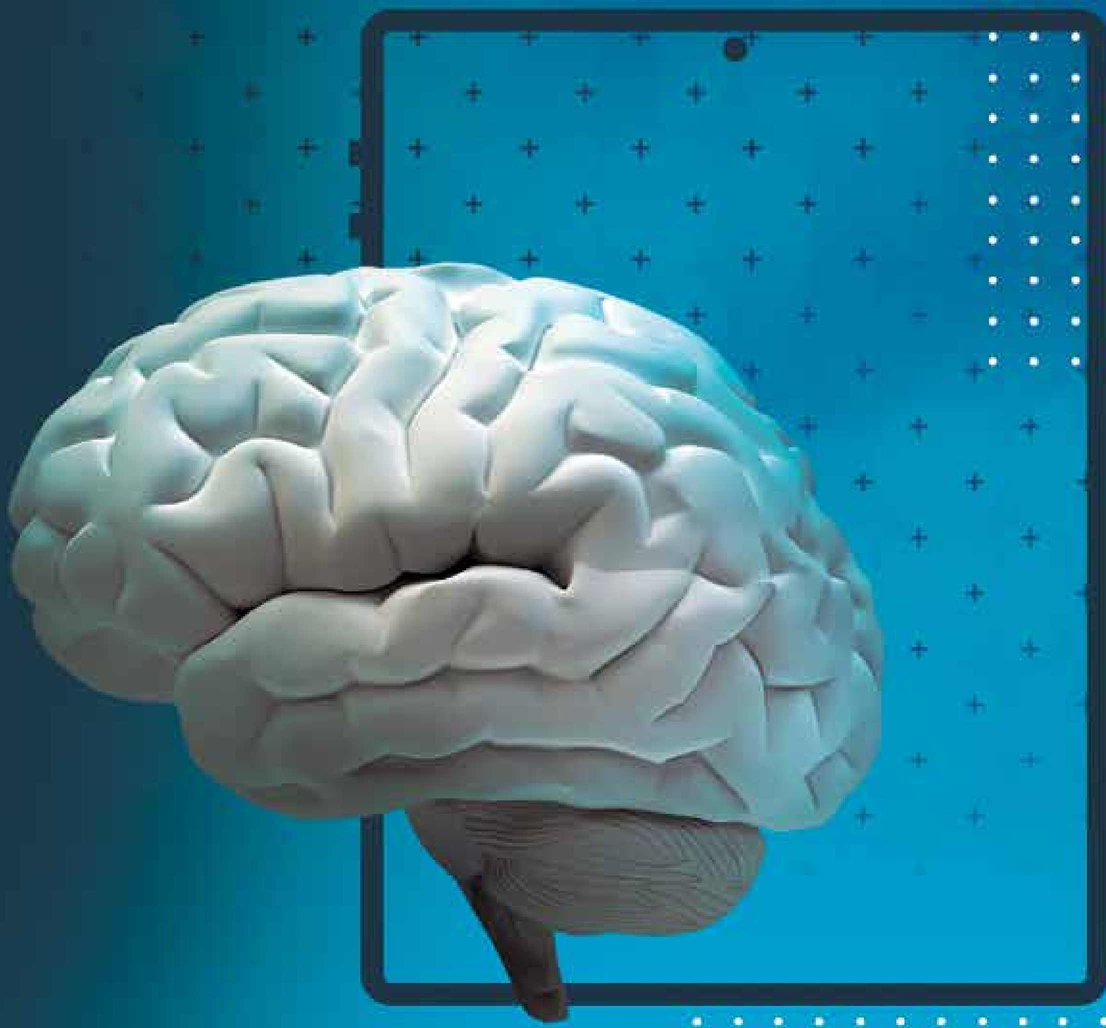
2023



Netcare Limited
Notice of annual general meeting

Providing **YOU** with the best and safest care.

NETCARE

Contents

Letter to shareholders

18 December 2023

Dear shareholder,

Herewith please find the notice of the annual general meeting (AGM Notice) and accompanying information required by shareholders for the AGM to be held on Friday, 2 February 2024.

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

To order a printed copy of the integrated report or to provide any feedback on this report, please contact the company secretary, Charles Vikisi, at **charles.vikisi@netcare.co.za** or Netcare Investor Relations at **ir@netcare.co.za**.

If requested, a copy of the integrated report will be mailed to you immediately at no cost.

Thank you for your support.

Charles Vikisi
Company Secretary

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

Notice of annual general meeting

for the year ended 30 September 2023

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

A. Notice of meeting

Notice is hereby given that the 27th annual general meeting (AGM) of the shareholders of the Company will be held virtually on Friday, 2 February 2024 at 10:00 Central African Time (CAT), to consider and, if deemed fit, to pass, with or without modification, the resolutions contained in this AGM Notice in the manner required by the Companies Act, No. 71 of 2008, as amended (the Companies Act), and subject to the JSE Limited (JSE) Listings Requirements.

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

Acceptable forms of identification include original and valid identity documents, driver's licences and passports.

Shareholders are advised to ensure that they are identified and registered to attend by preferably no later than Thursday, 1 February 2024 at 12:00, to avoid any delays in accessing the virtual AGM.

This AGM Notice includes the attached Form of Proxy.

B. Record dates, proxies and voting

Record date to receive the AGM Notice:	Friday, 8 December 2023
Last date to trade to be eligible to attend and vote at the AGM:	Tuesday, 23 January 2024
Record date to be eligible to attend and vote at the AGM (voting record date):	Friday, 26 January 2024
Last date for lodging forms of proxy for administrative purposes:	10:00 (CAT) on Wednesday, 31 January 2024

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

A proxy need not be a shareholder of the Company.

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

For either of the above options you must not complete the attached Form of Proxy.

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

C. Purpose of AGM

The purpose of the AGM is to:
- present the Group annual financial statements of the Company for the year ended 30 September 2023, including the directors' report, the Audit Committee report and the independent auditors' report;
- consider any matters raised by shareholders; and
- consider and, if deemed fit, to pass with or without modification, the ordinary and special resolutions that follow.

1. Ordinary resolutions number 1.1 to 1.3: Re-election of directors

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

L Stephens, R Phillips and A Maditse retire by rotation, and being eligible, offer themselves for re-election:

1.1 L Stephens
1.2 R Phillips
1.3 A Maditse."

The Board of directors of Netcare (the Board), through the Nomination Committee has assessed the performance and independence of the directors who are standing for election or re-election. Both the Nomination Committee and the Board unanimously recommend their election or re-election. The Nomination Committee and the Board considered the following key factors in making this decision: in-depth knowledge of the nature of the business, past performance and contribution, support provided to new executives, and experience in the fast-changing global and competitive environment.

The list of retiring directors includes directors who were appointed since the previous AGM.

Percentage voting

Ordinary resolutions number 1.1 to 1.3 will be considered by way of a separate vote. For each resolution to be adopted, the support of a majority – 50% (fifty percent) plus 1 (one) – of votes cast by shareholders present or represented by proxy at this AGM is required.

*The **directors' biographies** are contained in this AGM Notice on pages 38 to 39.*

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

"To re-appoint Deloitte & Touche, upon recommendation of the Board and the Audit Committee, as the independent external auditor of the Company, and Spiro Tyranes as the audit partner, for the ensuing financial year ending 30 September 2024 until the conclusion of the next AGM."

The Board and the Audit Committee are satisfied that Deloitte & Touche meets the provisions of the Companies Act and have complied with the JSE Listings Requirements. The Board and the Audit Committee have proposed the re-appointment of Deloitte & Touche and Spiro Tyranes for the ensuing financial year ending 30 September 2024.

Percentage voting

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

3. Ordinary resolutions number 3.1 to 3.3: Appointment of Audit Committee members

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

3.1 M Bower
3.2 B Bulo (chair)
3.3 L Stephens (subject to passing of Ordinary resolution number 1.1)."

The Board has reviewed the composition of the Audit Committee against the requirements of the Companies Act and confirmed that the members have the necessary knowledge, skills and experience to enable the Committee to perform its duties. The appointments are made against objective criteria that include skills, knowledge, experience and independence, and with due regard to race and gender diversity. The Board has reviewed the expertise, qualifications and relevant experience of the appointed Audit Committee members and recommends that each director be elected.

Percentage voting

Ordinary resolutions 3.1 to 3.3 will be considered by way of a separate vote. For each such resolution to be adopted, the support of a majority – 50% (fifty percent) plus 1 (one) – of votes cast by shareholders present or represented by proxy at this AGM is required.

*The **directors' biographies** are contained in this AGM Notice on pages 38 to 39.*

4. Ordinary resolution number 4: Signature of documents

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

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

The resolution is proposed to shareholders to endorse the Company's remuneration policy as set out on pages 16 to 24 of the AGM Notice. Shareholders are reminded that, in terms of the fourth King Report on Corporate Governance for South Africa (King IV™), the passing of this non-binding resolution is by way of a non-binding advisory vote. In the event that at least 25% (twenty-five percent) of the voting rights exercised on this advisory vote are against the remuneration policy, the Board undertakes to implement the consultation process set out in the remuneration policy read together with King IV™ and the JSE Listings Requirements. Details of the manner and timing of the engagement will be released in the voting results announcement.

*The full **remuneration policy and implementation report** can be found on pages 11 to 33 of the AGM Notice.*

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

The resolution is proposed to shareholders to endorse the Company's implementation report as set out on pages 25 to 33 of the 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 advisory vote. In the event that at least 25% (twenty-five percent) of the voting rights exercised on this advisory vote are against the implementation report, the Board undertakes to implement the consultation process set out in the remuneration policy read together with King IV™ and the JSE Listings Requirements. Details of the manner and timing of the engagement will be released in the voting results announcement.

*The full **remuneration policy and implementation report** can be found on pages 11 to 33 of the AGM Notice.*

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

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

a) this authority will be valid until the Company's next AGM, provided that it does not extend beyond 15 months from the date of this AGM;
b) any such repurchase be effected through the order book operated by the JSE trading system and done without any prior understanding or agreement between the Company and the counterparty;
c) an announcement, giving such details as may be required in terms of the JSE Listings Requirements, be published when the Company or its subsidiaries have cumulatively repurchased 3% of the initial number of Shares in issue of the relevant class of securities, and for each 3% in aggregate of the initial number of that class, which is acquired thereafter;
d) a general repurchase may not, in aggregate in any one financial year, exceed 10% of the Company's issued Shares of the relevant class of securities at the beginning of the financial year, provided that the subsidiaries of the Company may not collectively hold at any one time more than 10% of the Company's issued Shares;
e) no repurchase will be effected during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless the Company has in place a repurchase programme and full details of the programme have been submitted to the JSE in writing prior to commencement of the prohibited period. The Company must instruct only one 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;
f) at any point in time, the Company may only appoint one agent to effect repurchases on its behalf;
g) the price at which the Company's Shares may be repurchased may not be made at a price greater than 10% above the weighted average of the market value of the Share for the five business days immediately preceding the date of repurchase; and
h) prior to entering the market to repurchase the Company's Shares, a Board resolution authorising the repurchase is passed, stating that the Board has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and 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 arrangement unless the following can be met:

a) the Company 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 will be in excess of the liabilities of the Company 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 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 will be adequate for ordinary business purposes for a period of 12 months after the date of the AGM Notice.

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

Percentage voting

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

Other JSE Listings Requirements applying to special resolution number 1

	Details	Pages
Major shareholders	Extract 2	34
Share capital	Extract 3	36

Directors' responsibility statement

The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 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, that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated report, there has been no material change in the financial or trading position of the Company and its subsidiaries since the date of signature of the audited annual financial statements for the year ended 30 September 2023 and the date of this AGM Notice.

8. Special resolution number 2: Approval of non-executive directors' remuneration for the period 1 October 2023 to 30 September 2024

"To grant the Company authority to remunerate its non-executive directors for their services as directors and/or pay any fees related thereto on the following basis provided that the aforementioned authority shall be valid with effect from 1 October 2023 to 30 September 2024. Directors not registered for value added tax (VAT) will be entitled to the remuneration exclusive of VAT and registered VAT vendors will be entitled to the remuneration plus VAT at the prevailing VAT rate."

Rand	**2024[1]**	2023[2]
Payable per annum:		
Board chair	**1 491 000**	1 420 000
Board members	**685 000**	685 000
Audit Committee chair	**281 000**	268 000
Audit Committee members	**188 000**	179 000
Remuneration Committee chair	**216 000**	206 000
Remuneration Committee members	**132 000**	126 000
Risk Committee chair	**215 000**	205 000
Risk Committee members	**151 000**	144 000
Nomination Committee chair	**188 000**	179 000
Nomination Committee members	**132 000**	126 000
Social and Ethics Committee chair	**188 000**	179 000
Social and Ethics Committee members	**126 000**	126 000
Consistency of Care Committee chair	**247 000**	235 000
Consistency of Care Committee members	**195 000**	186 000
Payable per meeting:		
Ad hoc committee	**44 000**	42 000

1. *Exclusive of VAT and increased to take account of inflation.*
2. *Exclusive of VAT.*

Reason and effect

The reason for special resolution number 2 is to grant the Company the authority to pay remuneration to its non-executive directors for the services they render to the Company as directors in accordance with the provisions of the Companies Act. The effect of the special resolution number 2 is that the Company will be able to remunerate its non-executive directors without requiring further shareholder approval until the next AGM.

Percentage voting

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

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

"To authorise the directors, in terms of and subject to the provisions of sections 44 and 45 of the Companies Act, to cause the Company to provide any direct or indirect financial assistance to or for the benefit of:

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

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

Reason and effect

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

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

Percentage voting

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

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

Notification by the Board of Netcare Hospitals Proprietary Limited (Netcare Hospitals) in terms of section 45(5) of the Companies Act

Notice is hereby given by the Company, for and on behalf of Netcare Hospitals, to the shareholders of the Company and each of the trade unions representing any of the employees of Netcare Hospitals that the Board of Netcare Hospitals has, on 6 December 2023, adopted a resolution authorising Netcare Hospitals to provide financial assistance to its related and inter-related companies for the financial period commencing on 1 December 2023 and ending on 30 September 2024, whereby the financial assistance may, during such period, in aggregate, exceed 1/10 (one tenth) of 1% (one percent) of Netcare Hospitals' net worth at the date of adoption of such resolution.

Although the Company, as the holding company of Netcare Hospitals, employs no persons, this notification is nevertheless included in this document for convenience purposes.

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

11. Electronic communication

Should any shareholder (or a representative or proxy) wish to participate in the virtual AGM, that shareholder should make an application to participate (including details as to how the shareholder (or representative or proxy) can be contacted) in writing, to the transfer secretary by email at **netcare@4axregistry.co.za**.

This is to be received by the transfer secretary by no later than Wednesday, 31 January 2024 at 12:00 (CAT) in order for the transfer secretary to arrange for the shareholder (or representative or proxy) to provide reasonable satisfactory identification and for the transfer secretary to provide the shareholder (or representative or proxy) with details as to how to access the AGM virtually.

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

Shareholders participating virtually will be able to vote electronically.

12. Voting and proxies

Voting

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

Ordinary resolutions proposed for adoption require the support of a majority, 50% (fifty percent) plus 1 (one) of votes cast by shareholders present or represented by proxy at the AGM. The special resolutions proposed for adoption at this AGM require the support of at least 75% (seventy-five percent) of votes cast by shareholders present or represented by proxy at the AGM.

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

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

Identification

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

Proxies

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

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

The necessary Form of Proxy is attached for the convenience of certificated shareholders and dematerialised shareholders with 'own-name' registration who cannot attend the AGM but who wish to be represented thereat. Any shareholder entitled to attend and vote at the AGM may appoint one or more persons to attend, speak and vote in their place. A proxy so appointed need not be a shareholder of the Company. To be valid, duly completed proxy forms must be received by hand at CTSE Registry Services, Cape Town Stock Exchange, 5th Floor, 68 Albert Road, Woodstock, Cape Town, 7925, or by email at **netcare@4axregistry.co.za** preferably by no later than 10:00 (CAT) on Wednesday, 31 January 2024. A duly appointed proxy will be required to follow the online registration process to attend the virtual AGM.

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

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

Interpretation of this notice

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

- **'Group annual financial statements**' means the Group annual financial statements of the Company for the year ended 30 September 2023, including the directors' report, the Audit Committee report and the independent external auditor's report, which were made available to shareholders on the Company's website from 20 November 2023.
- **'Integrated reporting suite'** means the integrated report and its supplementary reports of the Company for the year ended 30 September 2023, which were made available to shareholders on the Company's website from 14 December 2023.
- **'Remuneration report'** means the remuneration report for the Company for the year ended 30 September 2023, which includes the remuneration policy and implementation report on pages 11 to 33 of the AGM Notice.
- **'Beneficial shareholder'** means the holder of a beneficial interest in shares of the Company who is entitled to cast the votes attaching to those shares but is not the registered shareholder of those shares.
- **'JSE Listings Requirements'** means the listings requirements of the JSE, as amended from time to time and as interpreted and applied or not applied by the JSE.
- **'Register'** means the Company's securities register and the Company's register of disclosures of beneficial interests in securities.
- **'Registered shareholder'** or 'shareholder' in relation to any shares means the holder of those shares whose own name is entered in the Company's register as such and who is entitled to cast the votes attaching to those shares.

Enquiries

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

By order of the Board.

C Vikisi
Company Secretary
18 December 2023
Sandton

Transfer secretary:
CTSE Registry Services
Cape Town Stock Exchange
5th Floor
68 Albert Road
Woodstock
Cape Town
7925
netcare@4axregistry.co.za
Tel no: +27 11 100 8352

Explanatory notes to the notice of the annual general meeting

Resolutions

Ordinary resolutions number 1.1 to 1.3: Re-election of directors

The Company's MOI makes provision for the annual retirement from office of a certain proportion of directors, including a director appointed after the conclusion of the Company's preceding AGM. In line with current corporate governance best practice, the appointment of each director standing for re-election will be voted on by a separate resolution.

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

To re-appoint Deloitte & Touche, upon recommendation of the Board and the Audit Committee, as the independent external auditor of the Company, and Spiro Tyranes as audit partner for the ensuing financial year ending 30 September 2024 until the conclusion of the next AGM.

Ordinary resolutions number 3.1 to 3.3: 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 the healthcare sector.

Ordinary resolution number 4: 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.

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

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

*The full **remuneration policy** is set out on pages 16 to 24 of this AGM Notice.*

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

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

*The full **implementation report** is set out on pages 25 to 33 of this AGM Notice.*

Special resolution number 1: General authority to repurchase shares

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

Special resolution number 2: Approval of non-executive directors' remuneration for the period 1 October 2023 to 30 September 2024

Special resolution 2 is required to obtain approval of remuneration payable to non-executive directors for the period 1 October 2023 to 30 September 2024. The approval of the shareholders is sought to ensure the remuneration paid to the non-executive directors of the Company remains adequate for the purposes of attracting persons of sufficient calibre, experience and skill to act as non-executive directors of the Company.

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

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

Extracts from the integrated reporting suite

Extract 1 Remuneration report

Report by the Remuneration Committee chair

I am pleased to present the remuneration report of the Netcare Group for the financial year ended 30 September 2023 (FY 2023).

Notwithstanding the fluid macroeconomic environment, dominated by slow growth and numerous challenges facing corporate South Africa (SA), we maintained focus on advancing our strategy and strengthening our market position. This resulted in the Group delivering a strong performance with solid improvement in operational and financial outcomes. The operating environment continued to normalise from the impact of COVID-19, resulting in sustained improvement in demand for private healthcare and mental health services. We recorded the highest levels of acute hospital occupancies since the beginning of the pandemic. This, together with the strong underlying performance of our operating divisions, enabled the Group to deliver improved financial performance and excellent execution of our non-financial strategic priorities. These include our digitisation, consistency of care, environmental sustainability, people and societal transformation strategies.

Our people made these excellent results and outcomes possible. They are engaged, resilient and dedicated to delivering the best and safest person centred health and care, that is digitally enabled and data driven. In FY 2023, we continued to place the health and wellbeing of our employees at the epicentre of our people strategy. We are mindful of the global surge in mental health challenges post-pandemic and the huge pressure South Africans are experiencing under the prevailing difficult socioeconomic conditions. We advanced the roll out of our compassion-based Care4YOU training programme, which targets our permanent and fixed term employees, and the employees of contractors. Built into Care4YOU is the gratitude programme that enables patients, their families and managers to thank our employees for demonstrating compassion. Since inception, our employees have received a total of 53 797 gratitude cards, 36 555 of these in FY 2023. We also rolled out health and wellness information and free screening across all our facilities; and Independent Counselling and Advisory Services (ICAS) continued to provide psychosocial support to our employees and their immediate families at no cost to them. We also implemented a variety of solutions aimed at empowering our employees with the flexibility to structure their remuneration in a manner that suits their needs and lifestyle. We paid higher wage increases to employees at lower levels, allowed our employees to access their variable (overtime) earnings ahead of pay day, and drove multiple initiatives to enhance employee engagement and retention.

These efforts culminated in favourable outcomes for all stakeholders, specifically our shareholders, employees, suppliers and communities.

Netcare's remuneration report:
- Aligns with the principles and recommended practices of King IV™ and applies the three-part structure required by Principle 14;
- Meets the JSE Listings Requirements;
- Meets, to the extent applicable, the requirements of the Companies Act;
- Requests a non-binding advisory vote from our shareholders on the remuneration policy and implementation report;
- Includes feedback from shareholder engagement on remuneration, as part of our inclusive stakeholder engagement approach; and
- Sets out our approach to fair and responsible remuneration, and how this was implemented with respect to the Group's FY 2023 performance.

Extracts from the integrated reporting suite continued

Overview of Group performance for FY 2023

The Group delivered a strong recovery in financial and operational performance in FY 2023. Most financial and non-financial strategic performance metrics were met and/or exceeded, noting the following highlights:

- Normalised EBITDA[1] margin: 17.4% (FY 2022: 16.2%).
- Adjusted headline earnings per share (HEPS): 105.7 cents (FY 2022: 83.2 cents).
- Return on invested capital (ROIC): 9.8% (FY 2022: 8.8%). ROIC was measured over two years and this result was negatively impacted by ROIC of 8.8% in FY 2022 when COVID-19 still had a material impact. ROIC for FY 2023 alone was 10.8%.
- Cash conversion ratio: 106.2% (FY 2022: 113.0%). Cash conversion was also measured over two years, and was 100.5% for FY 2023 alone.
- Progressed our CareOn digitisation project, rolling out electronic medical records (EMRs) to 17 hospitals covering 3 817 beds, with doctor adoption of 82.4% on e-scripts and 76.5% on clinical orders.
- Granted admitting privileges to 143 new specialists in the Hospital Division against a target of 80, with a net gain of 124 doctors in the Group.
- Advanced our environmental sustainability initiatives, exceeding our ten-year targets set in FY 2013, and made significant progress on water conservation, waste reduction and projects to increase our use of renewable energy.
- Curbed voluntary labour turnover from 14.8% to 11.5% and progressed diversity, equity, inclusion (DEI) and belonging initiatives. We achieved significant improvements in preferential procurement spend with ≥51% black-owned suppliers, ≥30% black women-owned suppliers and qualifying small enterprises (QSEs), while spend on exempted micro-enterprises (EMEs) was close to target.

Overview of executive remuneration for FY 2023

In light of this strong performance, the Remuneration Committee determined the formulaic outcome under the Single Incentive Plan (SIP), in respect of the Group balanced scorecard (BSC), to be 117.5%. This compares to a possible maximum of 150.0%. There were no adjustments to the formulaic outcome, which was based on previously approved performance conditions.

The committee carefully considered overall Group performance as well as the performance of each executive, and approved incentives based on the aggregated score prescribed in the SIP. Each executive is required to achieve 60% of their divisional/individual BSC to qualify for an incentive. The SIP, inclusive of catch-up awards, intends to close the gap caused by the deferral and subsequent cancellation of Forfeitable Share Plan (FSP) 4 caused by the emergence of COVID-19. The SIP cost, inclusive of catch-up awards and the cost of the second year of deferred shares from FY 2022 performance amounted to 8.3% of EBIT. Excluding the catch-up awards, the SIP incentive amounted to 6.5% of EBIT. The incentive will be settled in cash (20%) and deferred shares (80%) in line with the SIP. The number of deferred shares awarded is below the 1% threshold of total issued shares.

Deferred shares vest over a five-year period for executives, with minimum shareholding requirements applicable (outlined on page 23). This is to ensure that executives are exposed to share price performance and are aligned to shareholder objectives, while offering them competitive remuneration.

Structure of the report

This report comprises the following three sections:

- **Part 1:** provides an overview of the role and responsibilities of the Remuneration Committee, details the key decisions taken during the year on executive remuneration, and outlines our engagement with shareholders.
- **Part 2:** gives an overview of our SIP and outlines the financial and non-financial strategic performance targets.
- **Part 3:** details how we implemented our remuneration policy in FY 2023.

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

The remuneration policy and implementation report will be tabled for approval at the annual general meeting (AGM) to be held on 2 February 2024.

MR Bower
Remuneration Committee Chair

1. *Earnings before interest, tax, depreciation and amortisation.*
2. *Earnings before interest and tax.*

Part 1: Background

Role of the Remuneration Committee

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

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

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

Committee composition

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

- Mr M Bower (appointed to the committee on 1 October 2019 and as chair on 3 February 2023);
- Ms L Human (appointed to the committee on 1 January 2023);
- Ms L Stephens (appointed to the committee on 1 January 2023).

T Brewer resigned with effect from 31 December 2022 and D Kneale retired on 3 February 2023.

Mr M Bower was elected chair of the committee for FY 2023 as the new members had not served for 12 months or longer.
Ms L Stephens will chair the committee from 5 February 2024.

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

Key committee decisions in FY 2023

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

Key decisions	
2023 salary adjustments See page 25.	Approved the award of higher salary increases to employees in non-managerial roles (salary adjustments above CPI[1]). Our nursing staff received higher salary adjustments than non-nursing employees as well as a skills allowance. Executives and senior managers received lower salary increases (salary adjustments below CPI). This forms part of our commitment to progressively narrow the income gap between highest and lowest income earners.
Wage negotiations	Approved the outcome of wage negotiations for FY 2023/24. Pleasingly, these were concluded successfully, with agreement reached on terms and conditions of employment with all three recognised trade unions. The fourth previously recognised trade union did not meet membership thresholds required for negotiation. The same wage increments and terms and conditions of employment concluded with the three recognised trade unions were extended to other employees in non-bargaining units in the interest of promoting fairness and enhancing pay parity.
FY 2021 wage dispute	Following the labour court ruling in Netcare's favour, we reached an amicable resolution to the FY 2021 wage dispute brought forward by one recognised trade union. In the best interests of our employees, we extended the same wage increase offered to other trade unions in FY 2021 to members of the said trade union as full and final settlement of the dispute.
Special allowances for critical skills	Paid the South African Nursing Council (SANC) annual professional registration fees for all practising nurses with clinical specialisation in our employ. The same benefit was extended to emergency services employees, dental assistants and pharmacist assistants.
Vertical income inequalities	Considered the draft amendments of the Companies Amendment Act, with vertical inequalities viewed as especially important. We noted the research and consultations conducted by Business Unity South Africa, the National Economic Development and Labour Council (NEDLAC), the King Remuneration Subcommittee and the Institute of Directors in South Africa (IoDSA) in this regard. We await the promulgation of the Companies Amendment Act and will disclose the applicable metrics at that time to allow comparison with peers. In the meantime, we continue to monitor these metrics internally, as well as gender pay disparity, which is reported on page 24.
Executive directors' remuneration See page 30.	Considered the results of an independent benchmarking exercise of executive directors' total remuneration. The findings informed the salary adjustments approved by the committee for the CEO and CFO for FY 2023/24.
Non-executive directors' remuneration See page 33.	Considered proposed adjustments to non-executive directors' remuneration for FY 2024, to be presented for approval at the 2024 AGM.
Short-term incentives (STI) and long-term incentives (LTI)	Reviewed and approved the Group BSC performance for FY 2023, and the BSC performance of each Executive Committee member. Based on achieved targets, the committee approved the award of incentives in line with the rules of the SIP.
See pages 22 and 26.	Considered and approved the BSC for FY 2024, taking into account feedback from shareholders ahead of and at the 2023 AGM on the remuneration policy and implementation report.

1. *Consumer price index.*

Shareholder engagement

The Remuneration Committee is committed to enhancing Netcare's remuneration practices and ensuring that our reporting is comprehensive, transparent and meets shareholder expectations. Accordingly, selected members of the Executive Committee met with shareholders in November 2022 on Netcare's new SIP. During these meetings, and in subsequent engagements following the 2023 AGM, shareholders provided valuable feedback on the remuneration policy and implementation report. The committee gave due consideration to this feedback. Below is a summary of salient feedback and our responses.

Feedback	Key decisions
Shareholders raised concerns regarding ROIC targets set at less than the weighted average cost of capital (WACC). Shareholders suggested that we should consider using a single-year measurement for ROIC and cash conversion, rather than a trailing two-year metric.	ROIC, which was comfortably in excess of WACC prior to COVID-19, dropped significantly during the pandemic, as was the case with many listed peers. To incorporate a balance between short-term and medium-term performance, the committee determined that ROIC and cash conversion metrics should transition from a single-year metric in FY 2022 when the SIP was first introduced, to a two-year metric in FY 2023 and a three-year metric from FY 2024 onwards. Consequently, while ROIC targets for FY 2023 required a notable improvement year on year, they remained marginally below WACC. More significantly, the FY 2023 ROIC targets were weighed down by the lower performance achieved in FY 2022, which was severely impacted by the pandemic. Our engagements with shareholders revealed that the basis of measuring this metric over a two-year period was not well understood. Taking feedback and advice from shareholders into account, our targets for FY 2024 for both ROIC and cash conversion have been formulated on single-year performance. In addition, FY 2024 targets for ROIC are set to at least meet WACC for threshold performance, and to exceed WACC for on-target and outperformance. Refer to the financial targets on page 23 for further details on Netcare's WACC.
Shareholders asked for disclosure of peer groups used for benchmarking remuneration.	No benchmarking was performed for non-executive director remuneration for FY 2023. Benchmarking was undertaken for the CEO and CFO and comparator groups are disclosed on page 18.
Shareholders asked us to consider including a comment on when the committee sets targets each year.	Targets are set at the start of each financial year when the Board approves the annual budget.
Shareholders requested disclosure of the on-target percentages post the catch-up awards.	We disclose the normalised on-target percentages that will be effective from FY 2025 for eligible employees on page 20.
Shareholders complimented our remuneration policy for including comprehensive ESG targets.	Our ESG targets are underpinned by long-term environmental sustainability, social transformation and governance plans that are reviewed regularly by the particular Board committees that oversee implementation. ESG targets will continue to form part of our BSC going forward.
Shareholders queried why benchmarking had not been undertaken for the CEO and the CFO.	CEO/CFO benchmarking was not undertaken in FY 2022 as the previous benchmark undertaken in FY 2021 showed that the CEO and CFO guaranteed packages aligned well with market trends. However, the CFO's guaranteed package was at the lower end of the market median. Additionally, the short-term incentives were also lower than industry benchmarks (especially the CFO's). This was to be corrected by the allocation of SIP in December 2022. The committee commissioned the benchmarking exercise at the beginning of the calendar year to be tabled for consideration at its February 2023 meeting. Accordingly, the committee referenced the findings when approving the salary adjustments for the CEO and CFO, as outlined on page 19.
Netcare's non-executive directors are remunerated on a fixed fee basis. Certain shareholders suggested the basis should be on meeting attendance.	A fixed fee structure takes into account a number of other ad hoc and unscheduled meetings that directors are required to attend at short notice, and accordingly we consider the current remuneration structure to be appropriate. The retainer only policy is the most common for JSE companies as well as in several global markets. A pay per meeting policy can encourage an excessive number of meetings.
Benchmarking of Board members' remuneration was recommended.	Board members' remuneration is externally benchmarked every two years and the findings inform the recommended fee increases submitted for shareholder approval. Refer to page 33 for the proposed FY 2024 Board remuneration.

The committee is satisfied that it has comprehensively responded to shareholder feedback and expectations. We are pleased that 85.1% of shareholders voted in favour of our remuneration policy (2022: 84.4%) and 87.0% voted in favour of our implementation report (2022: 86.4%).

	2023			2022		
	Votes in favour	**Votes against**	**Abstentions**	Votes in favour	Votes against	Abstentions
Remuneration policy	**85.1%**	**14.9%**	**6.0%**	84.4%	15.6%	1.8%
Implementation report	**87.0%**	**13.0%**	**0.0%**	86.4%	13.6%	0.4%
Non-executive director remuneration	**97.2%**	**2.8%**	**0.0%**	94.6%	5.4%	0.2%

Non-binding advisory votes

Both the remuneration policy and implementation report for FY 2023 will be presented for separate non-binding advisory votes from shareholders at the AGM on 2 February 2024. The related resolutions are set out in the 2024 AGM Notice.

Should the remuneration policy and/or implementation report be voted against by 25% or more of the voting rights exercised at the 2024 AGM, we undertake to engage with shareholders to fully understand the reasons for dissenting votes and to address legitimate and reasonable objections raised.

Committee approval

The Remuneration Committee reviewed and approved the remuneration report on 10 November 2023.

Part 2: Remuneration policy overview

Subject to non-binding advisory vote at the AGM to be held on 2 February 2024

FY 2023 marked the second year of the SIP. The SIP creates flexibility in our compensation approach and ensures that our remuneration is responsive to market volatility, remains competitive and rewards high performance linked to the delivery of Netcare's long-term strategy and shareholder value.

The SIP responds to the difficulties of forecasting targets in a volatile market by ensuring that the Group sets stretching but realistic annual performance targets linked to Netcare's long-term strategy. The annual SIP targets are comprehensive and encompass both financial and non-financial objectives. They create alignment between our annual performance, executive incentives and shareholder and stakeholder expectations. The SIP offers a competitive value proposition for high-performing executives and senior managers by combining short-term incentives (STI) and long-term value, and providing a retention mechanism via the earned deferred shares. It also ensures alignment with the 'pay for performance' principle and exposes executive directors to share price performance over a longer period.

The SIP awards for FY 2022, FY 2023 and FY 2024 include catch-up awards to address the gap created by the deferral and subsequent cancellation of FSP4 caused by the emergence of COVID-19. The catch-up awards ensure that the intended, market-aligned level of long-term incentive (LTI) awards are made on average over time, subject to the applicable performance conditions.

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

Consistency of care
Delivering consistently excellent clinical services and experiences, ensuring the best and safest person centred care.

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

Transformation of our society
Continuing to invest in and develop our workforce and communities.

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

Integration
Creating strategic and synergistic partnerships between all divisions and functions.

Investment
Creating economic value and optimising capacity utilisation.

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

The policy aims to achieve a fair balance between a competitive structured package (SP) and incentives. It also includes minimum shareholding requirements and malus and clawback provisions to mitigate the risk of adverse events that could materially harm the Group and/or its stakeholders.

Remuneration policy objectives

Attract, retain and grow
Recruit, retain and grow high-quality compassionate employees to achieve Netcare's strategic priorities.

Reward
Ensure that all employees are recognised and rewarded for their performance in a fair, equitable and consistent manner.

Competitive remuneration
Ensure that remuneration and benefits are competitive within the healthcare industry.

Financial wellbeing
Recognise the basic needs of employees and ensure that compensation levels consistently address the cost of living and inflation.

Set goals
Reward employees for achieving predetermined business and personal performance targets, and ensure that remuneration is aligned to documented performance targets.

Sustainability
Ensure that employee costs are within budget as determined by the Executive Committee and approved by the Board, and are therefore sustainable.

Remuneration philosophy

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

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

Benchmarking

Our remuneration policy and practices, including SP, STIs, LTIs and benefits, are periodically benchmarked against the broader market and industry to ensure that our remuneration is internally equitable and externally competitive, and take into account factors affecting the Group's financial position, the industry and SA.

Benchmarking of non-executive director fees

The committee benchmarks the fees of non-executive directors every two years, with the last benchmarking exercise conducted by PwC in FY 2022. Therefore, no benchmarking was performed in FY 2023. The committee considered the outcome of the FY 2022 PwC benchmarking exercise together with the fact that since FY 2019, the committee has not awarded increases to non-executive directors, except for certain committees where fees benchmarked below the market median. The committee continued with this strategy in FY 2023 and recommended a 6.0% fee increase for selected committees whose fees remained below the benchmark tolerance band and market median, as approved at the 2023 AGM.

For FY 2024, the committee is proposing a CPI-linked 5.0% adjustment in non-executive director fees. No fee increases for Board members and members of the Social and Ethics Committee have been proposed, as these are currently above the market median. The proposed fee increases are outlined on page 33.

Benchmarking of executive directors' remuneration

In FY 2023, we engaged Bowmans to conduct the benchmarking of the CEO's and CFO's remuneration. Prior to this, the FY 2021 benchmarking had shown that the annual guaranteed package (AGP) of both executive directors compared well against the market. The CFO's AGP benchmarked within the 80% to 120% tolerance band, but was below the market median. Both the CEO's and the CFO's total rewards inclusive of STI and LTI were lower than market benchmarks, largely due to lower STIs (ex gratia) and the deferral of FSP4 allocations in FY 2020. Both directors subsequently received incentives under the SIP, paid in December 2022, to narrow the identified gap.

Bowmans selected a comparator group of South African listed companies in the private healthcare, pharmaceuticals, hospitality and property industries, considering market capitalisation, revenue, total assets and number of employees. These comparator groups are listed below.

Company	Industry
Life Healthcare	Healthcare
Mediclinic	Healthcare
Adcock Ingram	Pharmaceuticals
Aspen	Pharmaceuticals
Clicks	Pharmaceuticals and retail
Dis-Chem	Pharmaceuticals and retail
Sun International	Hospitality
Vukile Property Fund	Property

The findings of the benchmark showed that the CEO's 'on-target' total remuneration at the standard policy level, without catch-up awards, closely aligned to the market median at 99% of market and at 135% of the market inclusive of catch-up awards. The CFO's total 'on-target' remuneration on a normalised basis (excluding catch-up awards) fell below the tolerance band but aligned closer to the market median at 97% inclusive of catch-up awards. The committee therefore approved a higher salary adjustment for the CFO as disclosed on page 30.

Executive remuneration structure

The remuneration of Netcare executives comprises fixed remuneration (guaranteed package) and variable remuneration (STI and LTI). Hence, the remuneration packages for executive directors, prescribed officers and senior executives for the year ended 30 September 2023 comprised an AGP, and STI and LTI awarded in line with the SIP.

Structured package (fixed remuneration)	
Objective	To reflect individual contribution and market value relative to role, and to recognise skill and experience.
Basis for determination	Guaranteed pay includes salary and employee benefits. It is determined based on the complexity of the role, market value and the ongoing review of the employee's personal performance and contribution to Netcare's overall performance and values. Guaranteed remuneration is reviewed annually and increases take effect in March. Annual increases consider factors such as prevailing economic conditions, inflation, Group performance and affordability, change in responsibilities, internal and external benchmarks and average salary increases.
Delivery	Monthly payment after deducting contributions to statutory taxes, retirement funding and medical scheme. The Group also makes contributions to group life assurance cover, funeral cover and disability insurance.

Extracts from the integrated reporting suite continued

Single Incentive Policy (variable pay)

Objectives

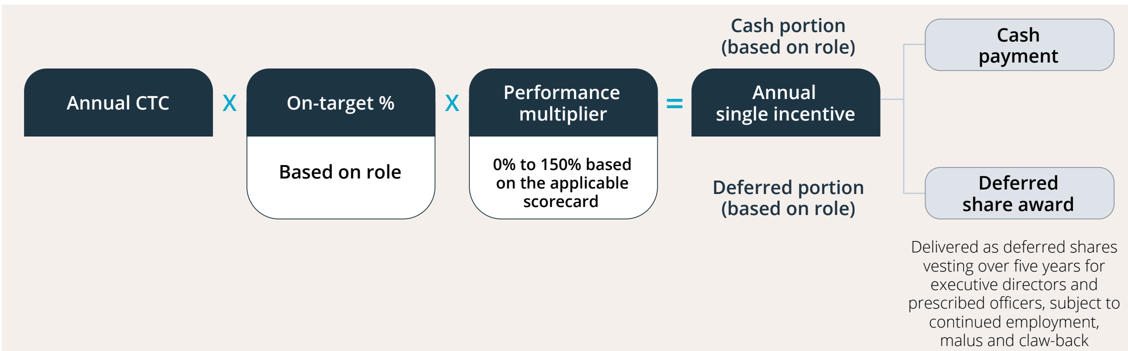
- Reward, in cash and deferred shares, Group performance and individual contribution in the short-term and long-term.
- Align with shareholder interests and other important stakeholder objectives.
- Provide a competitive value proposition for loyal high-performing employees and build wealth for them over the longer term.
- Achieve simplification and consistency across the organisation to enhance understanding and administration.
- Develop performance criteria, which are flexible and customised, to drive the required business outcomes and performance on an annually reviewed basis, balanced across financial and non-financial performance.

Eligibility

Executive directors, prescribed officers, senior executives and managers.

Basis of determination

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



The on-target percentage for the catch-up period, FY 2022, FY 2023 and FY 2024 for the various eligible participants is illustrated below.

Executive leadership	On-target	Cash	
CEO	200%	20% of the total	Balance in deferred shares (over five years)
CFO and managing director of the Hospital Division	165%	20% of the total	Balance in deferred shares (over five years)
Executive Committee	125%	20% of the total	Balance in deferred shares (over five years)

From FY 2025 onwards, on-target percentages for all eligible participants will normalise as illustrated below.

Executive leadership	On-target	Cash	
CEO	120%	33% of the total	Balance in deferred shares (over five years)
CFO and managing director of the Hospital Division	100%	33% of the total	Balance in deferred shares (over five years)
Executive Committee	75%	33% of the total	Balance in deferred shares (over five years)

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

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

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

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

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

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

Single Incentive Policy (variable pay) continued

Delivery	The SIP is settled in cash and deferred shares for executive directors and prescribed officers. The cash portion is settled in December each year. The balance, in deferred share awards, vest at 20% per annum over five years for the members of the Executive Committee and prescribed officers. While this formulaic determination provides the quantum of eligibility each year, the Remuneration Committee has discretion to determine the final award. The deferred share awards are governed by a set of plan rules in line with the salient features described below, and are issued in December each year.
Salient features of the deferred shares	• The deferred shares are forfeitable shares that are procured as soon as possible after the award date and held in escrow for the benefit of the participants. • The shares qualify for ordinary dividends and voting rights, but special dividends must be used to acquire further shares that are subject to the same terms as the underlying awards. • In the case of fault termination of employment, including resignation, retirement before normal retirement date and dismissal for disciplinary reasons, all unvested awards will be forfeited or cancelled. If the committee decides that the circumstances surrounding the termination warrant the retention of deferred shares in terms of the Deferred Share Plan (DSP), then the committee may indicate in writing to such participant that they may retain their award, in full or in part, notwithstanding that they are no longer employed. • In the case of no-fault terminations of employment, including death, disability, retirement at normal retirement age and termination of employment due to operational reasons, the awards will vest on the original vesting dates, without acceleration, except in the case of death, where the awards will vest as soon as practically possible. • In the case of change of control, a portion of the awards will vest, on a time pro-rated basis to reflect the portion of the applicable vesting period served, with the balance continuing in force on the original terms or replaced by awards of similar value if this is not possible. • In the event of a change of capital structure, the committee may make changes to the awards so that they have materially the same value before and after the transaction. • The aggregate costs of the SIP were benchmarked against the costs of continuing the LTI (FSP) and STI scheme. The costs for on-target performance under the proposed SIP are broadly similar over a five-year period.
Other deferred share awards	The SIP permits the granting of awards of deferred shares that are not part of the annual SIP, including: • Sign-on awards included in the employment agreement for new employees, generally to compensate them for awards from a previous employer that are forfeited on resignation; and • Specific retention or counter-offer awards, which are not generally made to executive directors and prescribed officers. Such awards are motivated by the CEO and approved by the Remuneration Committee.
Discretion and safeguards	The annual single incentive is subject to the discretion of the Remuneration Committee, which is applied to reduce the overall quantum of the single incentive, unless there are exceptional circumstances: • If the aggregate value of the SIP for the year (including the cash and deferred portion, but excluding the additional transition/catch-up awards) is more than 8.0% of EBIT; and • If the total number of deferred share awards for the year is more than 1.0% of shares in issue.
Procurement of deferred shares	The shares required to settle deferred share awards are purchased in the market as soon as possible after their award or treasury shares are allocated, but no new shares are used for this purpose.

Extracts from the integrated reporting suite continued

Group balanced scorecard FY 2024

	Measure	Weighting	Threshold	On-target	Outperform
Financial results 60%	EBITDA margin – growth on FY 2023	**15.0%**	17.4%+0.5%	17.4%+1.0%	17.4%+1.5%
	Adjusted HEPS – growth on FY 2023	**15.0%**	105.7 cents +CPI+GDP[1]+5%	105.7 cents +CPI+GDP+7%	105.7 cents +CPI+GDP+9%
	ROIC (measured over single year)	**15.0%**	WACC+0.0%	WACC+0.5%	WACC+1.0%
	Cash conversion (measured over single year)	**15.0%**	90.0%	100.0%	110.0%
Consistency of care 10%	**Patient experience:** continued improvement in the nurse compassion score of the PFS[2] for the Hospital Division	**5.0%**	8.21	8.25	8.36
	Specialists: gross number of new specialists granted admitting privileges in the Hospital Division	**2.5%**	97	102	120
	Summary of Care reports: implementation across all applicable divisions	**2.5%**	Pilot phase completed across all divisions by end April 2024	Full rollout across all divisions by end May 2024	Summary of Care reports available on Netcare App by end June 2024 for all divisions
Digitisation 10%	**CareOn EMRs:** additional number of beds in the Hospital Division linked to CareOn by April 2024	**2.5%**	678	849	943
	CareOn adoption by doctors: adoption of e-scripts	**2.5%**	80.0%	82.5%	84.0%
	CareOn adoption by doctors: adoption of clinical orders	**5.0%**	77.0%	79.5 %	81.5%
Environmental sustainability 10%	**Energy efficiency:** additional year-on-year tCO_2e avoidance as a result of energy efficiency projects implemented	**3.0%**	1 800	2 000	2 300
	Renewable energy: additional year-on-year tCO_2e avoided as a result of renewable energy generation projects	**3.0%**	1 700	1 900	2 275
	Water savings: reduction in overall water consumption per bed in use in the Hospital Division	**2.0%**	2.0%	2.3%	3.0%
	General waste: reduction in waste to landfill as % of Hospital Division general waste	**1.0%**	65.5%	68.5%	80.0%
	HCRW[3]: reduction in HCRW to landfill as % of Hospital Division HCRW	**1.0%**	12.1%	12.8%	13.6%
Human capital and transformation 10%	**Preferential procurement:** support small and medium enterprises through improved procurement spend on EMEs and QSEs with overall improvement on procurement rating as % of points available for procurement on B-BBEE[4] scorecard	**2.5%**	91.0%	92.0%	93.0%
	Employee wellbeing: % of employees accessing/participating in mental, physical, financial and emotional wellbeing programmes measured against the total workforce	**5.0%**	60.0%	70.0%	80.0%
	DEI and belonging: increased inclusion of black managers at middle management as a % of all middle managers	**2.5%**	58.5%	59.5%	60.5%
		100.0%			

1. *Gross domestic product.*
2. *Patient feedback survey.*
3. *Healthcare risk waste.*
4. *Broad-based black economic empowerment.*

Financial targets

Our FY 2024 financial targets reflect further improvement in underlying operational performance, notwithstanding the numerous challenges in the local economic environment. Targets set for EBITDA margin require continuing improvement and include residual costs of R132 million associated with the implementation of key strategic projects, most notably the CareOn digitisation project. The adjusted HEPS target reflects continued double-digit growth, while the ROIC metric moves ahead of WACC (which has increased from 10.7% in FY 2022 to 11.9% in FY 2023 and 12.3% for FY 2024 due to rising interest rates which are currently at a 14-year high), as returns continue to normalise from the impacts of COVID-19. The business is expected to continue generating strong cash flows and maintain a cash conversion ratio of 100%.

Non-financial targets

We selected the four broad categories of non-financial targets below as they are critical to the delivery of our financial metrics.

Consistency of care – our FY 2024 targets are heavily weighted towards harnessing the clinical data from our advanced and comprehensive digital strategy, aimed at informing clinical care at the bedside and leading to better quality and efficiency of care. We aim to have Summary of Care reports (digital discharge summaries) fully implemented across our ecosystem in FY 2024. Made available to all our patients, these are a critical enabler of our participatory and person centred approach. We also seek to invest further in enhancing digital engagement with our patients by making Summary of Care reports available on the Netcare App. We will continue to invest in compassion-based training programmes to ensure that compassion is engrained in our culture and actions.

Digitisation – in FY 2024, we will conclude the roll out of the CareOn EMR project in the Hospital Division and will transition to operationalising and harnessing the full potential of CareOn to realise the associated financial and non-financial benefits. Our targets reflect our commitment to driving higher CareOn adoption by our doctors and all healthcare practitioners to ensure the system is fully embedded, as this remains a key risk to benefit realisation.

Environmental sustainability – for FY 2024, we have retained the existing metrics linked to our 2030 environmental sustainability targets. This programme aims to achieve further year-on-year reductions in energy, water and waste, with a renewed focus on achieving both greater operational efficiencies in our day-to-day operations, as well as the continued roll out of our sustainability projects.

Human capital and transformation – our labour turnover rate has normalised and we are focused on driving initiatives aimed at improving lower-scoring aspects of employee engagement based on feedback from the survey conducted in FY 2022. For FY 2024, we intend to continue our focus on employee wellbeing. We also intend to advance DEI and belonging with a sharp focus on middle management, as this level provides a pipeline of talent for senior leadership levels. We will also continue to support inclusive economic growth, entrepreneurship and employment creation by promoting greater inclusion of small, medium and micro enterprises (SMMEs) in our supply chain. Targets will drive increased procurement spend with EMEs and QSEs as a percentage of our total procurement spend.

Minimum shareholding requirements

Netcare executives are required to hold shares in the company and retain vested shares awarded under the SIP to ensure alignment between the interests of executives and shareholders. These minimum shareholding requirements (MSR) have been benchmarked against our peers.

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

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

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

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

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

Executives may use personal investment shares or committed shares to satisfy the target minimum shareholding. Once the target minimum shareholding has been achieved, we expect executives to maintain their level of shareholding until termination of employment.

Malus and clawback

The Remuneration Committee confirms that the malus and clawback clauses of Netcare's remuneration policy, approved in FY 2019/20, are as set out below.

Malus (pre-vesting)

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

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

Clawback (post-vesting)

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

Fair and responsible employee remuneration

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

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

The 17th World Economic Forum's Global Gender Gap Report (2022) confirmed that women in SA earn between 23% and 35% less than men on average. The joint report published by the International Labour Organisation and the World Health Organisation (2022) further confirms that women earn between 20% to 24% less than men in the healthcare sector despite constituting 67% of the global health and care workforce. Netcare is a gender empowered organisation with 81% of our workforce being women. Consequently, female earnings range between 8% to 25% higher than men in roles below junior management level, and marginally higher than men at junior management level. Men earn between 7% and 10% higher than women at senior and middle management levels, respectively.

In considering King IV™ Principle 14 on remuneration governance, the global challenge of income gaps between the highest and the lowest earners, and the social inequalities in SA as one of the most unequal societies in the world, we have implemented the measures below to progressively narrow the gap.

Pay measures to narrow the income gap

- Our minimum wage is 50% above the legislated national minimum wage.

Rate of pay per hour (Rand)

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

Part 3: Implementation report

Subject to non-binding advisory vote at the AGM to be held on 2 February 2024

This section describes the implementation of the remuneration policy in FY 2023.

We report on the inflation-linked increases in guaranteed packages, the performance outcome of the FY 2023 BSC and the total single incentive approved for executive directors and prescribed officers. We also disclose total figure remuneration and provide a schedule of the forfeitable shares held by executive directors and prescribed officers in line with the applicable requirements of King IV™. We conclude with the remuneration of non-executive directors as required by the Companies Act and King IV™.

Annual increases

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

BSC performance for FY 2023

The setting of appropriate financial targets for FY 2023 was made against a background of a more stable operating environment after two and a half years under pandemic conditions. For the first time since March 2020, we anticipated a minimal impact from COVID-19 on our ability to operate, allowing the business to return to pre-pandemic levels of activity. Unfortunately, we did not foresee the collapse of electricity supply and the significant cost impact of load shedding. Despite this, the Group was able to deliver solid improvement in EBITDA, positive operating leverage and expanded EBITDA margins. ROIC, devastated by the impact of COVID-19, recovered to 10.8% from 8.8%, although it remained below historical levels due to the lingering impacts of COVID-19 as well as strategic costs related to implementing the Group's strategic imperatives.

Importantly, the financial growth targets achieved for FY 2023 were largely organic.

We also set ourselves key deliverables in relation to our digital strategic projects, consistency of care, environmental sustainability and our people and transformation objectives. These deliverables were largely achieved, providing a sound platform for performance in FY 2024.

Extracts from the integrated reporting suite continued

Group BSC for FY 2023

	Measure	Weighting	Threshold	On-target	Outperform	Achieved	Score
Financial results 60%	EBITDA margin – growth on FY 2022	**15.0%**	FY 2022 + 0.5% 16.7%	FY 2022 + 1.0% 17.2%	FY 2022 + 1.5% 17.7%	17.4%	**18.0%**
	Adjusted HEPS – growth on FY 2022 (cents)	**15.0%**	FY 2022 + CPI + GDP + 5.0% 93.6	FY 2022 + CPI + GDP + 10.0% 97.8	FY 2022 + CPI + GDP + 15.0% 101.9	105.7	**22.5%**
	ROIC (measured over a two-year period i.e. FY 2022 and FY 2023)	**15.0%**	WACC – 2.5% 8.8%	WACC – 1.5% 9.8%	WACC 11.3%	9.8%	**15.0%**
	Cash conversion (measured over a two-year period i.e. FY 2022 and FY 2023)	**15.0%**	100.0%	105.0%	110.0%	106.2%	**16.8%**
Consistency of care 10%	**Patient experience:** continued improvement in the nurse compassion score of the PFS for the Hospital Division	**5.0%**	8.16	8.26	8.36	8.18	**3.0%**
	Doctor engagement: improved likelihood of doctor recommendation of Netcare as the workplace of choice	**2.5%**	7.65	7.75	7.95	6.99	**0.0%**
	Specialists: gross number of new specialists granted admitting privileges in the Hospital Division	**2.5%**	75	80	85	143	**3.8%**
Digitisation 10%	**CareOn EMRs:** additional number of beds in the Hospital Division linked to CareOn by September 2023	**5.0%**	3 354	3 554	3 817	3 817	**7.5%**
	CareOn adoption by doctors: adoption of e-scripts	**2.5%**	75.0%	80.0%	85.0%	82.4%	**3.1%**
	CareOn adoption by doctors: adoption of clinical orders	**2.5%**	75.0%	80.0%	82.5%	76.5%	**1.6%**
Environmental sustainability 10%	**Energy efficiency:** additional year-on-year tCO_2e avoidance as a result of energy efficiency projects implemented	**3.0%**	923	1 026	1 077	1 324	**4.5%**
	Renewable energy: additional year-on-year tCO_2e avoided as a result of renewable energy generated	**3.0%**	965	1 072	1 126	1 081	**3.3%**
	Water savings: reduction in overall water consumption per bed in use in the Hospital Division	**2.0%**	1.5%	3.0%	5.0%	8.0%	**3.0%**
	General waste: reduction in waste to landfill as % of Hospital Division general waste	**1.0%**	35.0%	40.0%	50.0%	44.0%	**1.2%**
	HCRW: reduction in HCRW to landfill as % of Hospital Division HCRW	**1.0%**	6.3%	6.9%	7.2%	9.3%	**1.5%**
Human capital and transformation 10%	**Preferential procurement:** improved procurement spend with ≥30% black women-owned enterprises, ≥51% black-owned enterprises, EMEs and QSEs with overall improvement on procurement rating as % of points available for procurement on the B-BBEE scorecard	**5.0%**	86.0%	89.0%	93.0%	90.0%	**5.6%**
	Employee retention: reduction in voluntary labour turnover	**2.5%**	14.8%	14.0%	13.8%	11.5%	**3.8%**
	Management diversity and inclusivity: increase in overall representation of black managers at middle management as a % of all middle managers	**2.5%**	55.0%	56.5%	58.0%	57.5%	**3.3%**
		100.0%					**117.5%**

Financial targets

Our financial performance for FY 2023 demonstrated continued recovery as the operating environment normalises. Improved occupancy and cost efficiencies drove robust operating leverage. EBITDA ended at R4 115 million, an improvement of 17.7% on the prior year of R3 496 million. Normalised EBITDA margin strengthened to 17.4% from 16.2% in the prior year. Adjusted HEPS for FY 2023 ended at 105.7 cents, a 27.0% increase on the prior year's 83.2 cents. Cash conversion of 100.5% was achieved in FY 2023 and 106.2% for the two-year average across FY 2022 and FY 2023. ROIC improved to 10.8% for FY 2023 compared to 8.8% reported in the prior financial year, converting to a two-year average of 9.8%.

	FY 2019	FY 2020	FY 2021	FY 2022	**FY 2023**
ROIC	20.1%	5.6%	7.9%	8.8%	**10.8%**
WACC	11.4%	11.0%	10.7%	10.7%	**11.9%**

ROIC, which was comfortably in excess of WACC prior to COVID-19, dropped significantly during the pandemic, as was the case with many listed peers. While ROIC for the current year remains below the medium-term target range, it has improved from 7.9% in FY 2021 to 10.8% in FY 2023 and is expected to improve further in FY 2024, as reflected in the FY 2024 scorecard with the minimum threshold equal to WACC and on-target performance of WACC + 0.5%.

It is important to note that, in addition to the impact of COVID-19, strategic costs are not added back when calculating ROIC or other financial metrics included in the scorecard. These operational strategic costs of R258 million for FY 2023 (FY 2022: R249 million; FY 2021: R172 million) have weighed on our margins, earnings and ROIC. The estimated impact of these costs on ROIC was 1.0% in both FY 2022 and FY 2023.

The SIP was approved at the 2022 AGM and applied for the first time during FY 2022. It was necessary to set targets that factored in the adverse impacts of COVID-19 conditions on the FY 2022 results. However, recognising that trading conditions would normalise in the medium term, an improved financial performance was anticipated in FY 2023 and beyond. Accordingly, medium-term performance target ranges were published as set out below.

	Medium-term target			
Measure	**Lower threshold**	**Upper threshold**	**FY 2023 result**	**Outcome**
EBITDA margin (%)	FY 2022 + 2.5% 17.1%	FY 2022 + 4.0% 18.6%	17.4%	Achieved
Adjusted HEPS (cents)	FY 2022 CPI + GDP + 5.0% 70.3 cents	FY 2022 CPI + GDP + 10.0% 73.4 cents	105.7	Achieved
ROIC (%)	WACC + 2.0% 12.7%	WACC + 4.0% 14.7%	9.8%[1]	Not yet achieved
Cash conversion (%)	90%	110%	106.2%[1]	Achieved

1. Measured over two-year period (i.e. FY 2022 and FY 2023).

The medium-term performance targets translated into the ranges reflected in the table above, based on the WACC and forecasts of EBITDA margin, adjusted HEPS, CPI and GDP at the time of publishing the targets. The FY 2023 results achieved or exceeded these targets for EBITDA margin, adjusted HEPS and cash conversion. While ROIC remains below the medium-term target range, it has shown steady improvement from 7.9% in FY 2021 to 8.8% in FY 2022, increasing to 10.8% in FY 2023. Further improvements in ROIC are anticipated in FY 2024, such that the minimum threshold requires ROIC to meet WACC (which has subsequently increased from 10.7% in FY 2022 to 12.3% for FY 2024), with an on-target metric of WACC + 0.5%.

Strategic non-financial targets

The Group made excellent progress in driving the strategic non-financial priorities that operationalise Netcare's long-term strategy across our entire ecosystem. These will continue to position Netcare well to benefit from the long-term dynamics that drive healthcare demand. Below is a summary of achievements, with further details available in the integrated and ESG reports.

- **Consistency of care:** clinical performance and patient experience measures in FY 2023 demonstrated our commitment to providing the best and safest care to our patients. We continued to measure the impact of compassion displayed by our care teams in patient feedback surveys across our ecosystem, with the metric for the Hospital Division exceeding the threshold in FY 2023. We outperformed our target on admitting privileges granted to doctors, at our facilities. Our patient feedback data indicate that the top reason for patients seeking care at our facilities is linked to where their doctor of choice practices. We fell short of our doctor engagement target, measured in our doctor engagement survey. A focused strategy is in place to improve doctor engagement in FY 2024.

- **Digitisation:** we achieved excellent progress rolling out our EMR projects across our divisions with CareOn now implemented in 38 hospitals with an additional 3 817 beds digitised in FY 2023. We also achieved our targets for doctor adoption of e-scripts at 82.4% against a target of 80.0%, and exceeded the threshold target for doctor adoption of clinical orders. While these adoption results are pleasing, they demonstrate that doctor adoption continues to demand our attention. Consequently, this remains a key area of focus for FY 2024 and beyond.

- **Environmental sustainability:** we set targets to further reduce our carbon emissions, water consumption and waste generation across all our facilities in relation to both our FY 2023 and FY 2030 environmental sustainability goals. We achieved all targets, reaching stretched targets in three of the five goals, being additional savings derived from energy efficiency projects, reduction of overall water consumption per bed in use for hospitals and lowering HCRW waste to landfill in the Hospital Division.

- **Human capital and transformation of society:** despite the high demand and low supply of skilled workers in our sector, we reduced voluntary labour turnover to 11.5% from 14.8% in FY 2022 and 15.9% in FY 2021. Enhancing DEI and belonging remain priorities. We improved the representation of black managers at middle management to 57.5% against a target of 56.5%. We also exceeded the Department of Trade, Industry and Competition (dtic) thresholds on preferential procurement spend with ≥51% black-owned suppliers, achieving 52.0% (R6.6 billion) of measurable spend (dtic target: 50.0%). Procurement spend on black women-owned suppliers grew to 32.3% (R4.1 billion) of measurable spend (dtic target: 12.0%). We spent R1.2 billion (9.4%) of measurable spend on QSEs.

Group performance outcome

The Group achieved an overall performance score of 117.5% against the maximum 150.0% possible for outperformance. This qualified for payment of the SIP, inclusive of catch-up awards and the cost of the second year of deferred shares from FY 2022 performance, equivalent to 8.3% of EBIT. Excluding the catch-up awards, the SIP incentive amounted to 6.5% of EBIT.

The performance scores relating to the financial results are extracted from the audited annual financial statements on which Deloitte & Touche has issued an unmodified audit opinion. GCX independently verified our carbon emissions declarations and Empowerdex verified our B-BBEE scores.

Remuneration of executive directors and prescribed officers for FY 2023

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

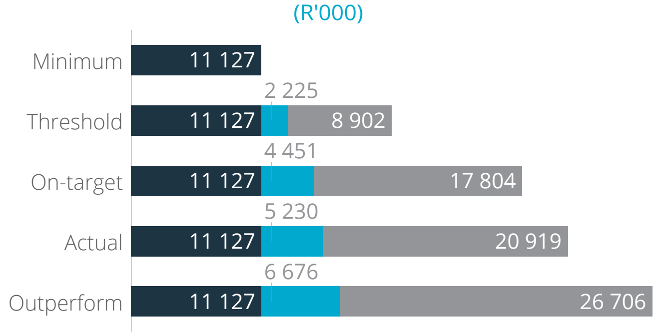
Annual CTC × On-target % × Performance multiplier 0% – 150% = Annual single incentive

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

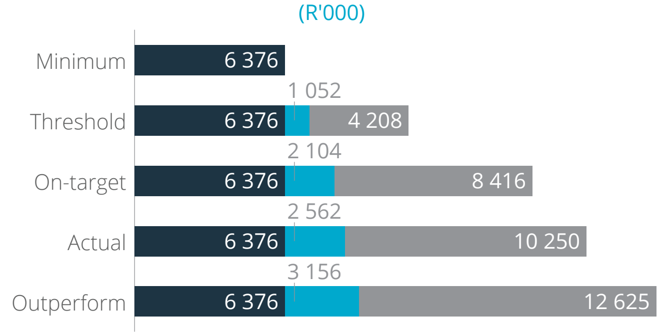
Name	Annual CTC (R)	On-target	Performance multiplier	Annual single incentive (R)	% Cash	Cash (R)	% Shares	Shares (R)	Vesting period
RH Friedland	11 127 306	200.00%	117.50%	26 149 169	20%	5 229 834	80%	20 919 335	5 years
KN Gibson	6 376 073	165.00%	121.78%	12 811 888	20%	2 562 377	80%	10 249 511	5 years
J du Plessis	5 419 925	165.00%	126.54%	11 316 316	20%	2 263 263	80%	9 053 053	5 years
T Akaloo	4 045 610	125.00%	104.50%	5 284 578	20%	1 056 916	80%	4 227 662	5 years
MFS Da Costa	4 995 783	125.00%	117.50%	7 337 556	20%	1 467 511	80%	5 870 045	5 years
CE Grindell	4 379 663	125.00%	120.90%	6 618 765	20%	1 323 753	80%	5 295 012	5 years
WN van der Merwe	4 542 025	125.00%	120.66%	6 850 509	20%	1 370 102	80%	5 480 407	5 years

Pay mix for the executive directors and prescribed officers as a percentage of guaranteed package

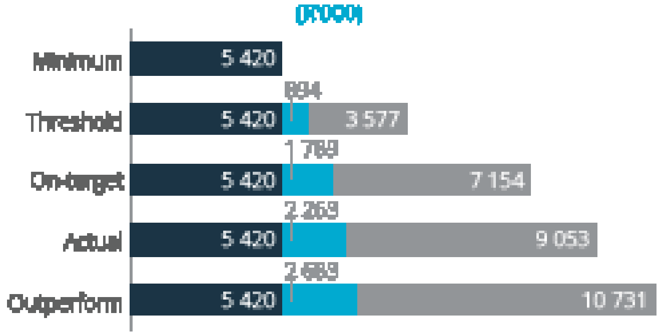
CEO
(R'000)



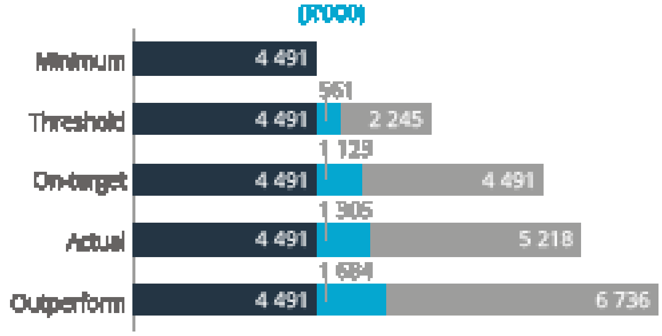
CFO
(R'000)



Managing director: Hospital division
(R'000)



Other members of the executive committee (average)
(R'000)



■ Guaranteed package ■ Single incentive cash ■ Single incentive deferred shares

Total single-figure remuneration of executive directors and prescribed officers

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

Remuneration of executive directors and prescribed officers for FY 2023

	Annual guaranteed package			Single incentive			Total	Incentive paid in 2023	
Rand	Salary and benefits	Retirement fund savings and contributions	**Guaranteed package**	Cash portion	Deferred share portion	**Total single incentive**	**Total single-figure remune-ration**	Incentive paid in cash	Incentive paid in deferred shares
Executive directors									
RH Friedland	10 907 442	577 116	**11 484 558**	5 229 834	20 919 335	**26 149 169**	**37 633 727**	5 229 834	20 919 335
KN Gibson	6 052 367	343 407	**6 395 774**	2 562 377	10 249 511	**12 811 888**	**19 207 662**	2 562 377	10 249 511
	16 959 809	920 523	**17 880 332**	7 792 211	31 168 846	**38 961 057**	**56 841 389**	7 792 211	31 168 846
Prescribed officers									
T Akaloo	3 830 143	227 874	**4 058 017**	1 056 916	4 227 662	**5 284 578**	**9 342 595**	1 056 916	4 227 662
MFS Da Costa	4 735 686	260 097	**4 995 783**	1 467 511	5 870 045	**7 337 556**	**12 333 339**	1 467 511	5 870 045
J du Plessis	5 156 920	279 022	**5 435 942**	2 263 263	9 053 053	**11 316 316**	**16 752 258**	2 263 263	9 053 053
CE Grindell	4 155 114	245 206	**4 400 320**	1 323 753	5 295 012	**6 618 765**	**11 019 085**	1 323 753	5 295 012
WN van der Merwe	4 310 090	245 452	**4 555 542**	1 370 102	5 480 407	**6 850 509**	**11 406 051**	1 370 102	5 480 407
	22 187 953	1 257 651	**23 445 604**	7 481 545	29 926 179	**37 407 724**	**60 853 328**	7 481 545	29 926 179

Remuneration of executive directors and prescribed officers for FY 2022

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

Single Incentive Plan

The following deferred shares were held by executive directors and prescribed officers at 30 September 2023.

Number of deferred shares	Grant date	1 Oct 2022	Granted	Shares forfeited during the year	Exercised (sold and retained)	30 Sep 2023
Executive directors	5 December 2022					
RH Friedland		–	1 584 514	–	–	**1 584 514**
KN Gibson		–	686 889	–	–	**686 889**
Prescribed officers						
T Akaloo		–	308 424	–	–	**308 424**
MFS Da Costa		–	440 839	–	–	**440 839**
J du Plessis		–	607 448	–	–	**607 448**
CE Grindell		–	341 529	–	–	**341 529**
WN van der Merwe		–	391 433	–	–	**391 433**
		–	4 361 076	–	–	**4 361 076**

Health Partners For Life

The following share options were held by directors and prescribed officers at 30 September 2023.

Number of options	Grant date	1 October 2022	Exercised	30 September 2023
Executive directors				
KN Gibson	2 Oct 2006	1 041	–	**1 041**
Weighted average exercise price		12.34		**12.34**
Prescribed officers				
CE Grindell	25 Oct 2006	1 200	–	**1 200**
Weighted average exercise price		6.42		**6.42**
		2 241	–	**2 241**

No share options were granted in FY 2023 (FY 2022: nil).

A total of 2 241 Health Partners For Life share options had vested as at 30 September 2023 (FY 2022: 2 241).

Non-executive director remuneration

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

Extracts from the integrated reporting suite continued

Board and governance committee meeting attendance

The table below outlines the number of Board meetings and committee meetings held as per the Memorandum of Incorporation. In addition, various additional or ad hoc meetings were held during FY 2023 to support and provide counsel to the executive team.

Director	Board		Audit		Risk		Nomination[1]		Remuneration		Consistency of care		Social and ethics	
M Bower	C[10]	4/4	M/C[12]	3/3	M	2/2	C[10]	1/1	M/C[13]	2/2			M	2/2
T Brewer[2]	C[11]	1/1			M	1/1	C[11]		M	1/1			M	1/1
B Bulo	M	4/4	M/C[12]	3/3	C	2/2					M	2/2		
R Friedland	M	4/4	B		M	2/2	B		B		M	2/2	M	3/3
K Gibson	M	4/4	B		B									
L Human	M	4/4			M	2/2	M	1/1	M	1/1	M/C[14]	2/2		
I Kirk[3]	M	3/3												
D Kneale[4]	M	1/1	M	1/1	M	1/1			C[13]	1/1				
M Kuscus[5]	M	1/1			M	1/1					C[14]	1/1	M	1/1
T Leoka[6]	M	2/2	M	1/1	M	1/1							M	1/1
A Maditse[7]	M	1/1											M	1/1
K Moroka[8]	M	1/1											C[15]	1/1
R Phillips	M	4/4					M	1/1			M	2/2	M/C[16]	3/3
L Stephens[9]	M	3/3	M	2/2					M	1/1				

C – chair
M – member
B – attendance by invitation

1. *Nomination Committee – several ad hoc meetings were held regarding CEO succession.*

Members

2. *T Brewer resigned effective 31 December 2022.*
3. *I Kirk appointed effective 1 January 2023.*
4. *D Kneale retired effective 3 February 2023.*
5. *M Kuscus retired effective 31 December 2022.*
6. *T Leoka resigned effective 8 March 2023.*
7. *A Maditse appointed effective 7 June 2023.*
8. *K Moroka retired effective 31 December 2022.*
9. *L Stephens appointed effective 1 January 2023.*

Chairpersons

10. *M Bower assumed the role of chair effective 1 January 2023.*
11. *T Brewer resigned as chair effective 31 December 2022.*
12. *B Bulo appointed chair of the Audit committee effective 1 March 2023 assuming the role of chair from M Bower.*
13. *D Kneale retired effective 3 February 2023 and M Bower assumed the role of chair.*
14. *M Kuscus retired effective 31 December 2022 and L Human assumed the role of chair.*
15. *K Moroka retired effective 31 December 2022.*
16. *R Phillips appointed chair of the Social and Ethics Committee 1 January 2023.*

Fees paid to non-executive directors

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

R'000	Board	Audit	Nomination	Risk	Remuneration	Social and ethics	Consistency of care	Finance and investment	**2023 total**	2022 total
M Bower	1 236	201	134	144	186	95		294	**2 290**	1 452
T Brewer	355		44	36	31	31		85	**582**	2 159
B Bulo	685	245		174			186	211	**1 501**	1 243
L Human	685		126	144	126		223		**1 304**	1 133
I Kirk	513								**513**	–
D Kneale	228	59	43		68				**398**	1 185
M Kuscus	171			36		31	59		**297**	1 182
T Leoka	342	89		88		63			**582**	809
A Maditse	228					42			**270**	–
K Moroka	171		31			45			**247**	990
R Phillips	685		94			165	187		**1 131**	746
L Stephens	513	134			95				**742**	–
Total	5 812	728	472	622	506	472	655	590	**9 857**	10 899

Proposed non-executive directors' fees

The Remuneration Committee has proposed a variable increase in non-executive directors' fees (exclusive of VAT) for FY 2024.

The increases remain subject to shareholder approval at the AGM to be held on 2 February 2024. The fees that have been adjusted have been referenced accordingly, and the balance remain at current levels.

PWC benchmarked non-executive directors' fees in FY 2022, with the following comparators used:

- Publicly disclosed non-executive director fees for a comparator group of companies listed on the JSE.
- Quartile benchmarks to ensure that accurate data is provided.

Based on the findings of the PWC benchmarking, the following fee adjustments are being tabled for approval by shareholders at the 2024 AGM.

Proposed non-executive director fees

R'000	Proposed 2024	% Increase	Actual 2023
Board			
Chair	**1 491**	5%	1 420
Member	**685**	0%	685
Audit Committee			
Chair	**281**	5%	268
Member	**188**	5%	179
Nomination Committee			
Chair	**188**	5%	179
Member	**132**	5%	126
Risk Committee			
Chair	**215**	5%	205
Member	**151**	5%	144
Remuneration Committee			
Chair	**216**	5%	206
Member	**132**	5%	126
Social and Ethics Committee			
Chair	**188**	5%	179
Member	**126**	0%	126
Consistency of Care Committee			
Chair	**247**	5%	235
Member	**195**	5%	186
Payable per meeting			
Ad hoc committees (including the Finance and Investment Committee)	**44**	5%	42

Note: values exclude VAT.

Extracts from the integrated reporting suite continued

Extract 2 Analysis of shareholders

Extracted from audited consolidated and separate annual financial statements

Shareholder analysis

	Number of shareholders	Percentage of shareholders	Number of shares in issue[1]	Percentage of issued share capital
Shareholder spread				
1 – 1 000	16 789	56.50	**2 601 389**	0.20
1 001 – 50 000	11 805	39.74	**87 758 961**	6.72
50 001 – 100 000	367	1.24	**26 161 638**	2.00
100 001 – 10 000 000	733	2.47	**635 608 679**	48.68
10 000 001 and above	14	0.05	**553 431 817**	42.39
Total	29 708	100.00	**1 305 562 484**	100.00
Distribution of shareholders per category				
Individuals	25 311	85.20	**84 357 413**	6.46
Private companies	548	1.84	**21 337 210**	1.63
Nominees and trusts	1 636	5.51	**28 577 502**	2.19
Banks and brokerage firms	57	0.19	**65 197 801**	4.99
Sovereign wealth funds	9	0.03	**16 633 605**	1.27
Insurance companies	94	0.32	**65 482 626**	5.02
Pension funds and medical aid schemes	1 514	5.10	**473 423 477**	36.26
Collective investment schemes and mutual funds	539	1.81	**550 552 850**	42.17
Total	29 708	100.00	**1 305 562 484**	100.00
Public and non-public shareholdings				
Public	29 706	99.99	**1 304 767 798**	99.94
Non-public	2	0.01	**794 686**	0.06
Total	29 708	100.00	**1 305 562 484**	100.00

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

	Number of shares in issue[1]	Percentage of issued share capital
Beneficial shareholders holding 5% or more		
Public Investment Corporation on behalf of Government Employee Pension Fund[2]	**350 436 896**	26.84
Capital Research Global Investors on behalf of American Funds SMALLCAP World Fund	**73 590 762**	5.64
Total	**424 027 658**	32.48
Investment manager Top 10		
Public Investment Corporation (SOC) Limited	**282 777 259**	21.66
Ninety One SA (Pty) Limited	**94 599 353**	7.25
Capital Research Global Investors	**82 408 850**	6.31
Templeton Asset Management Limited	**75 104 453**	5.75
The Vanguard Group, Inc.	**55 751 852**	4.27
Old Mutual Investment Group (South Africa) (Pty) Limited	**53 421 150**	4.09
Schroder Investment Management Limited (SIM)	**40 212 107**	3.08
Mergence Investment Managers (Pty) Limited	**33 324 340**	2.55
Wellington Management Company, LLP	**27 142 317**	2.08
Foord Asset Management (Pty) Limited	**25 923 994**	1.99
Total	**770 665 675**	59.03
Beneficial owner Top 10		
Public Investment Corporation (SOC) Limited	**342 795 422**	26.26
American Funds SMALLCAP World fund	**73 590 762**	5.64
Alexander Forbes Investments Solution Limited	**29 499 752**	2.26
Old Mutual Life Assurance Company SA	**24 610 476**	1.89
Templeton Emerging Markets Investment Trust Plc	**23 809 698**	1.82
Eskom Pension and Provident Fund	**23 552 207**	1.80
Vanguard Emerging Markets Stock Index Fund (US)	**19 813 625**	1.52
Vanguard Total International Stock Index Fund	**19 571 106**	1.50
Hartford International Value Fund	**16 344 802**	1.25
Templeton Developing Market Trust	**10 545 093**	0.81
Total	**584 132 943**	44.74
Geographic ownership		
South Africa	**912 359 782**	69.88
International	**393 202 702**	30.12
Total	**1 305 562 484**	100.00

1. Number of shares in issue net of treasury shares.
2. As the treasury shares held by the HPFL B-BBEE scheme carry voting rights, the effective voting power of the Government Employee Pension Fund is 25.2%.

Extract 3 Ordinary share capital

Extracted from audited consolidated and separate annual financial statements

Ordinary share capital

Number of shares (million)	2023	2022
Authorised		
Ordinary shares of no par value	**2 500**	2 500
Issued		
Shares in issue at beginning and end of year	**1 439**	1 439
Treasury shares		
Treasury shares at beginning of year	**(101)**	(102)
Purchase of treasury shares	**(37)**	(2)
Sale of treasury shares	**4**	3
Treasury shares at end of year	**(134)**	(101)
Total issued ordinary shares (net of treasury shares)	**1 305**	1 338
Treasury shares are held as follows:		
Health Partners For Life B-BBEE Trusts	**96**	96
Single Incentive Plan	**14**	2
Forfeitable Share Plan	**–**	3
Other	**24**	–
	134	101

Rm	2023	2022
Issued ordinary share capital		
Balance at beginning and end of year	**4 297**	4 297

Extract 4 Directors' responsibility and approval

Extracted from audited consolidated and separate annual financial statements

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) as issued by the International Accounting Standards Board (IASB) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the requirements of the South African Companies Act, No 71 of 2008, as amended (the Companies Act), and the Johannesburg Stock Exchange (JSE) Listings Requirements in line with the accounting policies of the Group, which are supported by judgements and estimates. The Group's external auditors, Deloitte & Touche, are engaged to express an independent opinion on these financial statements which has been presented on pages 11 to 13[1].

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

The directors are of the opinion that such accounting and administrative control systems have been maintained during the year, and based on information and explanations from management believe that the system of internal control is adequate for ensuring the:
- Reliability and integrity of financial and operating information;
- Adequate safeguarding, verification and accountability of assets against unauthorised use or disposition; and
- Compliance of established systems with policies, procedures, laws and regulations.

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

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

The annual financial statements were approved by the Board of directors on 16 November 2023 and are signed on its behalf by:

MR Bower
Non-executive Board Chair

RH Friedland
Chief Executive Officer

KN Gibson
Chief Financial Officer

Sandton

16 November 2023

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

Extract 5 Directors' interests in Netcare ordinary shares

Extracted from audited consolidated and separate annual financial statements

The beneficial and non-beneficial interests of directors and prescribed officers in the ordinary shares of the Company were:

Number of shares	1 October 2022	Shares acquired	Disposed	30 September 2023	Directly[1]
Executive directors					
RH Friedland	294 957	–	–	**294 957**	**294 957**
KN Gibson	499 729	–	–	**499 729**	**499 729**
Prescribed officers					
MFS Da Costa	81 999	–	–	**81 999**	**81 999**
J du Plessis	115 112	–	–	**115 112**	**115 112**
CE Grindell	66 700	–	–	**66 700**	**66 700**
WN van der Merwe	82 243	–	–	**82 243**	**82 243**
	1 140 740	–	–	**1 140 740**	**1 140 740**

1. The direct shares held are beneficial.

Board of directors

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

Non-executive directors

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

MR (Mark) Bower | 68

Independent Board chair
BCom (Cum Laude), BCompt, BCompt (Hons), CA(SA)
Skills: governance, general business management, global commerce, financial services, human resources, compensation.
Nationality: South African
Appointed: 23 November 2015
Tenure: 8 years
New appointments: appointed chair of the Board and Nomination Committee, and a member of the Social and Ethics Committee, effective 1 January 2023. Also appointed chair of the Remuneration Committee effective 3 February 2023.
Board attendance: 4/4

B (Bukelwa) Bulo | 46

Independent non-executive director
BBusSci Hons, PGDA, CA(SA)
Skills: governance, general business management, investment banking, financial services.
Nationality: South African
Appointed: 23 November 2015
Tenure: 8 years
New appointments: appointed chair of the Audit Committee effective 1 March 2023.
Board attendance: 4/4

L (Lezanne) Human | 54

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

I (Ian) Kirk | 65

Independent non-executive director
CA(SA)
Skills: governance, general business management, global commerce, financial services, strategy consulting, compensation.
Nationality: South African
Appointed: 1 January 2023
Tenure: 9 months
New appointments effective from 1 January 2024[1]: appointed chair of the Risk Committee and a member of the Remuneration Committee.
Board attendance: 3/3

A (Alexander) Maditse | 61

Independent non-executive director
BProc LLM
Skills: governance, general business management, global commerce, investment banking (mergers and acquisitions), legal, compensation.
Nationality: South African
Appointed: 7 June 2023
Tenure: 4 months
New appointments: member of the Social and Ethics and Consistency of Care Committees. Appointed as a member of the Nomination Committee from 1 January 2024[1].
Board attendance: 1/1

Dr R (Roze) Phillips | 53

Independent non-executive director
MBChB, MBA, Dip Future Studies (USB)
Skills: governance, digital/large scale technology implementation, general business management, strategy consulting, human capital (transformation).
Nationality: South African
Appointed: 1 January 2022
Tenure: 2 years
New appointments: appointed chair of the Social and Ethics Committee and a member of the Nomination Committee effective 1 January 2023.
Board attendance: 4/4

Non-executive directors
continued

L (Louisa) Stephens | 47

Independent non-executive director
CA(SA) and chartered director

Skills: governance, general business management, global commerce, investment banking, financial services.

Nationality: South African

Appointed: 1 January 2023

Tenure: 9 months

New appointments: member of the Audit and Remuneration Committees effective 1 January 2023. With effect from the conclusion of the AGM on 2 February 2024, Ms L Stephens will assume the role of chair of the Remuneration Committee[1].

Board attendance: 3/3

Notes
T Brewer and T Leoka resigned 31 December 2022 and 8 March 2023, respectively. M Kuscus and K Moroka retired at the end of 2022, and D Kneale retired from 3 February 2023.
1. As per SENS announcement issued on 20 November 2023.

Executive directors

Dr RH (Richard) Friedland | 61

Chief executive officer
BvSc, MBBCh (Cum Laude), Dip Fin Man, MBA

Skills: governance, healthcare, digital/large scale technology implementation, general business management, global commerce, financial services, human resources, compensation, environmental and sustainability management.

Nationality: South African

Appointed: 15 May 1997

Tenure: 26 years

Board attendance: 4/4

KN (Keith) Gibson | 53

Chief financial officer
BAcc, CA(SA)

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

Nationality: South African

Appointed: 10 November 2011

Tenure: 12 years

Board attendance: 4/4

Shareholders' diary

Annual general meeting	2 February 2024

Reports

Interim results announcement	May
Final results announcement	November

Dividends

Ordinary dividends	Declared	Paid
Interim	May	June
Final	November	January

Preference dividend		
Interim	April	May
Final	October	November

Proxy form

for the year ended 30 September 2023

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

Form of Proxy – for use at the 27th annual general meeting (AGM) of the Company to be held virtually at 10:00 (CAT) on Friday, 2 February 2024.

This Form of Proxy is only for use by:

1. registered shareholders who have not yet dematerialised their shares in the Company; and
2. registered shareholders who have dematerialised their shares in the Company and are registered in their own names in the Company's sub-register*.

This form is to be read in conjunction with the rights extended to shareholders in terms of section 58 of the Companies Act.

I/We (full name)

of (address)

email address | contact number

holding | ordinary shares in the Company,

do hereby appoint | or failing him/her,

or failing them, the chair of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 27th AGM of the Company to be held on Friday, 2 February 2024 at 10:00 (CAT) and at any adjournment or postponement thereof as follows:

Insert X in the appropriate block

	Resolution	**For**	**Against**	**Abstain**
1.	Ordinary resolutions number 1.1 to 1.3: Re-election of directors			
	Ordinary resolution 1.1: L Stephens			
	Ordinary resolution 1.2: R Phillips			
	Ordinary resolution 1.3: A Maditse			
2.	Ordinary resolution number 2: Re-appointment of independent external auditors			
3.	Ordinary resolutions number 3.1 to 3.3: Appointment of Audit Committee members			
	Ordinary resolution 3.1: M Bower			
	Ordinary resolution 3.2: B Bulo (chair)			
	Ordinary resolution 3.3: L Stephens			
4.	Ordinary resolution number 4: Signature of documents			
5.	Non-binding resolution number 1: Approval of the remuneration policy			
6.	Non-binding resolution number 2: Approval of the implementation report			
7.	Special resolution number 1: General authority to repurchase shares			
8.	Special resolution number 2: Approval of non-executive directors' remuneration for the period 1 October 2023 to 30 September 2024			
9.	Special resolution number 3: Financial assistance to related and inter-related companies in terms of sections 44 and 45 of the Companies Act			

Every person present and entitled to vote at the AGM as a shareholder 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 | 2023/2024

Signature | assisted by (if applicable)

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

Please read the notes and instructions overleaf.

Proxy form continued

1. A shareholder may insert the name(s) of one or more proxies (none of whom needs to be a shareholder of the Company) in the space provided, with or without deleting the words 'chair of the meeting'. The person whose name stands first on the proxy form and has not been deleted and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chair of the AGM.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box/boxes provided. Failure to comply with the above will be deemed to authorise the proxy to vote as he/she thinks fit or, where the proxy is the chair, such failure shall be deemed to authorise the chair to vote in favour of the resolutions in respect of all the shareholders' votes exercisable thereat.
3. The completion and lodging of this proxy form shall in no way preclude the shareholder from attending, speaking and voting in person at the AGM to the exclusion of any proxy appointed in terms hereof.
4. Should this proxy form not be completed and/or received in accordance with these notes, the chair may accept or reject it, provided that in respect of this acceptance, the chair is satisfied as to the manner in which the shareholder 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 secretary or waived by the chair of the AGM.
6. Where this proxy form is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.
7. Where shares are held jointly, all joint holders are required to sign.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the Company's transfer secretary.
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 secretary, CTSE Registry Services, Cape Town Stock Exchange, 5th Floor, 68 Albert Road, Woodstock, Cape Town, 7925 or by email: **netcare@4Axregistry.co.za** preferably not later than 48 hours (10:00 (CAT) on Wednesday, 31 January 2024) before the AGM.

Notes

Notes

Disclaimer

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

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

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

NETCARE