care

NETCARE LIMITED

NOTICE OF ANNUAL GENERAL MEETING **2017**

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contents

LETTER TO SHAREHOLDERS

8 DECEMBER 2017

DEAR SHAREHOLDER

Herewith please find the notice of the annual general meeting (AGM Notice) and accompanying information required by shareholders for the annual general meeting (AGM) to be held on Friday, 2 February 2018.

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

To order a printed copy of the annual integrated report or to provide any feedback on this report, please contact the Company Secretary, Lynelle Bagwandeen, at lynelle.bagwandeen@netcare.co.za or Netcare Investor Relations at ir@netcare.co.za.

If requested, a copy of the annual integrated report will be mailed to you immediately at no cost. Thank you for your support.

Lynelle Bagwandeen
Company Secretary
On behalf of the Board of Netcare Limited,
being duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 SEPTEMBER 2017

NETCARE LIMITED

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

Notice is given that the 21st AGM of shareholders of Netcare will be held on Friday, 2 February 2018 at 10h00 or any other adjourned or postponed date in the Auditorium, Ground Floor, 76 Maude Street, (corner West Street), Sandton, 2196, to consider and, if deemed fit, to pass, with or without modification, the following resolutions in the manner required by the Companies Act, Act 71 of 2008, as amended (the Companies Act), and subject to the JSE Limited (JSE) Listings Requirements.

The purpose of this meeting is to also present the annual financial statements of the Company and its subsidiaries (the Group) for the year ended 30 September 2017, which incorporates the directors' report, the Audit Committee report and the report of the independent auditors.

1. ORDINARY RESOLUTION 1: RE-APPOINTMENT OF AUDITORS

"Resolved to re-appoint Grant Thornton Johannesburg as the independent auditors of the Company for the ensuing year with Garron Chaitowitz as the designated auditor."

2. ORDINARY RESOLUTION 2: RE-APPOINTMENT OF RETIRING DIRECTORS

"Resolved that the re-appointment of the following directors, who retire by rotation in accordance with the provisions of the Company's Memorandum of Incorporation (MOI), being eligible, offer themselves for re-election, which is to be authorised and confirmed by separate resolution in respect of each re-appointment."

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect M Bower, M Kuscus, and K Moroka by way of passing the ordinary resolutions set out below:

2.1 Ordinary resolution 2.1: "Resolved that M Bower is re-elected as a director of the Company."
2.2 Ordinary resolution 2.2: "Resolved that M Kuscus is re-elected as a director of the Company."
2.3 Ordinary resolution 2.3: "Resolved that K Moroka is re-elected as a director of the Company."

The retiring directors include those appointed after the preceding AGM.

The directors' biographies are contained in this AGM Notice on **page 25**.

3. ORDINARY RESOLUTION 3: APPOINTMENT OF AUDIT COMMITTEE MEMBERS

"Resolved that the following directors of the Company, by separate resolution, be and are hereby elected as members of the Company's Audit Committee until the conclusion of the next AGM, being appointed in accordance with the Companies Act."

3.1 Ordinary resolution 3.1: "Resolved that T Brewer is elected as a member and Chair of the Audit Committee of the Company."
3.2 Ordinary resolution 3.2: "Resolved that M Bower, subject to the passing of ordinary resolution 2.1, is elected as a member of the Audit Committee of the Company."
3.3 Ordinary resolution 3.3: "Resolved that APH Jammine is elected as a member of the Audit Committee of the Company."
3.4 Ordinary resolution 3.4: "Resolved that N Weltman is elected as a member of the Audit Committee of the Company."
3.5 Ordinary resolution 3.5: "Resolved that B Bulo is elected as a member of the Audit Committee of the Company."

The directors' biographies are contained in this AGM Notice on **page 25**.

4. ORDINARY RESOLUTION 4: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"Resolved that in terms of the JSE Listings Requirements, the directors are hereby authorised to issue up to a maximum of 68 028 820 ordinary shares, representing approximately 5% of the total number of ordinary shares in issue (excluding treasury shares) as at the date of the AGM Notice, for cash, without restricting to whom the ordinary shares will be issued, subject to the following conditions:

a) that this authority will be valid only until the next AGM provided that it does not extend beyond 15 months from the date of this ordinary resolution;
b) that an announcement giving full details, including an explanation of the intended use of funds, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% of the number of ordinary shares in issue prior to the issue/s;
c) that issues in the aggregate in any one financial year will not exceed 68 028 820 ordinary shares of the Company's issued ordinary share capital, less any ordinary shares issued in terms of this authority by the Company during the current financial year;
d) in the event of a sub-division or a consolidation of ordinary shares during the period of this authority, the authority will be adjusted accordingly to represent the same allocation ratio;
e) that, in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the ordinary shares in question, as determined over the 30 business days prior to the date of the price of the issue agreed between the Company and the party subscribing for the securities;
f) that the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue; and
g) that any issue will only be made to public shareholders as defined in the JSE Listings Requirements, and not to any related parties."

In terms of the JSE Listings Requirements, the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM is required for this ordinary resolution to become effective.

5. NON-BINDING RESOLUTION 1: APPROVAL OF THE REMUNERATION POLICY

The resolution is proposed to shareholders to endorse the Company's remuneration policy as set out in the annual integrated report. Shareholders are reminded that in terms of the fourth King Report on Corporate Governance for South Africa (King IV), the passing of this non-binding resolution is by way of a non-binding vote. Should 25% or more of the votes cast be against this resolution, the Company undertakes to engage with shareholders as to the reasons why and to appropriately address legitimate and reasonable objections and concerns raised.

6. NON-BINDING RESOLUTION 2: APPROVAL OF THE IMPLEMENTATION REPORT

The resolution is proposed to shareholders to endorse the implementation report, which includes the remuneration disclosure in terms of the Companies Act, as set out in the remuneration report in the annual integrated report, with an extract included in this AGM Notice. Shareholders are reminded that in terms of King IV, the passing of this non-binding resolution is by way of a non-binding vote. Should 25% or more of the votes cast be against this resolution, the Company undertakes to engage with shareholders as to the reasons why and to appropriately address legitimate and reasonable objections and concerns raised.

7. ORDINARY RESOLUTION 5: SIGNATURE OF DOCUMENTS

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

8. SPECIAL RESOLUTION 1: GENERAL AUTHORITY TO REPURCHASE SHARES

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

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

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

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

The directors have no specific intention to effect the provisions of special resolution 1 but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution 1.

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

General information included in this AGM Notice

	Details	Pages
Major shareholders	Extract 2	22
Share capital	Extract 3	23

Directors' responsibility statement

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

Refer to extract 4 on **page 24** of this AGM Notice for further details.

Material changes

Other than the facts and developments reported on in the annual integrated report, no material changes in the financial position or trading of the Group have occurred since the date of signature of the audited annual financial statements for the year ended 30 September 2017 and the date of this AGM Notice.

9. SPECIAL RESOLUTION 2: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE PERIOD 1 OCTOBER 2017 TO 30 SEPTEMBER 2018

"Resolved as a special resolution that the remuneration payable to non-executive directors for the period 1 October 2017 to 30 September 2018 as set out below is approved. Directors not registered for value added tax (VAT) will be entitled to the remuneration exclusive of VAT and registered VAT vendors to the remuneration inclusive of VAT at the prevailing VAT rate."

Rand	2017[1]	2018[1]
Payable per annum:		
Board Chairman	1 203 000	1 270 000
Deputy Chair	795 000	839 000
Board members	616 000	650 000
Audit Committee Chair	201 000	212 000
Audit Committee members	161 000	170 000
Remuneration Committee Chair	161 000	170 000
Remuneration Committee members	113 000	120 000
Risk Committee Chair	161 000	170 000
Risk Committee members	113 000	120 000
Nomination Committee Chair	161 000	170 000
Nomination Committee members	113 000	120 000
Social and Ethics Committee Chair	161 000	170 000
Social and Ethics Committee members	113 000	120 000
Quality Leadership Chair	201 000	212 000
Quality Leadership members	161 000	170 000
Payable per meeting:		
Ad hoc meetings	38 000	40 000

1 *Exclusive of VAT.*

10. SPECIAL RESOLUTION 3: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

"Resolved that, to the extent required by Sections 44 and 45 of the Companies Act, the Board of directors of the Company may, subject to compliance with the requirements of the Company's MOI and the Companies Act, as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance to a related or inter-related company, including the provision of financial assistance to noteholders in connection with the subscription of notes issued or to be issued by Clindeb Investments Limited (the Issuer) pursuant to its Domestic Note Programme, and for purposes of the subscription for any other debt instruments issued or to be issued by the Issuer from time to time."

11. TO TRANSACT ANY OTHER BUSINESS THAT MAY BE TRANSACTED AT AN AGM

12. ELECTRONIC COMMUNICATION

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the AGM by way of electronic participation, that shareholder should make an application to participate (including details as to how the shareholder or its representative (including its proxy) can be contacted) in writing, to the Transfer Secretaries at their address below. This is to be received by the Transfer Secretaries by at least the voting record date (i.e. Friday, 26 January 2018) in order for the Transfer Secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonable satisfactory identification and for the Transfer Secretaries to provide the shareholder (or its representative or proxy) with details as to how to access the AGM by means of electronic participation.

The proposed mechanism of electronic participation will be through telephone and the shareholder will be billed separately by their telephone service provider for the telephone call to participate in the AGM.

Shareholders participating electronically will not be able to vote electronically. Shareholders must submit their voting proxies to the Transfer Secretaries and must follow the standard voting arrangements indicated below.

The Company reserves the right not to provide for electronic participation at the AGM in the event that it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to participate electronically.

13. VOTING AND PROXIES

Voting

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

Ordinary resolutions proposed to be adopted require the support of more than 50% of the voting rights exercised thereon in order to be adopted. The special resolutions proposed to be adopted at this AGM require the support of at least 75% of the voting rights exercised thereon in order to be adopted.

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

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

Identification

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

Record date

The directors have determined that the record date:

> For the purpose of determining which shareholders of the Company are entitled to receive the AGM Notice is Friday, 1 December 2017.

> For the purposes of the AGM, being the date on which a shareholder must be registered in the Company's share register in order to participate in and vote at the AGM, is Friday, 26 January 2018 ("voting record date"). The last day to trade in order to participate in and vote at the AGM is Tuesday, 23 January 2018.

Proxies

All beneficial owners of ordinary shares who have dematerialised their ordinary shares through a Central Securities Depository Participant (CSDP) or broker, other than those shareholders who have elected to dematerialise their ordinary shares with "own name" registration, and all beneficial owners of ordinary shares who hold certificated ordinary shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the Company or its Transfer Secretaries of this instruction preferably not less than 48 hours before the time appointed for the holding of the AGM, that being 10h00 on Wednesday, 31 January 2018.

Should you, as the beneficial owner, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee or instruct their CSDP or broker to vote by proxy on their behalf. Letters of representation must be lodged with the Company's Transfer Secretaries or at the registered office of the Company preferably not less than 48 hours before the time appointed for the holding of the AGM, that being 10h00 on Wednesday, 31 January 2018.

Shareholders who hold certificated ordinary shares in their own name and shareholders who have dematerialised their ordinary shares in "own name" registrations must lodge their completed proxy forms (which are enclosed) before the meeting commences. However, shareholders are requested to submit their proxy forms to the Transfer Secretaries or at the registered office of the Company preferably not less than 48 hours before the time appointed for the holding of the AGM, that being 10h00 on Wednesday, 31 January 2018. Nevertheless, completed proxy forms may be lodged with the Chairman of the AGM at the venue of the AGM, so as to reach the Chairman of the meeting by no later than immediately prior to the commencement of voting on resolutions to be tabled at the AGM.

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

Enquiries

Any shareholders having difficulties or queries in regard to the AGM or the above are invited to contact the Company Secretary, L Bagwandeen, on +27 11 301 0265 or email lynelle.bagwandeen@netcare.co.za.

By order of the Board

L Bagwandeen
Company Secretary
Sandton
8 December 2017

Transfer Secretaries:
Terbium Financial Services Proprietary Limited
Trifecta Capital House
31 Beacon Road
Florida-North, 1709 South Africa
email: netcare@terbium.global
tel no: 0860 222 213

EXPLANATORY NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 SEPTEMBER 2017

RESOLUTIONS

Ordinary resolution 1: Re-appointment of auditors

In compliance with Section 90(1) of the Companies Act, a public company must appoint an auditor each year at its AGM. The independence and services of the auditors are reviewed annually by the Audit Committee. The Audit Committee satisfied itself of the independence of the auditors. It will commence planning for mandatory audit firm rotation to ensure implementation on 1 April 2023.

Ordinary resolution 2.1 – 2.3: Re-appointment of retiring directors

The Company's MOI makes provision for the annual retirement from office of a certain proportion of directors, including a director appointed after the conclusion of the Company's preceding AGM. In line with current corporate governance best practice, the appointment of each director standing for re-election will be voted on by a separate resolution. They are also considered independent notwithstanding their tenure. The continued independence of independent non-executive directors that have served for a period of nine years or longer is evaluated by the Nomination Committee, which takes into account the factors that may impair their independence. Following a rigorous objective and subjective review in 2017, the Board is satisfied that there are no relationships or circumstances likely to affect, or which appear to affect, the judgement of APH Jammine.

Ordinary resolution 3.1 – 3.5: Appointment of Audit Committee members

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

Ordinary resolution 4: General authority to issue shares for cash

A general authority to issue ordinary shares for cash is requested. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution will be limited to 68 028 820 ordinary shares, representing approximately 5% of the ordinary shares in issue as at the date of the AGM Notice (excluding treasury shares).

Non-binding resolutions 1 and 2: Approval of the remuneration policy and implementation report for the year ended 30 September 2017

The reason for proposing this non-binding advisory vote is in accordance with the King IV recommendation that companies should table their remuneration policy and implementation report, as contained in the remuneration report of the annual integrated report, to shareholders.

The remuneration policy is set out on **pages 10 to 21** of this AGM Notice which deals with, among other issues, the Company's policy towards remuneration and guidelines on the various components of remuneration packages.

Ordinary resolution 5: Signature of documents

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

Special resolution 1: General authority to repurchase shares

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

Special resolution 2: Approval of non-executive directors' remuneration for the period 1 October 2017 to 30 September 2018

Special resolution 2 is required to obtain approval of remuneration payable to non-executive directors for the period 1 October 2017 to 30 September 2018. The approval of the shareholders is sought to ensure the remuneration paid to the non-executive directors of the Company remains adequate for the purposes of attracting persons of sufficient calibre and skill to act as non-executive directors of the Company.

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

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

EXTRACTS FROM THE ANNUAL INTEGRATED REPORT

EXTRACT 1: REMUNERATION REPORT

Statement from the Chair of the Remuneration Committee

We are pleased to present Netcare's Remuneration Report for the financial year ended 30 September 2017. The report aligns to the reporting structure recommended in the fourth King Report on Corporate Governance for South Africa (King IV). We believe this report provides stakeholders with improved clarity on how our remuneration policy informs the actual pay and awards received by Netcare's executive directors, senior executives and prescribed officers[1] as defined by the Companies Act, and how it supports our strategy to attract and retain talent.

1 The methodology for determining prescribed officers was reviewed by the Nomination Committee in September 2017 to include the prescribed officers appointed during the year. For 2017, divisional managing directors are deemed to satisfy King IV's definition of prescribed officers.

At the annual general meeting (AGM) held in February 2017, 90.06% of our shareholders voted in favour of our remuneration policy. Following the Remuneration Committee's review of its processes and the remuneration policy, to ensure alignment with shareholder expectations, the remuneration principles have not changed for this financial year. The annual non-binding advisory votes by shareholders at the AGM on 2 February 2018 will pertain to the remuneration policy and the implementation report.

We will continue to actively engage with shareholders on changes to our remuneration policy and its implementation as part of our commitment to enhance our reporting, meet shareholder expectations, where feasible, and maintain accurate, transparent and relevant disclosure on the performance measures used to determine the award of short- and long-term incentives. The Remuneration Committee believes that the engagement undertaken is in line with King IV's intended outcome of understanding the legitimate and reasonable needs, interests and expectations of an organisation's key stakeholders and considering this feedback when reviewing and updating the remuneration policy.

The Netcare Board and Remuneration Committee are satisfied that the remuneration policy and its implementation reflect appropriate alignment between the Group's strategic imperatives and stakeholder interests.

As we implement the principles and recommended practices of King IV, we are pleased to note that many aspects of our remuneration policy already align with the spirit of the Code.

Our remuneration policy sets out the principles used to ensure competitive remuneration while complying with all applicable laws and codes. It covers executive directors, senior executives, prescribed officers and non-executive directors in South Africa (SA), and discloses the payments, accruals and awards for the year ended 30 September 2017.

Remuneration structure for the operation in the United Kingdom (UK): **page 21**.

In determining the remuneration policy, the Remuneration Committee has sought to ensure that:

- Salary structures and short-term incentives motivate superior performance, and are linked to realistic performance objectives aligned to the Group's strategy and which support long-term sustainable growth and value creation.
- Stakeholders are able to readily review the remuneration governance processes and reward practices.

King IV emphasises fair and responsible executive remuneration 'in the context of overall employee remuneration' and how companies are addressing this gap. The Remuneration Committee has consistently addressed this concern by providing employees at the lower end of the pay scale with higher percentage increases applied to their annual salary adjustments than those awarded to executive directors, senior executives and prescribed officers.

A core component of the Group's executive incentive scheme is to reward individual and team performance, based on individual success and output in meeting agreed performance objectives. This performance-based remuneration philosophy is underpinned by a detailed and documented methodology approved by the Remuneration Committee, and is coupled with sound governance and management principles.

The Remuneration Committee is of the view that:

- It has met its terms of reference and that the principles advocated by King IV, the Companies Act, 2008, the JSE Listings Requirements and the remuneration policy have been adhered to, including the composition of the Remuneration Committee and the disclosure provided.
- The remuneration policy and its implementation reflect appropriate alignment between the Group's strategic imperatives and stakeholder interests.
- The remuneration principles adopted are appropriate for guiding its decisions to fairly and responsibly remunerate executive directors, senior executives and prescribed officers.
- Based on the Group's performance during the year, the Group's strategic priorities have been only partially met.
- The appropriate structures exist, both at and below Board level, to recognise and retain Netcare's top talent.

The members of the committee, APH Jammine (Chairman), T Brewer and JM Kahn are all independent non-executive directors. The Remuneration Committee in the UK is chaired by the Group Human Resources Director and the Group's Chief Financial Officer (CFO) is a member. The committee in the UK reports on all submissions to the Remuneration Committee in SA.

Remuneration policy overview

Remuneration philosophy

Our remuneration philosophy ensures that our employees are fairly, reasonably and responsibly rewarded for their contribution to the Group's operating, strategic and financial performance. It also supports our ability to attract and retain talent at every level of the organisation.

The key principles of our philosophy shape and guide our remuneration policy, and support value creation.

KEY PRINCIPLES

- Securing crucial skills to provide world-class healthcare.
- Rewarding our employees for achieving operational and strategic priorities which in turn strengthen our ability to retain talented individuals.
- Utilising short-term incentives to recognise superior performance.
- Implementing long-term incentives as a retention and reward mechanism for key executives and managers, and to ensure continued alignment between management and stakeholder objectives as they pertain to the long-term sustainability of the business.

Remuneration policy

The effectiveness of the remuneration policy is reviewed annually and forms the basis of developing the Remuneration Committee's annual work plan.

We drive a strong performance culture in an active and responsible manner, and ensure alignment with our business strategy and values, stakeholder expectations and market factors. Remuneration decisions are linked to individual performance and a balanced scorecard, as well as values and behaviours that promote value creation. Executive compensation is, therefore, measured in terms of financial and strategic delivery, as well as non-financial objectives. Incentive programmes reward individual, team and Group performance when the effort and output aligns to the

Group's strategic priorities. Macroeconomic factors affecting the industry and the country are considered when awarding annual salary increases and incentive payments.

The Netcare Board and Remuneration Committee are satisfied that the financial targets do not encourage an inappropriate level of risk-taking and that they support sustainable value creation in the medium to long term.

The remuneration policy also outlines the key principles for remunerating all other employees and these are aligned to best practice.

No employment contracts are linked to termination payments.

In the event that either the remuneration policy or the implementation report are voted against by 25% or more of the voting rights exercised at the AGM, the Board and the Remuneration Committee commit to proactively engage with shareholders to understand the reasons for dissent and to address reasonable objections.

Remuneration policy: Investor Relations website.

Remuneration policy objectives

ATTRACT

Attract qualified, highly skilled staff at market-related remuneration levels.

REWARD

Drive performance by rewarding exceptional performance using short-term incentives.

RETAIN

Retain key staff and high-performing employees through long-term incentives.

RECRUIT, ATTRACT AND RETAIN HIGH-QUALITY EMPLOYEES WHO WILL ASSIST NETCARE TO ACHIEVE ITS STRATEGIC GOALS AND CONTRIBUTE TO VALUE CREATION.

ENSURE THAT ALL EMPLOYEES ARE RECOGNISED AND REWARDED FOR THEIR PERFORMANCE.

PROVIDE COMPETITIVE AND INDUSTRY-RELATED REMUNERATION AND BENEFITS TO EMPLOYEES.

REWARD EMPLOYEES FOR ACHIEVING PREDETERMINED CORPORATE, BUSINESS UNIT AND PERSONAL PERFORMANCE TARGETS THAT ENSURE ONGOING ALIGNMENT WITH SHAREHOLDER INTERESTS.

ENSURE THAT EMPLOYEE COSTS ARE SUSTAINABLE AND WITHIN BUDGET AS DETERMINED BY THE EXECUTIVE COMMITTEE.

ADHERE TO LEGISLATIVE AND REGULATORY REQUIREMENTS RELATING TO REMUNERATION POLICIES IN SA AND THE UK.

Benchmarking

All elements of remuneration, including benefits, are subject to periodic review to ensure remuneration levels remain competitive. When considering the appropriateness and competitiveness of the benefits offered by the Group, factors such as the Group's financial position, and industry and market benchmarks and trends are taken into account. The guaranteed remuneration packages of executive directors, senior executives and prescribed officers are benchmarked against local and global competitors.

While external consultants have not been engaged to obtain salary survey information or to conduct salary reviews during this reporting period, the Group's remuneration practices were competitively benchmarked in relation to performance attained within an agreeable level of risk appetite. In addition, the Group Human Resources Director and the Company Secretary provided the Remuneration Committee with relevant market and peer data, and independent review of the remuneration practices of the top 80 JSE Listed companies, including remuneration policy disclosure and executive and non-executive remuneration.

Going forward, our areas of focus will be to continue engaging with our shareholders on remuneration and benchmarking our remuneration policy against local and international best practice.

To improve our processes, policies and reporting, we invite stakeholders to submit comments on the Group's remuneration policy to the Company Secretary at **lynelle.bagwandeen@netcare.co.za**.

Executive remuneration structure

Our remuneration policy seeks to achieve a suitable balance between fixed and variable remuneration.

The remuneration packages for executive directors, senior executives and prescribed officers comprise the following elements:

FIXED	VARIABLE	VARIABLE
Guaranteed package	Short-term incentives	Long-term incentives

A core element of executive remuneration is variable remuneration, which aims to maximise delivery of strategic priorities, promote a culture of excellence, and provide rewards that attract and retain executives.

Guaranteed package

FIXED

Objective

To reflect individual contribution and market value relative to role, and 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 our values. Guaranteed remuneration is reviewed annually and increases take effect in March. Annual increases, take into account factors such as prevailing economic conditions, inflation, Group performance and affordability, change in responsibilities, internal and external benchmarks, and average salary increases.

Guided by the principles of fairness and affordability, our policy is to increase the annual salary of executive directors, senior executives and prescribed officers by a lower percentage than that of managers, supervisors and general staff. During 2017, the increases to the executive guaranteed packages were linked to consumer price inflation (CPI) and capped at levels below those of management and operational staff. This principle will also be applied in 2018.

Delivery

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

Short-term incentives

VARIABLE

Objective

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

Basis for determination

Executive directors, senior executives, prescribed officers and managers participate in an annual short-term incentive plan that delivers a bonus if financial gateway targets, which include an annual improvement in SA headline earnings per share (HEPS), are met. Gateways are approved annually by the Remuneration Committee and are linked to the entry level of prevailing CPI. If the gateway is achieved, the defined incentive targets with measurable performance metrics apply.

Participating members have a detailed balanced scorecard which contains divisional, functional and individual key performance metrics. A weighting linked to Group-based targets ensures alignment across team members and with the Group's strategic priorities and identified areas of focus. Individuals must score a minimum of 60% on their personal scorecard to be eligible for participation in the incentive plan.

Executive Committee members participate in a committee-based balanced scorecard to ensure alignment across the operating divisions and support functions. The Executive Committee scorecard carries a 40% team performance weighting, measured against detailed deliverables and targets for the Group. The remaining 60% of the scorecard focuses on individual and divisional responsibilities.

Delivery

Entitlement and quantum are determined and remain discretionary, subject to measurement against the key performance areas. The maximum amounts payable are outlined on page 16.

Short-term incentive methodology

We believe that our methodology to calculate short-term incentives ensures that remuneration is directly linked to strategy and value creation.

BONUS PAID IF TARGETS MET = **GUARANTEED PACKAGE** × **POTENTIAL ELIGIBILITY** × **WEIGHTED AVERAGE OF BALANCED SCORECARD**

A broad range of specific strategic and operational targets of a financial and non-financial nature are included in the individual, divisional and Executive Committee balanced scorecards. These targets are aligned to the Group's strategic priorities and collectively aim to provide the appropriate focal points to achieve sustainable growth and long-term value creation. The weighting and targets vary between executives depending on their function. The Remuneration Committee has confirmed the performance set out on pages 15 and 16.

STRATEGIC PRIORITY
Consistency of care

TARGETS	PERFORMANCE
Best and safest patient care > Continued focus on quality metrics and outcomes with a key focus on patient satisfaction and clinical outcomes.	**STRETCHED TARGETS** drive continuous improvement in the delivery of care.
Passionate people > Increase levels of employee engagement by improving on areas highlighted in the SA employee engagement survey conducted every two years.	**MET RESPONSE TARGET OF 80%** but achieved an employee engagement index score of 63.1%, marginally missing the 65% target.
Accelerating transformation > Normalising the demographic profile of our workforce relative to the economically active population. > Continued focus on increasing the representation of people with disabilities in our workforce.	**MET EMPLOYMENT EQUITY TARGETS** but not the targets for enterprise and supplier development.
Operational excellence projects > Digitisation projects to reduce nurse administration duties to enable greater focus on patient care.	**SAVINGS ACHIEVED** from digitisation projects, MOBIL and MOBIT, exceeded projections.

STRATEGIC PRIORITY
Physician partnerships

TARGET	PERFORMANCE
> The engagement of new doctors, with specific attention to high-demand disciplines, as an integral part of delivering divisional and individual facility strategies.	**TARGET MET**

STRATEGIC PRIORITY
Preferred provider to funders

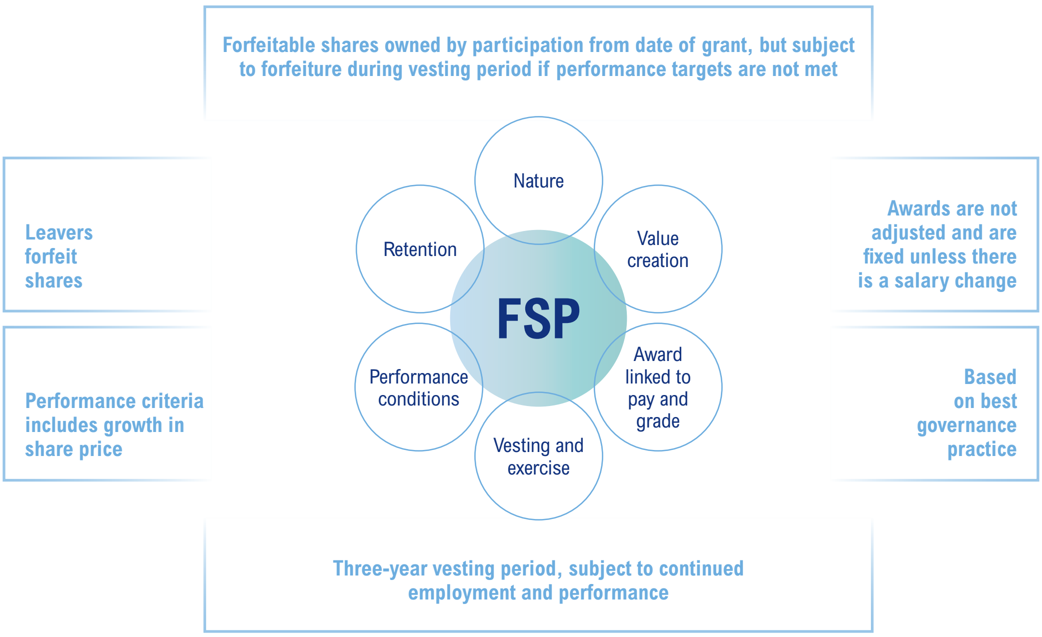
TARGET	PERFORMANCE
> Proactive and regular interaction with funders, including on the management of quality outcomes, case management and episode costing to enable affordable healthcare, optimum tariff negotiation and successful inclusion in appropriate funder networks.	**OBJECTIVES MET**

STRATEGIC PRIORITY

Sustainable financial returns

TARGETS	PERFORMANCE
Operational excellence > Earnings before interest, tax, depreciation and amortisation (EBITDA) measured against the prior year's performance and targets which are aligned with both short- and long-term objectives.	TARGETS NOT MET
> Business value creation targets such as working capital management, return on capital and net assets.	TARGETS PARTIALLY MET
> Enhancement of compliance with the internal control framework through the combined assurance model.	TARGET MET
> Strategic environmental sustainability achievements linked to reducing water and electricity consumption, and the Group's carbon footprint.	TARGETS MET
Organisational growth > The approach to revenue growth was revised. Targeted reviews determine the most appropriate service offerings that will enable the best utilisation of the existing asset base by operating unit. These initiatives are targeted to improve occupancy levels and increase patient days, despite the state of the economy.	TARGETS NOT MET

Forfeitable Share Plan



Long-term incentives

VARIABLE

Objective

To attract and retain executive directors, senior executives and prescribed officers, and reward improved, sustainable value creation that aligns with stakeholder interests over the long term.

Basis for determination

The Forfeitable Share Plan (FSP) provides benefits in line with recommended governance practice, and provides both performance- and retention-based share awards. Performance shares are awarded against strictly monitored targets which, if not met, result in the forfeiture of the shares. The retention-based award serves to incentivise executive directors, senior executives and prescribed officers to remain in the Group's employ.

The number of forfeitable shares subject to a FSP award and the ratio between performance and retention shares is primarily based on the employee's total cost-to-company, grade, performance, retention requirements and market benchmarks as determined by the Remuneration Committee. The split in shares favours performance-based targets over retention-based awards, with weightings being 75% performance and 25% retention for executives, and equal weightings for other participants.

The principles relating to the prescribed targets ensure that they are:

> Linked to the Netcare share price and take into account a minimum return over and above inflation.
> Based on suitable stretch targets for all participants, which are linked to financial targets that are commensurate with those of the short-term incentive plan.

PERFORMANCE PARAMETER		TARGET
Target 1: 50%	Return on capital employed[1] (ROCE)	Weighted average cost of capital[2] (WACC) + 6%.
Target 2: 50%	Headline earnings per share (HEPS)	Compound annual growth rate of the average CPI + 4% for the performance period.

Two grants of forfeitable share awards have been issued to participants to date, including executive directors, senior executives and prescribed officers.

Delivery

Delivered in Netcare shares over the vesting period, and provides dividends but not voting rights. The awards vest over a three-year period following a three-year waiting period.

1 *ROCE is defined as operating profit and income from associates and joint ventures expressed as a percentage of average shareholders' equity and net debt.*
2 *The WACC is the average WACC (prepared by external consultants and ratified annually by the Finance and Investment Committee) that is applicable during the relevant performance period.*

Implementation report

Executive director, senior executive and prescribed officer remuneration

In line with our efforts to narrow the wage gap, increases awarded to executive directors, senior executives and prescribed officers were 2.5% lower than those paid to lower levels of staff. We will continue to benchmark total guaranteed package and total reward for these levels of employees to the industry median.

Variable Remuneration Linked to Performance

The variable remuneration reflected in the table on page 18 was approved and paid in the financial year ended 30 September 2017, and relates to performance in the 2016 financial year. Similarly, the variable remuneration approved and paid in the financial year ended 30 September 2016 relates to performance in the financial year ended 30 September 2015. The variable remuneration relating to performance in the year ended 30 September 2017 will be reported in the annual financial statements for the year ending 30 September 2018.

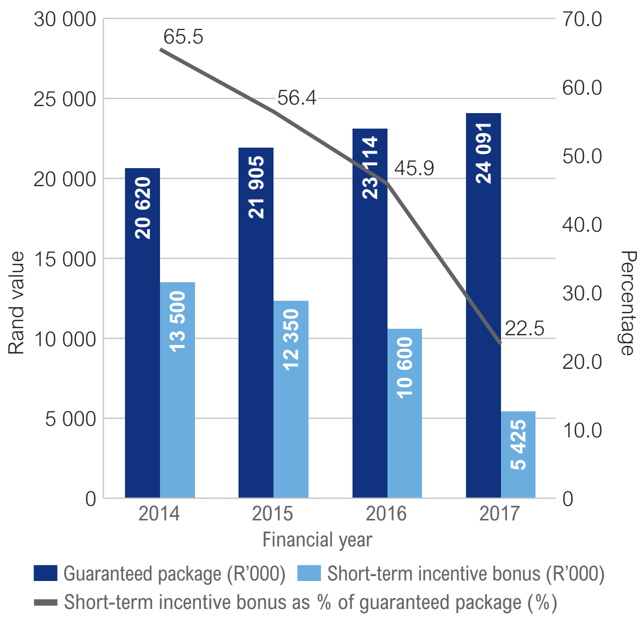
The variable remuneration approved in November 2017, relating to the performance of the 2017 financial year, decreased in line with the lower 2017 financial results. In fact the decrease was by approximately 50%. In the case of the CEO and the CFO, the short-term incentives paid to them were 50% of last year's value, being R2 750 000 and R875 000 respectively. This is reflected within the quantum illustrated in the "Short-term incentives relative to guaranteed package" graph below.

Executive directors' and prescribed officers' emoluments

	FIXED	VARIABLE	
R'000	Guaranteed package	Bonuses[1]	Total
2017			
Executive directors			
RH Friedland	8 935	5 500	**14 435**
KN Gibson	4 644	1 750	**6 394**
Prescribed officers			
C Pailman[2]	3 537	850	**4 387**
J du Plessis	4 144	1 500	**5 644**
N Phillipson[3]	1 849	1 000	**2 849**
C Grindell[4]	982	–	**982**
2016			
Executive directors			
RH Friedland	8 488	5 800	**14 288**
KN Gibson	4 399	2 200	**6 599**
Prescribed officers			
C Pailman	3 359	1 200	**4 559**
J du Plessis	3 815	1 800	**5 615**
N Phillipson	3 053	1 350	**4 403**

1 Bonuses relate to performance in the previous financial year.
2 C Pailman resigned on 31 July 2017.
3 N Phillipson resigned on 14 May 2017.
4 C Grindell appointed on 15 May 2017.

Short-term incentives relative to guaranteed package



Maximum levels

The maximum levels of potential short-term incentives as a percentage of guaranteed remuneration package (total cost-to-company excluding company contributions to retirement funding, medical aid and cellular phone allowances) as defined in the rules of the short-term incentive plan are as follows:

Position	Maximum bonus
Group Chief Executive Officer	75%
Executive Committee members	60%
Other executives, senior managers and prescribed officers	50%

The Remuneration Committee has the discretion to approve incentive payments outside of these levels should it consider this appropriate in the prevailing circumstances.

The forfeitable shares held by executive directors and prescribed officers at 30 September 2017 (number of options)

Number of options	Grant date	1 Oct 2016	Exercised and retained	Exercised and sold	Shares forfeited during the year	30 Sep 2017	Market price at exercise date (cents)	Gain arising on exercise (R'000)
Executive directors								
RH Friedland[1]	13-Dec-12	1 054 187	(167 634)	(123 737)	–	762 816	3 040	8 858
KN Gibson[2]	13-Dec-12	429 929	(65 424)	(48 311)	–	316 194	3 250	2 772
Prescribed officers								
C Pailman[3]	13-Dec-12	257 332	(29 162)	(41 974)	(152 986)	33 210	2 475	1 761
J Du Plessis	13-Dec-12	336 587	(52 535)	(38 797)	–	245 255	3 040	2 776
C Grindell[4]	13-Dec-12	94 038	–	(27 772)	–	66 266	2 828	785
N Phillipson[5]	13-Dec-12	209 778	(22 335)	(28 416)	–	159 027	3 064	1 555
		2 381 851	(337 090)	(309 007)	(152 986)	1 582 768		18 507

1 RH Friedland exercised and sold 291 371 (2016: 291 371) share options during the year in terms of the Forfeitable Share Plan.
2 KN Gibson exercised and sold 113 735 (2016: 113 734) share options during the year in terms of the Forfeitable Share Plan.
3 Resigned directorship with effect from 31 July 2017, 3 months' notice served and employment ended 30 September 2017.
4 Appointed as Managing Director – Netcare 911 Emergency Services on 15 May 2017.
5 Transferred to head up the Oncology Division to lead Netcare's cancer strategy on 15 May 2017.

Further details on executive directors' and prescribed officers' remuneration: note 4.1 in the annual financial statements.

Non-executive director remuneration

Non-executive directors receive a fixed level of remuneration for their services and do not qualify for participation in any share or incentive scheme. Non-executive directors are paid a fixed fee for services rendered and fees are set at levels that will attract and retain the calibre of directors necessary to contribute to a highly effective Board.

The remuneration of non-executive directors is reviewed annually by the Netcare Board and the Remuneration Committee, and has been consistently approved at our AGMs. The Remuneration Committee has proposed a 5.5% increase in non-executive directors' fees, which is linked to inflation and consistent with the increasing demands faced by non-executive directors in respect of personal liability and ongoing regulatory requirements. The increase remains subject to shareholder approval at the AGM on 2 February 2018.

Non-executive directors' fees paid for the 2017, and proposed for 2018 financial year: **page 20**.

Fees paid to non-executive directors

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

For the period 1 October 2016 to 30 September 2017

R'000	Board	GHG[1]	Audit	Risk	QL[2]	Rem[3]	S&E[4]	Nom[5]	Fin & Invest[6]	Tariff[7]	**Total**	2016 Total
M Bower	616	152	161	113							**1 042**	984
T Brewer	795	152	201			113		113	152		**1 526**	1 586
B Bulo	616			113	161						**890**	840
APH Jammine	616	152	161			161		113			**1 203**	1 172
JM Kahn	1 203	152		113		113	113	161			**1 855**	1 833
MJ Kuscus	616			113	201		113				**1 043**	985
K Moroka	616	152					161				**929**	877
N Weltman	616		161	161	161					114	**1 213**	1 050
Total	**5 694**	**760**	**684**	**613**	**523**	**387**	**387**	**387**	**152**	**114**	**9 701**	9 327

Committee names:

1 *General Healthcare Group (operating sub-committee).*
2 *Quality Leadership.*
3 *Remuneration.*
4 *Social and Ethics.*
5 *Nomination.*
6 *Finance and Investment (operating committee).*
7 *Tariff (operating committee).*

Annual fees paid to non-executive directors based on their Chair or member status

R'000	Proposed 2018[1]	**Actual 2017[1]**	2016 Actual[1]
Board			
Chairman	1 270	**1 203**	1 135
Deputy Chair	839	**795**	750
Member	650	**616**	581
Audit Committee			
Chairman	212	**201**	190
Member	170	**161**	152
Remuneration Committee			
Chairman	170	**161**	152
Member	120	**113**	107
Risk Committee			
Chairman	170	**161**	152
Member	120	**113**	107
Nomination Committee			
Chairman	170	**161**	152
Member	120	**113**	107
Social and Ethics Committee			
Chairman	170	**161**	152
Member	120	**113**	107
Quality Leadership Committee			
Chairman	212	**201**	190
Member	170	**161**	152
Payable per meeting			
Ad hoc committees	40	**38**	36

1 *These values are exclusive of VAT.*

United Kingdom

BMI Healthcare's executives and senior managers participate in an annual short-term incentive plan that delivers a cash bonus based on:

> The achievement of BMI Healthcare's financial targets.
> Team and individual performance objectives set annually.

Once the corporate EBITDA gateway is achieved, the incentive payment levels are determined by performance against team (70% weighting) and individual (30% weighting) targets. National targets are set for regional and hospital-based roles but team and individual targets vary. Objectives and performance are reviewed twice a year for all individuals who qualify for the short-term incentive plan.

Annual guaranteed remuneration and bonus payments

1 October 2016 to 30 September 2017

£	Basic salary	Car allowance	Company pension contributions[1]	Bonus paid	Benefits in kind	Other
H Davies	**304 500**	**15 000**	**26 757**	**–**	**400**	**60 900**
J Watts[2]	**568 019**	**10 000**	**31 430**	**–**	**400**	**17 574**

1 Direct payments made by BMI Healthcare to a pension scheme, as well as additional payments made to employees who have opted to receive payments in lieu of a company contribution to a pension.
2 Resigned on 30 September 2017.

1 October 2015 to 30 September 2016

£	Basic salary	Car allowance	Company pension contributions[1]	Bonus paid	Long-term plan	Other
H Davies	300 000	15 000	28 559[1]	–	400	0[1]
J Watts	559 625	10 000	40 000	220 000	11 013	595 251[2]

1 Restated to enable comparison with 2017 financial year disclosure, which now includes the amounts paid to employees in lieu of a company contribution to a pension.
2 Contribution to long-term incentive.

EXTRACT 2: ANALYSIS OF SHAREHOLDERS AT 30 SEPTEMBER 2017

	Number of shareholders	Percentage of shareholders	Number of shares in issue[1]	Percentage of issued share capital
Shareholder Spread				
1 – 1 000	8 918	47.86	2 845 305	0.21
1 001 – 50 000	8 316	44.62	59 527 415	4.38
50 001 – 100 000	378	2.03	27 013 662	1.98
100 001 – 10 000 000	1 004	5.39	740 153 261	54.41
10 000 001 and above	18	0.10	530 836 757	39.02
Total	18 634	99.99	1 360 376 400	100.00
Distribution of shareholders per category				
Individuals	15 381	82.54	80 890 653	5.95
Private Companies	281	1.51	12 199 201	0.90
Nominees and Trusts	1 130	6.06	26 884 260	1.98
Banks and Brokerage Firms	141	0.76	68 097 233	5.00
Insurance Companies	91	0.49	86 849 660	6.38
Pension Funds and Medical Aid Schemes	616	3.31	425 011 007	31.24
Collective Investment Schemes and Mutual Funds	994	5.33	660 444 386	48.55
Total	18 634	100.00	1 360 376 400	100.00
Public and non-public shareholdings				
Public	18 631	99.98	1 347 665 400	99.07
Non-public	3	0.02	12 711 000	0.93
Directors[2]	2	0.01	10 628 234	0.78
Retirement funds	1	0.01	2 082 766	0.15
Total	18 634	100.00	1 360 376 400	100.00
Beneficial shareholders holding 5% or more				
Public Investment Corporation Limited			231 642 340	17.03
Allan Gray various funds			124 034 091	9.12
Total			355 676 431	26.15
Investment Manager Top 10				
Allan Gray Proprietary Limited			222 672 835	16.37
Public Investment Corporation Group			182 828 418	13.44
Coronation Fund Managers Limited			106 550 108	7.83
Old Mutual plc			98 072 174	7.21
GIC Private Limited			56 904 946	4.18
The Vanguard Group, Inc.			52 894 895	3.89
Prudential plc			49 346 196	3.63
Sanlam Limited			43 490 830	3.20
Visio Capital Management Proprietary Limited			41 399 997	3.04
BlackRock, Inc.			38 909 936	2.86
Total			893 070 335	65.65
Beneficial Owner Top 10				
Public Investment Corporation Limited			231 642 340	17.03
Allan Gray Balanced Fund			58 231 738	4.28
GIC Private Limited			57 828 946	4.25
Old Mutual Life Assurance Company SA			48 088 225	3.53
Alexander Forbes Investments			34 821 877	2.56
Allan Gray Equity Fund			29 955 312	2.20
Vanguard Emerging Markets Stock Index Fund (US)			27 646 994	2.03
Government of Norway			23 916 722	1.76
Coronation Top 20 Fund			19 396 525	1.43
Vanguard Total International Stock Index Fund			18 611 350	1.37
Total			550 140 029	40.44
Geographic Ownership				
South Africa			999 491 294	73.47
International			360 885 106	26.53
Total			1 360 376 400	100.00

1 Number of shares in issue net of treasury shares.
2 Beneficial shareholding of directors in the issued share capital of the Company.

EXTRACT 3: ORDINARY SHARE CAPITAL AND PREMIUM AT 30 SEPTEMBER 2017

Number of shares (million)	2017	2016
Authorised		
Ordinary shares of 1.0 cent each	2 500	2 500
Issued		
Shares in issue at beginning of year	1 462	1 456
Shares issued during the year	–	6
Shares in issue at end of year	1 462	1 462
Treasury shares		
Treasury shares at beginning of year	(106)	(107)
Sale of treasury shares	4	1
Treasury shares at end of year	(102)	(106)
Total issued ordinary shares	1 360	1 356
Treasury shares are held as follows:		
HPFL B-BBEE Trusts	97	98
Forfeitable Share Plan	5	8
Authorised		
Ordinary shares of 1.0 cent each	25	25
Issued ordinary share capital		
Balance at beginning and end of year	15	15
Share premium		
Balance at beginning of year	4 182	4 018
Share premium arising on issue of shares	8	164
Balance at end of year	4 190	4 182
Issued ordinary share capital and premium	4 205	4 197
Treasury shares		
Balance at beginning of year	(3 768)	(3 713)
Issue of treasury shares held by Forfeitable Share Plan	–	(141)
Sale of treasury shares	48	86
Balance at end of year	(3 720)	(3 768)

EXTRACT 4: DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors of Netcare Limited are responsible for the preparation and integrity of the annual financial statements of the Company and the Group, which have been prepared under the supervision of the Chief Financial Officer, Mr KN Gibson, CA(SA). These annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act), and the JSE Listings Requirements in line with the accounting policies of the Group, which are supported by prudent judgements and estimates. The Group's external auditors, Grant Thornton Johannesburg, are engaged to express an independent opinion on these financial statements which has been presented on page 14[1].

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

The directors are of the opinion that such accounting and administrative control systems have been maintained during the year. Nothing has come to the attention of the Netcare Board that caused it to believe that the Group's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

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

The annual financial statements were approved by the Board of directors on 17 November 2017 and are signed on its behalf by:

JM Kahn
Non-executive Chairman

RH Friedland
Chief Executive Officer

KN Gibson
Chief Financial Officer

Sandton

1 This page number refers to the page in the full annual financial statements.

Our Board of directors

EXECUTIVE DIRECTORS

RH (Richard) **Friedland** (55)
Group Chief Executive Officer
Qualifications: *BvSc, MBBCh, Dip Fin Man, MBA*
Appointed: 15 May 1997

KN (Keith) **Gibson** (47)
Group Chief Financial Officer
Qualifications: *BAcc, CA(SA)*
Appointed: 10 November 2011

NON-EXECUTIVE DIRECTORS

JM (Meyer) **Kahn** (78)
Board Chairman
Nomination Committee Chair
Qualifications: *BA (Law), MBA, DCom (hc), SOE*
Appointed: *14 April 2000*
Other directorships: *Former Chairman of SAB Miller.*

T (Thevendrie) **Brewer** (45)
Board Deputy Chair
Audit Committee Chair
Qualifications: *BCom, Postgraduate Diploma in Accountancy, CA(SA)*
Appointed: *24 January 2011*
Other directorships: *Rothschild, EY.*

MR (Mark) **Bower** (62)
Qualifications: *BCom (cum laude), BCompt, BCompt Honours, CA(SA)*
Appointed: *23 November 2015*
Other directorships: *Rhodes Food Group, Hollard.*

B (Bukelwa) **Bulo** (40)
Qualifications: *BBusSci Hons, PGDA, CA(SA)*
Appointed: *23 November 2015*
Other directorships: *Capital Appreciation, Jade Capital, Unispan Holdings and Franki Geotechnical.*

APH (Azar) **Jammine** (68)
Remuneration Committee Chair
Qualifications: *BSc (Hons), BA (Hons), MSc, PHD*
Appointed: *14 December 1998*
Other directorships: *Econometrix, Federated Employers' Mutual Assurance, York Timber Holdings, ETM Analytics and Iron Fireman (SA).*

MJ (Martin) **Kuscus** (62)
Quality Leadership Committee Chair
Qualifications: *BA Cur, Dip Company Direction, EDP*
Appointed: *1 July 2008*
Other directorships: *Synergy Income Fund and Mineworkers Provident Fund.*

KD (Kgomotso) **Moroka SC** (63)
Social and Ethics Committee Chair
Qualifications: *BProc, LLB*
Appointed: *23 July 2006*
Other directorships: *Standard Bank, SA Breweries, MultiChoice and Royal Bafokeng Platinum.*

N (Norman) **Weltman** (68)
Risk Committee Chair
Qualifications: *CTA, CA(SA)*
Appointed: *1 September 2008*
Other directorships: *None*
Acted as an executive director from 3 November 1999 and appointed as non-executive director from 1 September 2008.

PROXY FORM

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

Form of proxy – for use at the 21st annual general meeting (AGM) of the Company to be held at 10h00 on Friday, 2 February 2018 in the Auditorium, Ground Floor, 76 Maude Street, Sandton, 2196.

This proxy form is only for use by:

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

I/We (full name) ______________________________

of (address) ______________________________

email address ______________ contact number ______________

holding ______________ ordinary shares in the Company,

do hereby appoint ______________ or failing him/her, ______________

or failing them, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 21st AGM of the Company to be held on Friday, 2 February 2018 at 10h00 and at any adjournment or postponement thereof as follows:

Resolution	Insert X in the appropriate block		
	For	Against	Abstain
1. Ordinary resolution 1: Re-appointment of auditors			
2. Ordinary resolution 2: Re-appointment of retiring directors			
Ordinary resolution 2.1: M Bower			
Ordinary resolution 2.2: M Kuscus			
Ordinary resolution 2.3: K Moroka			
3. Ordinary resolution 3: Appointment of Audit Committee members			
Ordinary resolution 3.1: T Brewer			
Ordinary resolution 3.2: M Bower			
Ordinary resolution 3.3: APH Jammine			
Ordinary resolution 3.4: N Weltman			
Ordinary resolution 3.5: B Bulo			
4. Ordinary resolution 4: General authority to issue shares for cash			
5. Non-binding resolution 1: Approval of the remuneration policy			
6. Non-binding resolution 2: Approval of the implementation report			
7. Ordinary resolution 5: Signature of documents			
8. Special resolution 1: General authority to repurchase shares			
9. Special resolution 2: Approval of non-executive directors' remuneration for the period 1 October 2017 to 30 September 2018			
10. Special resolution 3: Financial assistance to related and inter-related companies in terms of Sections 44 and 45 of the Companies Act			

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

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

Signed at ______________ this ______________ day of ______________ 2017/2018

Signature ______________ assisted by (if applicable) ______________

* *Members registered in their own names are members who have appointed Terbium Financial Services (Pty) Ltd's Central Securities Depository Participant (Society General) with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own names.*

Please read the notes and instructions overleaf.

Proxy form continued

1. A member may insert the name(s) of one or more proxies (none of whom needs to be a member of the Company) in the space provided, with or without deleting the words 'Chairman of the meeting'. The person whose name stands first on the proxy form and has not been deleted and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairman of the AGM.
2. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box/boxes provided. Failure to comply with the above will be deemed to authorise the proxy to vote as he/she thinks fit or, where the proxy is the Chairman, such failure shall be deemed to authorise the Chairman to vote in favour of the resolutions in respect of all the members' votes exercisable thereat.
3. The completion and lodging of this proxy form shall in no way preclude the member from attending, speaking and voting in person at the AGM to the exclusion of any proxy appointed in terms hereof.
4. Should this proxy form not be completed and/or received in accordance with these notes, the Chairman may accept or reject it, provided that in respect of this acceptance, the Chairman is satisfied as to the manner in which the member wishes to vote.
5. Documentary evidence establishing the authority of the person signing the proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company's Transfer Secretaries or waived by the Chairman of the AGM.
6. Where this proxy form is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.
7. Where shares are held jointly, all joint holders are required to sign.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the Company's Transfer Secretaries.
9. Any alteration or correction made to this proxy form must be signed in full and not initialled by the signatories.
10. This proxy form must be lodged at the registered office of the Company or the Transfer Secretaries, Terbium Financial Services (Pty) Ltd, Building 7, 31 Beacon Road, Florida North, 1709, South Africa (PO Box 61272, Marshalltown, 2107, South Africa), or by email: netcare@terbium.global preferably not later than 48 hours before the AGM, that being 10h00 on Wednesday, 31 January 2018. Nevertheless, completed proxy forms may be lodged with the Chairman of the AGM at the venue of the AGM, so as to reach the Chairman of the meeting by no later than immediately prior to the commencement of voting on resolutions to be tabled at the AGM.

SHAREHOLDERS' DIARY

ANNUAL GENERAL MEETING

2 February 2018

REPORTS

Interim results announcement	May
Final results announcement	November

DIVIDENDS

Ordinary dividend

	Declared	Paid
Interim	May	July
Final	November	January

Preference dividend

Interim	April	May
Final	October	November

DISCLAIMER

Certain statements in this AGM Notice 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 AGM Notice has not been reviewed or reported on by the Company's external auditors.

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

STUDIO 5

You're in safe hands

www.netcare.co.za

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