted headline earnings per share	82.6	67.0

1. Public Private Partnership.

Adjusted headline earnings per share is a measurement used by the chief operating decision maker as a key measure of sustainable earnings from trading operations. The calculation of adjusted headline earnings per share excludes non-trading and/or non-recurring items, and is based on the adjusted profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The presentation of adjusted headline earnings is not an IFRS requirement, nor a JSE Listings Requirement.

Summarised segment report

for the year ended 30 September

Hospital and emergency services

This segment is further disaggregated into Hospital and pharmacy operations, covering our private acute hospital network and day clinics, and non-acute services. The non-acute services include the provision of emergency services, the operation of private mental health clinics, cancer care, diagnostics services and the sale of healthcare products and vouchers.

Primary Care

This segment offers comprehensive primary healthcare services, employee health and wellness services, and administrative services to medical and dental practices.

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
30 September 2022						
Statement of profit or loss						
Revenue	19 733	1 291	21 024	634	(22)	21 636
EBITDA²	3 211	111	3 322	163	—	3 485
Depreciation and amortisation	(929)	(183)	(1 112)	(91)	—	(1 203)
Operating profit	2 282	(72)	2 210	72	—	2 282
Additional segment information						
Impairment of property, plant and equipment	(13)	2	(11)	—	—	(11)

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination ¹	Total
30 September 2021						
Statement of profit or loss						
Revenue	19 465	1 152	20 617	595	(12)	21 200
EBITDA²	3 040	80	3 120	124	—	3 244
Depreciation and amortisation	(896)	(184)	(1 080)	(88)	—	(1 168)
Operating profit	2 144	(104)	2 040	36	—	2 076
Additional segment information						
Impairment of property, plant and equipment	(57)	(16)	(73)	—	—	(73)

1. Relates to revenue earned in the Hospital and emergency services segment.
2. Earnings before interest, tax, depreciation and amortisation.

Glossary

An explanation of some of the terms and abbreviations used in this integrated reporting suite is shown below.

AGM:	annual guaranteed meeting
AGP:	annual guaranteed package
AI:	artificial intelligence
app:	application
B-BBEE:	broad-based black economic empowerment
Board:	the Board of directors
BSC:	balanced scorecard
BSI:	British Standards Institution
CAGR:	compound annual growth rate
CDP:	formerly the Carbon Disclosure Project
CEO:	chief executive officer
CEM:	customer engagement model
CFO:	chief financial officer
CFROI:	cash flow return on investment
COVID-19:	Coronavirus disease 2019
CPD:	continuous professional development
CPI:	consumer price index
CSI:	corporate social investment
CTC:	cost to company
Dividend cover:	adjusted headline earnings per share dividend by total dividends per share
DoEL:	Department of Employment and Labour
DoH:	Department of Health
dtic:	Department of Trade, Industry and Competition
EAP:	economically active population
EBITDA:	earnings before interest, tax, depreciation and amortisation
EBITDA margin:	EBITDA expressed as a percentage of revenue
Effective tax rate:	taxation expressed as a percentage of profit before taxation
EMEs:	exempted micro enterprises
EMR:	electronic medical record
EMS:	emergency services
EOC:	Emergency Operations Centre

ESD:	enterprise and supplier development
ESG:	environmental, social and governance
FC:	financial capital
FNB:	First National Bank
FSP:	Forfeitable Share Plan
GDP:	gross domestic product
GGHH:	Global Green and Healthy Hospitals
GHG:	greenhouse gas
GJ:	gigajoules
GLEC:	governance, legal, ethics and compliance
GPs:	general practitioners
GRI:	Global Reporting Initiative
GWh:	gigawatt hours
HASA:	Hospital Association of South Africa
HBA:	hazardous biological agents
HCRW:	healthcare risk waste
Headline earnings:	this comprises the earnings attributable to owners of the parent after adjusting for specific re-measurements as defined in Circular 2/2013 issued by the South African Institute of Chartered Accountants
HEPS:	headline earnings per share
HPCSA:	Health Professions Council of South Africa
HPFL:	Health Partners For Life
HVAC:	heating, ventilation and air-conditioning
HWSETA:	Health and Welfare Sector Education and Training Authority
ICAS:	Independent Counselling and Advisory Services
ICHW:	independent contracted healthcare workers
ICU:	intensive care unit
IFRS:	International Financial Reporting Standards
IIA:	Institute of Internal Auditors
IMF:	International Monetary Fund
Interest cover:	operating profit divided by net interest paid
IPC:	infection prevention and control

IPP:	independent power producer
ISO:	International Organization for Standardization
IT:	information technology
JSE:	JSE Limited
King IV:	King Report on Corporate Governance for South Africa (2016)
kg:	kilograms
kl:	kilolitres
kWh:	kilowatt hours
LTI:	long-term incentive
MC:	manufactured capital
MD:	managing director
MSR:	minimum shareholding requirements
MW:	megawatts
NC:	natural capital
NDoH:	National Department of Health
NEC:	necrotising enterocolitis
Net debt:	long-term debt, short-term debt and bank overdrafts net of cash and cash equivalents
Net debt to EBITDA:	net debt divided by EBITDA
NGOs:	non-governmental organisations
NHI:	National Health Insurance (South Africa)
NPAT:	net profit after tax
NPV:	net present value
NQF:	National Qualifications Framework
OHS:	occupational health and safety
OHSC:	Office of Health Standards Compliance
PAB:	Physician Advisory Board
PCI:	personalised clinical information
PFS:	patient feedback survey
POPIA:	Protection of Personal Information Act
PPE:	personal protective equipment

PPPs:	Public Private Partnerships
PREMs:	patient reported experience measures
PROMs:	patient reported outcome measures
PV:	photovoltaic
PVC:	polyvinyl chloride
QSEs:	qualifying small enterprises
Return on equity:	profit for the year divided by average total shareholders' equity
ROCE:	return on capital employed
ROIC:	return on invested capital (normalised net operating profit after tax divided by average invested capital)
SA:	South Africa
SAICA:	South African Institute of Chartered Accountants
SANC:	South African Nursing Council
SBTi:	Science-based Target Initiative
SDG:	Sustainable Development Goals
SDP:	skills development period (ends March)
SHEQ:	safety, health, environment and quality management
SIP:	Single Incentive Plan
SMMEs:	small, medium and micro enterprises
SRC:	social and relationship capital
STI:	short-term incentive
TCFD:	Task Force on Climate-related Financial Disclosures
tCO₂e:	tonnes of carbon dioxide equivalent
UN:	United Nations
VON:	Vermont Oxford Network
YES:	Youth Employment Service
YoY:	year on year
WACC:	weighted average cost of capital
WHO:	World Health Organization

Corporate information

Company registration number

(Registration number 1996/008242/06)

Business address and registered office

Netcare Limited
76 Maude Street (corner West Street),
Sandton 2196, Private Bag X34,
Benmore 2010

Company Secretary

Charles Vikisi
Tel no: +27 (0) 11 301 0265
Charles.vikisi@netcare.co.za

Investor relations

ir@netcare.co.za

Customer call centre

0860 NETCARE (0860 638 2273)
customer.service@netcare.co.za

Fraud line

0860 fraud 1 (086 037 2831)
fraud@netcare.co.za

JSE information

JSE share code: NTC (Ordinary shares)
ISIN code: ZAE000011953
JSE share code: NTCP (Preference shares)
ISIN code: ZAE000081121

Sponsor

Nedbank Corporate and Investment Banking, a division
of Nedbank Limited
Third floor, F Block, Nedbank 135 Rivonia Campus
135 Rivonia Road
Sandown, Sandton, 2196

Transfer secretaries

CTSE Registry Services Pty Ltd
Block B, 5th Floor,
the Woodstock Exchange
66-68 Albert Road
Woodstock, 7925
netcare@4axregistry.co.za
Tel no: +27 (0) 11 100 8352

Auditors

Deloitte and Touche

Principal bankers

RMB Private Bank
Nedbank Limited

Selected websites

www.netcare.co.za
www.netcare911.co.za
www.medicross.co.za
www.nrc.co.za
www.akeso.co.za

Shareholders' diary

Annual general meeting	3 February 2023
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Reports

Interim results announcement	May
Final results announcement	November

Dividends

Ordinary dividends

	Declared	Paid
Interim	May	June
Final	November	January

Preference dividend

Interim	April	May
Final	October	November

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 report 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.

The normalised information has been prepared for illustrative purposes only, is the responsibility of the directors, has not been reviewed or reported on by the auditors and, because of its nature, may not fairly represent Netcare's financial position.

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