



APPLICATION OF KING III PRINCIPLES

for the year ended 31 March 2015

COMPANY NAME AND REGISTRATION NUMBER

Mediclinic International Limited
1983/010725/06

HEAD OFFICE ADDRESS AND REGISTERED OFFICE

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DIRECTORS

Dr E de la H Hertzog (Chairman), DP Meintjes (Chief Executive Officer), CI Tingle (Chief Financial Officer), JJ Durand, JA Grieve (British), Prof Dr RE Leu (Swiss), Dr MK Makaba, N Mandela, TD Petersen, KHS Pretorius, AA Raath, DK Smith, PJ Uys, Dr CA van der Merwe, Dr TO Wiesinger (German)

COMPANY SECRETARY

Gert Hattingh

INVESTOR RELATIONS CONTACTS

Chief Financial Officer – Craig Tingle
Executive: Group Services – Gert Hattingh
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AUDITOR

PricewaterhouseCoopers Inc.
Stellenbosch

SPONSOR

South Africa:
Rand Merchant Bank (a division of FirstRand Bank Limited)

Namibia:

Simonis Storm Securities (Proprietary) Limited

LISTING

Sector: Non-cyclical Consumer Goods – Health
ISIN code: ZAE000074142

South Africa: JSE Limited
Share code: MDC

Namibia: Namibian Stock Exchange
Share code: MDC

MORE INFORMATION

This report is published as part of a set of reports in respect of the financial year ended 31 March 2015, all of which are available on the Company's website at www.mediclinic.com. The icons next to each report title below are used as a cross-referencing tool to refer to the relevant reports where more information can be obtained on a particular subject matter.



Integrated Annual Report 2015



Annual Financial Statements 2015



Sustainable Development Report 2015

GLOSSARY

Please refer to the **glossary** of terms included in the integrated annual report of Mediclinic for the financial year ended 31 March 2015.



CONTACT US







We welcome the opinions and suggestions of all our stakeholders. For any suggestions or enquiries relating to our reports please contact:















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This report has been prepared to illustrate the application of the principles contained in the King Code of Governance for South Africa 2009 ("King III") by the Mediclinic Group. Reference to this report is made in the Corporate Governance Report included in the 2015 integrated annual report of Mediclinic International Limited ("Mediclinic").












Key to self-assessed application status:













- - Applied
- - Partly applied
- - Not applied
















KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
1. Ethical leadership and corporate citizenship			
1.1 The board should provide effective leadership based on an ethical foundation.	●	 IAR 13 90 - 101 102 - 105  SDR 4	Conducting business in an honest, fair and legal manner is a fundamental guiding principle in the Mediclinic Group, which is actively endorsed by the Board and management. Ethical behaviour has always been a fundamental guiding principle and management continually focuses on establishing a culture of responsibility, fairness, honesty, accountability and transparency in the Group. This commitment is firmly entrenched in the Group and supports its vision to be regarded as the most respected and trusted provider of hospital services by our patients, doctors and funders of healthcare. The Group's commitment to ethical standards is set out in the Group's values, and is supported by the Group Code of Business Conduct and Ethics.
1.2 The board should ensure that the company is and is seen to be a responsible corporate citizen.	●	 IAR 102 - 127  SDR 4	Mediclinic has issued an annual Sustainable Development Report since 2002. A Social and Ethics Committee was established in 2012 to assist the Board in ensuring that the Group is and remains a good and responsible corporate citizen by monitoring the sustainable development performance of the Group, as outlined in the Social and Ethics Committee Report included in the integrated annual report and the Sustainable Development Report published on the Company's website at www.mediclinic.com . The Group Sustainable Development Policy, Group Environmental Policy and the Group Code of Business Conduct and Ethics codify the Mediclinic Group's long-standing commitment to conducting business responsibly. Mr Gert Hattingh (Executive: Group Services) is responsible for coordinating sustainable development management throughout the Group.
1.3 The board should ensure that the company's ethics are managed effectively.	●	 IAR 98 - 100 102 - 105	The Group's commitment to ethical standards is set out in the Group's values, and is supported by the Group Code of Business Conduct and Ethics. The Group Code of Business Conduct and Ethics provides a mechanism to employees and third parties to report any actual/suspected wrongdoing on an anonymous basis across the Group. Reports are monitored and managed with regular feedback to the Audit and Risk Committee.
2. Boards and directors			
2.1 The board should act as the focal point for and custodian of corporate governance.	●	 IAR 90 - 101	A formal Board Charter sets out the powers and responsibilities of the Board. The Board has full and effective control of the Company and all material resolutions have to be approved by the Board. Directors must exercise their powers and perform their functions in good faith and for a proper purpose; in the best interest of the Company; and with care, skill and diligence. To ensure that this is being achieved, the best practice principles as contained within King III are referred to and applied. The Board regularly reviews the application status of the King III principles.

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
2. Boards and directors continued			
2.2 The board should appreciate that strategy, risk, performance and sustainability are inseparable.		 IAR 14 22 – 27 84 – 101  SDR	The strategic objectives as reported in the integrated annual report reflect the Board's awareness that strategy, risk, performance, governance and sustainability go hand in hand. This is evident throughout the integrated annual report, specifically the Chief Executive Officer's Report, Risk Management Report and the Corporate Governance Report, as well as the Sustainable Development Report.
2.3 The board should provide effective leadership based on an ethical foundation.		-	(same as 1.1 above)
2.4 The board should ensure that the company is and is seen to be a responsible corporate citizen.		-	(same as 1.2 above)
2.5 The board should ensure that the company's ethics are managed effectively.		-	(same as 1.3 above)
2.6 The board should ensure that the company has an effective and independent audit committee.		 IAR 84 – 89 95  AFS 3 – 4	The responsibilities of the Audit and Risk Committee are codified in a mandate by the Board, which is reviewed at least annually. As part of the annual evaluation process, the Board reviews the effective functioning of the committee, and the committee also performs a self-assessment with feedback to the Board. A report by the committee describing how it has discharged its duties is included in the annual financial statements.
2.7 The board should be responsible for the governance of risk.		 IAR 84 – 89  AFS 3 – 4	<p>The Board is ultimately accountable for the Group's risk management process and system of internal control. In terms of a mandate by the Board, the Audit and Risk Committee monitors the risk management process and systems of internal control of the Group. The Audit and Risk Committee provides feedback to the Board on the effectiveness of the Group's risk management processes, at least annually.</p> <p>See also 4.1 – 4.10 below.</p>
2.8 The board should be responsible for information technology governance.		 IAR 87 – 88 100 – 101	<p>The Mediclinic Board and executive management are well informed about the role of information communication technology ("ICT") and its impact on the business. The Board recognises that ICT is fundamental to the support, sustainability and growth of the organisation. Regular ICT reports are submitted to the Board. The Board is satisfied that ICT is properly managed and that it is aligned with the objectives of the Group's business.</p> <p>See also 5.1 – 5.7 below.</p>














KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
2. Boards and directors continued			
2.9 The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.		 84 – 89 98 – 100 102 – 105	<p>Compliance with laws, rules, regulations and relevant codes is integral to the Group's risk management process. Compliance risks are identified and assessed as part of departmental risk registers. The Audit and Risk Committee is responsible to, inter alia, ensure that an appropriate compliance framework is in place, that non-compliance is reported and to review significant compliance risk matters. The Social and Ethics Committee has also been mandated to monitor the effectiveness of compliance management in the Group.</p> <p>The company secretarial and/or legal departments in the different operating platforms support operational management and monitor regulatory developments and, where necessary, obtain expert legal advice for the effective implementation of compliance initiatives.</p> <p>See also 6.1 – 6.4 below.</p>
2.10 The board should ensure that there is an effective risk-based internal audit.		 84 – 89  3 – 4	<p>Internal audit forms an integral part of the Group's Enterprise-wide Risk Management ("ERM") to provide assurance on the effectiveness of the Group's risk management process and system of internal control. The Audit and Risk Committee is satisfied with the independence, quality and scope of the internal audit process. Details of the internal audit process are included in the Risk Management Report.</p> <p>See also 7.1 – 7.5 below.</p>
2.11 The board should appreciate that stakeholders' perceptions affect the company's reputation.		 8 85 91 98 – 100  26 – 34	<p>Mediclinic has built its reputation and brand by the Group's proven commitment to ensure a high standard of discipline, independence, ethics, equity, social responsibility, accountability, cooperation and transparency. In terms of the Company's Board Charter, the Board is, inter alia, responsible for the handling of all aspects that may impact the Group's reputation. The quality of care provided by the Group is paramount and Mediclinic strives to ensure that the clinical services provided throughout the organisation are efficient, effective, appropriate, evidence-based and in line with the latest technological advances. This is approached by way of clinical governance, clinical information management and clinical services development. Regular feedback on clinical matters is given to the Board. Effective communication with our stakeholders is also fundamental in maintaining our corporate reputation as a trusted and respected provider of healthcare. We strive to achieve this objective using a wide variety of communication vehicles, as reported in the Sustainable Development Report.</p> <p>See also 1.1 and 1.2 above.</p>
2.12 The board should ensure the integrity of the company's integrated report.		 1 89 102 – 105  3 – 4  2 25	<p>Sufficient controls are in place to ensure relevant, reliable and accurate reporting. The Social and Ethics Committee is responsible to review and recommend for approval the annual sustainability content included in the integrated annual report or published on the Company's website. The Audit and Risk Committee reviews the entire integrated annual report and makes a recommendation to the Board. Refer also to the external audit and various assurance processes, as reported in the integrated annual report and the Sustainable Development Report.</p> <p>See also 3.4 and 9.3 below.</p>

















KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
2. Boards and directors continued			
2.13 The board should report on the effectiveness of the company's system of internal controls.		 89  3	Reporting on the effectiveness of the Company's internal controls is included in the Risk Management Report, included in the integrated annual report, and the Audit and Risk Committee Report, included in the annual financial statements. The Audit and Risk Committee has, inter alia, considered the reports from the internal and external auditors and satisfied itself about the adequacy and effectiveness of the Group's systems of internal control.
2.14 The board and its directors should act in the best interests of the company.		 90 - 101	The Board Charter confirms that each director must exercise his/her powers and perform his/her functions in good faith and for a proper purpose; in the best interest of the Company; and with care, skill and diligence. To ensure that this is being achieved, the best practice principles as contained within King III are referred to and applied. Board members are required to disclose any potential conflict of interest. Each director is evaluated annually.
2.15 The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.	n/a	-	This principle will be considered on an ad hoc basis, if and when required. The financial performance and going concern status of the Company is monitored by the Board. The Board is confident that the Company and the Group meet these requirements and will continue to operate successfully.
2.16 The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.		 92 - 93	<p>The Chairman of the Board, Dr Edwin Hertzog, is non-executive, but not independent. Given his involvement in a chief executive capacity from the incorporation of the Company until his appointment as Chairman in 1992 and his resultant in-depth industry knowledge and experience, it is undoubtedly considered to be in the Company's and the Group's best interest to have him as Chairman. As a result, Mr Desmond Smith fulfils the role of Lead Independent Director ("LID"), as recommended in King III and as required in terms of the JSE Listings Requirements.</p> <p>The roles and responsibilities of the Chairman and the Chief Executive Officer are segregated.</p>
2.17 The board should appoint the chief executive officer and establish a framework for the delegation of authority.		 93 95	An executive management committee is established to assist the Chief Executive Officer in the performance of his duties. The terms of reference of executive management are codified, setting out their roles and responsibilities, specifically with regard to their authority levels, which are reviewed annually by management and communicated to the Board.
2.18 The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.		 92 - 93	The composition of the Board reflects an appropriate balance between executive and non-executive directors to ensure that there is a clear division of responsibilities so that no one individual has unfettered decision-making powers. The composition meets the King III recommendation to have the majority of directors as non-executives, and the majority of the non-executives as independent.






KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
2. Boards and directors continued			
2.19 Directors should be appointed through a formal process.		 93	There is a clear policy detailing procedures for appointments to the Board, which policy is formal and transparent. The appointment of directors is a function of the entire Board, based on recommendations made by the Remuneration and Nominations Committee. This function will in future rest with the Nominations Committee following the split of the Remuneration and Nominations Committee in March 2015.
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes.		 94	Upon their appointment, newly appointed directors follow an extensive orientation programme coordinated by the Chairman and supported by the Company Secretary. The orientation programme includes information sessions with management, as well as visits to the Company's hospitals, ensuring that new directors obtain a good understanding of the Company's core business and their fiduciary duties.
2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary.		 94	The Company Secretary is subject to an annual evaluation by the Board. During the evaluation conducted in March 2015, the Board has considered and is satisfied that the Company Secretary is competent and has the requisite qualifications and experience to effectively execute his duties.
2.22 The evaluation of the board, its committees and the individual directors should be performed every year.		 93 - 94	Annual evaluations of the Board, board committees, individual directors and the independence of the independent non-executive directors, are conducted and feedback is submitted to the Board.
2.23 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.		 95 - 97	Specific responsibilities are delegated to the Board's sub-committees, which have defined tasks in terms of approved mandates. Feedback on the committees' activities is submitted to the Board at each meeting. The Board annually conducts an objective evaluation in respect of the Board's performance regarding its role and functioning, which includes an evaluation of the functioning of the Board committees.
2.24 A governance framework should be agreed between the group and its subsidiary boards.		 90 - 91	A Group Corporate Governance Manual dealing with Board practices and Group policies provides guidance to the company secretaries and the boards of directors of the Group, as well as the management of the Company's three operating platforms in Southern Africa, Switzerland and the United Arab Emirates to ensure that similar corporate governance practices are followed throughout the Group. The Company Secretary provides continuous guidance on corporate governance-related matters to the operating platforms.

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
2. Boards and directors continued			
2.25 Companies should remunerate directors and executives fairly and responsibly.		 128 - 134  50 - 51	Mediclinic's Remuneration and Nominations Committee is responsible for, inter alia, determining the governance of remuneration matters, the Group's Remuneration Policy and the remuneration of executive directors and other senior managers, as well as the compensation of non-executive directors, which is ultimately approved by the shareholders. The Group's Remuneration Policy aims to ensure that the Group remunerates directors and senior management in a manner that supports the achievement of the vision and strategic objectives of the Group, while attracting and retaining scarce skills and rewarding high levels of performance. The Remuneration Report included in the integrated annual report provides a summary of the Mediclinic Group's remuneration approach in respect of executive and non-executive directors of Mediclinic, as well as senior managers across the Group.
2.26 Companies should disclose the remuneration of each individual director and certain senior executives.		 128 - 134  50 - 51	The remuneration of directors and prescribed officers is disclosed in the Remuneration Report included in the integrated annual report and the annual financial statements.
2.27 Shareholders should approve the company's remuneration policy.		 96 128 - 134 154	The Group's Remuneration Policy is set out in the Remuneration Report included in the integrated annual report. The Group's Remuneration Policy was approved by the shareholders of the Company at the last annual general meeting held on 23 July 2014 by way of a non-binding advisory vote, with 99.64% of the shareholders present or represented and entitled to vote voting in favour of the resolution. The policy will be put forward for such non-binding advisory vote at each annual general meeting of the Company.
3. Audit committees			
3.1 The board should ensure that the company has an effective and independent audit committee.		-	(same as 2.6 above)
3.2 Audit committee members should be suitably skilled and experienced independent non-executive directors.		 95 97  3	The composition of the Audit and Risk Committee is reviewed annually. The Board believes that the current members of the committee are suitably skilled and experienced.
3.3 The audit committee should be chaired by an independent non-executive director.		 97  3	All members of the Audit and Risk Committee are independent non-executive directors.

















KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
3. Audit committees continued			
3.4 The audit committee should oversee integrated reporting.		 95 4	The Audit and Risk Committee is responsible for considering and making recommendations to the Board relating to the Group's integrated annual report, the financial statements and any other reports (with reference to the financial affairs of the Group) for external distribution or publication, including those required by any regulatory or statutory authority.
3.5 The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.		 1 84 - 89 105 25 3 - 4	The Audit and Risk Committee is responsible to ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities. The Group's Enterprise-wide Risk Management ("ERM") Policy has been adopted and implemented throughout the Group. Each operating platform has compiled an ERM plan and combined assurance plan, which have been incorporated in the Group's ERM plan and combined assurance plan.
3.6 The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.		 3	The Audit and Risk Committee annually performs a review of the Company's Chief Financial Officer and the Group's finance function. Based on the review conducted in March 2015, the committee has satisfied itself of the appropriateness of the expertise, resources and experience of the Chief Financial Officer and the Group's finance function.
3.7 The audit committee should be responsible for overseeing internal audit.		 88 - 89 4	See 2.10 above and 7.1 - 7.5 below.
3.8 The audit committee should be an integral component of the risk management process.		 84 - 89 3 - 4	<p>The Audit and Risk Committee is integral in the implementation of the Group's Enterprise-wide Risk Management Policy by monitoring the risk management processes and systems of internal control for the Group through the review of the activities of its operating divisions in Southern Africa, Switzerland and the United Arab Emirates, the Group's internal and external auditors, and the Group's risk management function. Further details on the Group's risk management function are contained in the Risk Management Report included in the integrated annual report.</p> <p>The Committee is satisfied that the system, as well as the process of risk management, is effective.</p>

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
3. Audit committees continued			
3.9 The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.		 IAR 95  AFS 3	During the period under review, the Audit and Risk Committee has nominated independent external auditors, PricewaterhouseCoopers Inc., approved its fee and determined its terms of engagement. The appointment is presented to the shareholders of the Company at the annual general meeting for approval. The committee is satisfied that the Company's external auditors are independent of the Group and are thereby able to conduct their audit functions without any influence from the Group.
3.10 The audit committee should report to the board and shareholders on how it has discharged its duties.		 AFS 3 - 4	The Audit and Risk Committee provides feedback to the Board at each Board meeting. Reporting to shareholders is given through the Audit and Risk Committee Report included in the annual financial statements.
4. The governance of risk			
4.1 The board should be responsible for the governance of risk.		-	(same as 2.7 above)
4.2 The board should determine the levels of risk tolerance.		 IAR 85	The Enterprise-wide Risk Management ("ERM") policy defines, inter alia, the Group's risk tolerance and appetite. The ERM policy is subject to annual review and any amendments are submitted to the Audit and Risk Committee for approval.
4.3 The risk committee or audit committee should assist the board in carrying out its risk responsibilities.		-	See 2.7 above.
4.4 The board should delegate to management the responsibility to design, implement and monitor the risk management plan.		 IAR 84 - 89	<p>The objective of risk management in the Group is to establish an integrated and effective risk management framework where important risks are identified, quantified and managed in order to achieve an optimal risk/reward profile. An integrated approach ensures that risk management is incorporated into the day-to-day operational management processes and, therefore, allows management to focus on core activities.</p> <p>The Group's risk management process is supported by an ERM software application, which is implemented across the Group to support the risk management process in all three operating platforms.</p>
4.5 The board should ensure that risk assessments are performed on a continual basis.		 IAR 84 - 89	<p>Regular risk assessments are conducted by management and recorded in departmental risk registers. Identified risks are analysed by considering the potential causes and effects of the risk events in order to form a basis for determining how they should be managed. To assess the risks, a standardised rating methodology is used within the Group.</p> <p>Feedback on the Group's risk management is given at Audit and Risk Committee meetings and at least once a year to the Board. The Audit and Risk Committee is satisfied that the system, as well as the process of risk management, is effective.</p>

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
4. The governance of risk continued			
4.6 The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.		 84 - 89	The Group's risk management process aims to establish an integrated and effective risk management framework where important risks are identified, quantified and managed in order to achieve an optimal risk/reward profile. An integrated approach ensures that risk management is incorporated into the day-to-day operational management processes and, therefore, allows management to focus on core activities.
4.7 The board should ensure that management considers and implements appropriate risk responses.		 85 - 88	Priority risk items are identified and reported to the Audit and Risk Committee, with measure taken to mitigate the risks.
4.8 The board should ensure continual risk monitoring by management.		-	See 4.5 above.
4.9 The board should receive assurance regarding the effectiveness of the risk management process.		 84 - 89  3 - 4	Internal audit provides an annual written assessment on the effectiveness of the Group's internal controls and risk management process. The Audit and Risk Committee is satisfied that the system, as well as the process of risk management, is effective.
4.10 The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.		 84 - 89  3 - 4	An annual Risk Management Report is included in the integrated annual report. The Audit and Risk Committee also includes a report in the annual financial statement describing how the committee discharged its duties relating to, inter alia, risk management.
5. The governance of information technology			
5.1 The board should be responsible for information technology (IT) governance.		-	(same as 2.8 above)
5.2 IT should be aligned with the performance and sustainability objectives of the company.		 100 - 101	The Board and executive management are well informed about the role of ICT and its impact on the business. The Board recognises that ICT is fundamental to the support, sustainability and growth of the organisation. The Board is satisfied that ICT is properly managed and that it is aligned with the objectives of the Group's business.
5.3 The board should delegate to management the responsibility for the implementation of an IT governance framework.		 100 - 101	The Group's ICT Executive, together with an ICT management committee with representation from all three operating platforms, is responsible for the development and implementation of the Group's ICT strategy in support of the Group's business strategy, as well as for ensuring that ICT synergies across the platforms are maximised. The ICT management committee is responsible for monitoring the platforms' adherence to the Group's ICT Governance Policy.

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS	
5. The governance of information technology continued				
5.4	The board should monitor and evaluate significant IT investments and expenditure.	●	-	The Board evaluates and monitors all significant investments/expenditure (including ICT investments and expenditure), which exceed executive management's authority levels. The authority levels are reviewed annually.
5.5	IT should form an integral part of the company's risk management.	●	 87 - 88 100 - 101	ICT risk management is fully integrated in the Group's risk management process as elucidated in the Risk Management Report. An ICT risk register is in place at each platform, with control self-assessments done annually.
5.6	The board should ensure that information assets are managed effectively.	●	 87 - 88 100 - 101	Information security policies are in place throughout the Group regulating, inter alia, the processing and protection of own and third-party information. See also 5.3 above.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	●	 95  3 - 4	ICT risk management is fully integrated in the Group's risk management process. Detailed feedback on the Group's ICT risks is provided annually to the Audit and Risk Committee.
6. Compliance with laws, rules, codes and standards				
6.1	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	●	-	(same as 2.9 above)
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	●	 85 91 98 - 100	The Company Secretary is responsible for providing guidance to the Board collectively and to the directors individually with regard to their duties, responsibilities and powers; making them aware of legislation and regulations relevant to the Company; and ensuring the proper administration of the proceedings and matters relating to the Board, the Company and the shareholders of the Company in accordance with applicable legislation and procedures. At each Board meeting, feedback is provided on the regulatory environment within each operating platform. Detailed feedback on the Group's legal and regulatory risks is provided annually to the Audit and Risk Committee.
6.3	Compliance risk should form an integral part of the company's risk management process.	●	-	See 2.9 above.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	●	-	See 2.9 above.

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
7. Internal audit			
7.1 The board should ensure that there is an effective risk-based internal audit.		-	(same as 2.10 above)
7.2 Internal audit should follow a risk-based approach to its plan.		 88 - 89	Internal audit forms an integral part of the Group's Enterprise-wide Risk Management to provide assurance on the effectiveness of the Group's risk management process and system of internal control.
7.3 Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management.		 88 - 89 3 - 4	The internal auditor provides a written assessment annually to the Audit and Risk Committee on the effectiveness of the Group's system of internal controls and risk management. The committee is satisfied with the independence, quality and scope of the internal audit process.
7.4 The audit committee should be responsible for overseeing internal audit.		-	(same as 3.7 above)
7.5 Internal audit should be strategically positioned to achieve its objectives.		 88 - 89	The internal audit function is independent from management, with access to the Audit and Risk Committee and senior management.
8. Governing stakeholder relationships			
8.1 The board should appreciate that stakeholders' perceptions affect a company's reputation.		-	(same as 2.11 above)
8.2 The board should delegate to management to proactively deal with stakeholder relationships.		 26 - 34	Effective communication with our stakeholders is also fundamental in maintaining our corporate reputation as a trusted and respected provider of healthcare. We strive to achieve this objective using a wide variety of communication vehicles, as reported in the Sustainable Development Report.
8.3 The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.		 106 - 127 4 - 24 26 - 34	The legitimate expectations of the Group's stakeholders are taken into account in setting our material sustainability priorities, as reported in the Material Sustainability Issues included in the integrated annual report and the Sustainable Development Report. See also 2.11 and 8.2 above.

KING III PRINCIPLE	SELF-ASSESSED APPLICATION STATUS	REFERENCE	ADDITIONAL COMMENTS
8. Governing stakeholder relationships continued			
8.4 Companies should ensure the equitable treatment of shareholders.		 IAR 101  SDR 33	All shareholders are treated equitably. Mediclinic's primary objective is to create value for our shareholders as the owners and providers of equity capital to the business. We are accountable to our stakeholders and reporting to our shareholders and the public is aimed at providing a clear understanding of the Company's financial, economic, social and environmental performance, both positive and negative. Firm protocols are in place to control the nature, extent and frequency of communication with the investment community, and to ensure that shareholder information is made available to all parties timeously and simultaneously. The Group interacts openly on regulatory and other key topical matters with its shareholders at its annual general meeting.
8.5 Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.		 IAR 101  SDR 26 - 34	See 8.1 - 8.3 above. Our engagement with stakeholders is conducted in a fair and transparent manner.
8.6 The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.		 SDR 52 - 53	Only material disputes are referred to the Board. Dispute resolution clauses are included in agreements with the Group. With regard to labour relations, grievance procedures are in place and communicated to employees. Formalised contingency plans are in place to ensure that minimum disruption takes place at a locality, should a dispute arise and possible strike action occurs. No strike action was experienced over the past five years at any of the localities where wages are negotiated.
9. Integrated reporting and disclosure			
9.1 The board should ensure the integrity of the company's integrated report.		-	(same as 2.12 above)
9.2 Sustainability reporting and disclosure should be integrated with the company's financial reporting.		 IAR 2 - 5 20 - 55 106 - 127  AFS 2  SDR	The performance highlights, value added statement and distribution of value, included in the integrated annual report, report on financial and non-financial performance indicators. Sufficient commentary on the financial performance is provided in the Chairman's Report, Chief Executive Officer's Report, Chief Financial Officer's Report, as well as the Operational Reviews included in the integrated annual report. The going concern status is also confirmed in the annual financial statements. The Sustainable Development Report is prepared in accordance with the internationally accepted GRI G4 reporting standards.
9.3 Sustainability reporting and disclosure should be independently assured.		 IAR 1 89  SDR 25	The Board accepts its accountability to the Group's stakeholders to present information that is relevant, accurate and reliable. A combined assurance model is followed, with assurance between management, internal audit and various external assurance initiatives (such as COHSASA, ISO 9001: 2008, ISO 14001: 2004), as further detailed in the Sustainable Development Report.