



**In November 2007, the JSE announced that Netcare had met the requirements to be included in the 2007 JSE SRI Index. Netcare's corporate responsibility disciplines reflect a commitment to build and sustain the trust of its stakeholders whilst endeavouring to optimise shareholder value in its strategy of meeting the healthcare needs of its markets.**

**Joel Wolpert** *Company Secretary*

A handwritten signature in black ink, appearing to read 'Joel Wolpert', on a white rectangular background.

### **Netcare's corporate governance philosophy**

Netcare approaches corporate governance holistically by applying the Group's strategic decision-making processes to maximise shareholder value, whilst recognising the firm's ultimate purpose of meeting the healthcare needs of the markets in which it operates. The Group acknowledges that in return for its ability to function, it is subject to the rules and constraints of society and stakeholder imperatives. In combining the twin requirements of conformance and performance, the Group strives to maintain the highest standards of discipline, integrity and transparency in supporting an appropriate legal, regulatory and institutional foundation. The Group's objective is to create an organisational culture where sound corporate governance becomes a way of life for each member; this is achieved by embedding the undermentioned practices in Group strategy:

- compliance with the law and adherence to commercial legitimacy;
- fair treatment of employees and business partners;
- responsibility to the environment and the community in which it operates; and
- probity, integrity and business ethics in operational practices.

Netcare's corporate governance target is to engender the organisation's integrity, trust, reputation and accountability to its stakeholders in the fulfilment of its business objectives.

Netcare will continue to demonstrate the link between its corporate governance practices and its role as an enhancer of business prosperity.

## Introduction

Netcare recognises that a company's corporate governance policies form an integral part of the overall strategy by which it intends to meet its commitments to its stakeholders. Within the Netcare business structure, corporate governance is embedded in the organisation's structure, values, policies, processes and systems and is not viewed in isolation as a series of peripheral guidelines on which a company must report simply to meet its regulatory obligations.

Netcare appreciates that the maintenance of the highest standards of corporate governance are necessary to ensure its status as a corporate citizen, and has adopted the "comply or explain" approach in its current and proposed application of corporate governance best practice; we have deliberately avoided the 'box-ticking' approach in assessing our corporate governance strategy and bear in mind the size and complexity of our business as well as the nature of the risks and challenges facing it, whilst recognising the business primacy of value creation as a key driver in corporate performance.

The Netcare Group subscribes to the highest level of corporate governance tenets and processes and is committed to complying with the recommendations contained in the Code of Corporate Practices and Conduct as set out in the second King Report on Corporate Governance for South Africa 2002 ("King II"), most elements of which are either formally or informally in place. In addition, Netcare's Corporate Governance standards are incorporated into the Group's overall balanced scorecard performance appraisal programme.

Netcare complied with the King Code throughout the year ended 30 September 2007, except for the following:

- The Board Chair is not independent (The Chair, whose position became non-executive on 1 March 2005, is a founding shareholder of the Group and his unique skills, experience, competence and business and corporate network are regarded as value adding to Netcare).
- The Audit Committee is chaired by a non-executive director who is the senior partner of the Group's external legal advisers and therefore not independent.
- The Audit Committee does not have a majority of independent non-executive directors.
- The Remuneration Committee does not have a majority of independent non-executive directors and is chaired by a non-executive director who is also the Chair of the Audit Committee.

- The Risk Committee does not have a majority of independent non-executive directors.
- The Nominations Committee is composed of a majority of independent non-executive directors and is not chaired by the Board Chair, but by an independent non-executive director (Board Chair is not independent).

Significant developments planned for the future are:

- a. The elevation of the Transformation Committee to a holding company board committee status being chaired by an independent non-executive director.
- b. The implementation of activities for a new holding company board committee, namely the Quality Assurance and Clinical Risk Audit Committee, also chaired by an independent non-executive director. The formation of this committee was driven by Netcare's recognition of the importance of Clinical Governance in the delivery of its operational objectives.
- c. Augmenting the independence of committee Chairs as necessary.
- d. Implementing a formal board evaluation process.

The Group recognises the dynamic nature of the corporate governance environment and, in applying its corporate governance philosophy, policies and practices, has categorised its approach in terms of the following distinct but related elements, which affirm the correlation between sound corporate governance and profitability:

1. Role and composition of the Board
2. Institutional best practices
3. Audit, accountability and control
4. Communication protocols
5. Business risk management
6. Sustainability and socio-economic responsibility

Netcare is cognisant of the dynamic nature of corporate governance and reviews current and emerging trends in benchmarking the Group's governance systems against local and international best practice.

## Role and composition of the Board

Netcare believes that the composition, attitude and functioning of its Board contribute to its effectiveness in fulfilling its responsibility for the success and prosperity of the Group.

Netcare has a unitary Board structure and the Netcare Board is considered to comprise an appropriate balance of executive and non-executive directors (total Board membership is 13 directors of which four are executive – five of the nine non-executive directors are independent). The classification of directors into executive, non-executive and independent, is reflected on pages 10 and 11.

The following changes occurred in the composition of the Board:

- On 1 September 2007, N Weltman's status changed from executive director to that of non-executive director; and
- On 9 November 2007, Dr R Noach resigned as an executive director with effect from 14 December 2007.

### Board of directors – role and functions

The governance structure of the Group is reflected in the diagram on page 59.

The Board currently comprises nine non-executive and four executive directors. Five of the nine non-executive directors are classifiable as independent.

The Board Chair is a non-executive director.

The diversity of the Netcare Board brings together a wealth of experience and expertise from the directors' broad fields of business activity to ensure the effective leadership of Netcare into the future.

A Board Charter is in place which defines the Board's responsibilities for:

- approving corporate philosophy, vision, mission and ethical values;
- approving strategic plans, operating policies and implementing organisation structure;
- identifying appropriate performance indices;
- monitoring and evaluating performance against plans;
- ensuring compliance with relevant legislation, regulations and corporate policy;

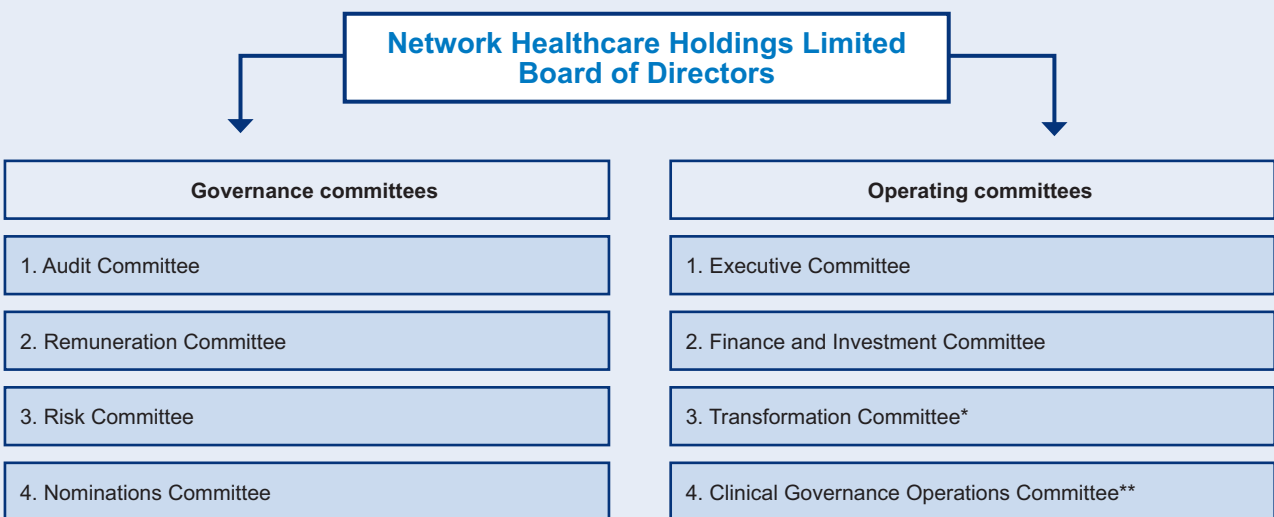
- approving internal and external communication protocols and monitoring relations with shareholders and other stakeholders;
- implementing risk management and internal control;
- establishing appropriate Board committees;
- selecting, monitoring, evaluating and compensating directors and key management personnel;
- succession planning; and
- assessing the Board's own effectiveness.

The Board retains full and effective control over the organisation; decisions on material matters are reserved for the Board. The Board meets at least four times annually and more frequently if circumstances or decisions require it. Standing subcommittees of the Board have been appointed, details of which are set out below, while ad hoc subcommittees are created as and when necessary. The Board has also adopted, and regularly reviews, an authority policy governing the authority delegated to the management of the Group and setting out which matters are retained for decision by the Board.

The Board has unrestricted access to all information, records and documents to enable it to discharge its responsibilities. Information needs of the Board are reviewed and appropriate procedures exist for informing and briefing Board members prior to Board and committee meetings. The Board agenda is designed to focus on strategy and performance monitoring, governance and related matters.

The Board recognises the importance of promoting entrepreneurial flair whilst ensuring conformance with governance and other compliance realities.

No executive director has a service contract exceeding two years. Generally, directors have no fixed term of appointment but retire by rotation every three years and, if available, are considered for re-appointment at the annual general meeting; the CEO is not required to offer himself for re-election.



\*After the financial year end, the Transformation Committee was elevated to a holding company board committee status being chaired by an independent non-executive director (the existing Transformation Committee will continue to operate on a task-force basis).

\*\*A new holding company board committee has been formed, namely the Quality Assurance and Clinical Risk Audit Committee, also chaired by an independent non-executive director. The formation of this committee was driven by Netcare's recognition of the importance of clinical governance in the delivery of its operational objectives.

## Committees of the Board

### Governance committees

#### Audit Committee

##### Members

- HR Levin (Chair) – non-executive director
- Dr APH Jammine – independent non-executive director
- Advocate K Moroka (appointed 9 May 2007) – independent non-executive director
- MI Sacks – non-executive director

##### Terms of reference

- Review of internal and external financial reporting;
- Monitoring internal control systems;
- Management of internal audit processes;
- External audit scope and relationship; and
- Review of compliance with legislation, regulation and internal policies.

For the year under review the committee satisfied all its responsibilities in compliance with its terms of reference.

### Remuneration Committee

##### Members

- HR Levin (Chair) – non-executive director
- Dr APH Jammine – independent non-executive director
- AA Ngcaba (appointed 14 March 2007) – independent non-executive director
- MI Sacks – non-executive director

##### Terms of reference

- Development of remuneration philosophy and strategy for the Group;
- Determination of Group policy regarding executive remuneration;
- Determination of specific remuneration packages for executive directors and senior management; and
- Recommendation, for approval by the Company in general meeting, of fees payable to non-executive directors.

Independent external studies and comparisons are used to ensure that remuneration is market related and is linked to both individual and company performance.

For the year under review the committee satisfied all its responsibilities in compliance with its terms of reference.

## **Risk Committee**

### *Members*

- JM Kahn (Chair) – independent non-executive director
- Dr RH Friedland – executive director
- Professor TR Mokoena (appointed 29 May 2007) – independent non-executive director
- PG Nelson – executive director
- MI Sacks – non-executive director

### *Terms of reference*

- Determination of policy regarding Group risk appetite;
- Identification and assessment of risks facing the Group;
- Determination of nature, role, responsibility, authority and scope of risk management function in the Group;
- Development of procedures to quantify and measure risks; and
- Development of risk mitigation action plans.

For the year under review the committee satisfied all its responsibilities in compliance with its terms of reference.

## **Nominations Committee**

### *Members*

- Dr APH Jammie (Chair) – independent non-executive director
- JM Kahn – independent non-executive director
- MI Sacks – non-executive director

### *Terms of reference*

- Review structure, size and composition of the Board and its committees;
- Evaluate leadership needs of the organisation and succession planning; and
- Identify and nominate candidates for Board appointment.

For the year under review the committee satisfied all its responsibilities in compliance with its terms of reference.

## **Operating committees**

### **Executive Committee (“ExCo”)**

#### *Members*

Directors of Network Healthcare Holdings Limited

- Dr RH Friedland (Chief Executive Officer)
- IM Davis (Group Pharmacy Director)
- Dr VLJ Lithakanyane (Executive Director)
- PG Nelson (Chief Financial Officer)

Group executives (Article 35 of the Company's Articles of Association provides for the appointment of divisional, associate and branch directors)

- E Brannigan (Group Nursing Director)
- M da Costa (Health Policy Director)
- J du Plessis (CEO Primary Care)
- MB Nkosi (Marketing Director)
- P Warrener (Group Human Resources Director)

### *Terms of reference*

- Strategic direction;
- Competitive landscape;
- Business philosophy and practices;
- Human resource management;
- Information systems management;
- Business plans/annual budget;
- Operational policies and procedures;
- Design and monitoring of key performance indicators; and
- Evaluation of performance against targets.

## **Finance and Investment Committee**

### *Members*

- Chair – PG Nelson (Chief Financial Officer)

Membership comprises three executive directors, the non-executive chair and a member of ExCo.

### *Terms of reference*

- Capital raising and administration of banking facilities and relationships;
- Evaluation of acquisitions and capital expenditure;
- Determination of budget parameters;
- Treasury protocol;
- Accounting policies;
- Taxation;
- Dividend policy; and
- Transaction approval frameworks.

## **Transformation Committee**

### *Members*

- Chair – Dr VLJ Lithakanyane (Executive Director)

Membership comprises two executive directors, various ExCo members and other senior managers.

### *Terms of reference*

- Participation in development of Health Sector Charter;
- Implementation of transformation strategies at Netcare;
- Review of BEE legislation/regulations; and
- Liaison with relevant stakeholders regarding BEE targets.

After the financial year end, the Transformation Committee was elevated to a holding company board committee status being chaired by an independent non-executive director (the existing Transformation Committee will continue to operate on a task-force basis).

### Clinical Governance Operations Committee

#### Members

→ Chair – VLJ Litlhakanyane (Executive Director)

Membership comprises various ExCo members and other senior managers.

#### Terms of reference

- Evaluate the impact and effect of the Medico-Legal regulatory environment on the Netcare Group;
- Advise management on Clinical Governance and Medico-Legal matters within Netcare's business units;
- Develop and maintain the strategy for Clinical Governance throughout the Netcare Group; and
- Performance manage the effectiveness of Clinical Governance processes and structures in the Group.

During the financial year, a new holding company Board committee was formed, namely the Quality Assurance and Clinical Risk Audit Committee, also chaired by an independent non-executive director. The formation of this committee was driven by Netcare's recognition of the importance of clinical governance in the delivery of its operational objectives.

### Professional advice

The directors are also entitled, at the Group's expense, to seek professional advice about the affairs of the Group and have unrestricted access to all Company information, records, documents and property.

### Appointment mechanisms

The Nominations Committee considers executive succession planning and makes appropriate recommendations regarding appointments to the Board. This process encompasses an evaluation of the skills, knowledge and experience required to implement Group strategy as well as relevant consideration of transformation imperatives. All recommended appointments are processed in terms of a formal and transparent procedure by the full Board of directors acting within its powers under the Articles of Association.

### Attendance at Board/Committee meetings

during the year ended 30 September 2007

	Board		Audit		Remuneration		Risk		Nominations	
	A	B	A	B	A	B	A	B	A	B
MI Sacks	5 (Note 1)	4 (Note 2)	3	3	3	3	2	2		
IM Davis	5	5								
Dr RH Friedland	5	5					2	2		
Dr APH Jammie	5	5	3	3	3	3	2	2	(Note 1)	
JM Kahn	5	5					2	2		
HR Levin	5	5	3 (Note 1)	3	3 (Note 1)	3				
Dr VLJ Litlhakanyane	5	5								
Professor TR Mokoena	5	5					1	1		
Advocate K Moroka	5	5								
PG Nelson	5	5	3	3			2	2		
AA Ngcaba (Note 2)	5	4								
Dr JA van Rooyen (Note 3)	5	3								
N Weltman	5	5								
Resigned – Dr RN Noach (Note 4)	5	5								

### Notes

- Column A – indicates the number of meetings held during the period the director was a member of the Board and/or Committee  
Column B – indicates the number of meetings attended during the period the director was a member of the Board and/or Committee
1. Committee Chairperson
  2. Absent with apology
  3. Recused from two meetings
  4. Resigned on 9 November 2007 with effect from 14 December 2007

## Institutional best practices

### Company secretary

All directors have access to the advice and services of the Group's Company Secretary who is responsible to the Board.

The Board has unrestricted access to all company information, records, documents and property to enable it to discharge its responsibilities. The information needs of the Board are reviewed annually. Efficient and timely procedures for informing and briefing Board members prior to Board meetings have been developed.

The Company Secretary provides the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company. The Board has empowered the Company Secretary with responsibility for advising the Board, through the chair, on all governance matters. The Company Secretary provides a central source of guidance and advice to the Board and the Company, on matters of ethics and good corporate governance.

The Company Secretary is qualified to perform his duties in accordance with the applicable legislation and is considered by the Board to be fit and proper for the post.

### Closed periods

The Company operates a closed period between its interim and year-end reporting dates and 24 hours after the publication of its interim and final results, and also at times cautionary notices are extant.

During these periods, directors, officers and other designated members of Group management who may have access to price-sensitive information, are precluded from dealing in the Company's shares.

All directors' and designated managers' share dealings require the prior approval of the chair or the CEO.

## Audit and accountability

### Audit Committee

The Audit Committee is responsible for overseeing on behalf of the Board and reporting to the Board on the financial reporting process, the audit thereof, the internal control of the business and its review.

The Audit Committee meets formally three times per annum to consider financial reporting issues and to advise the Board on a range of matters, including corporate governance practices, internal control policies and procedures, and all aspects of internal and external audit. The external auditors attend the Audit Committee meetings and also have unrestricted access to the chairman of the Audit Committee. Fees in respect of non-audit services are reviewed by the Audit Committee.

### Financial statements

The Board is responsible for preparing the annual financial statements and other information presented in reports to shareholders in a manner that fairly presents the state of affairs and results of the Group's business operations. The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing.

The annual financial statements are prepared in terms of International Financial Reporting Standards, the Companies Act and JSE Limited listing requirements.

The annual financial statements are based on appropriate accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates. The Board of Netcare is satisfied that the annual financial statements fairly represent the state of affairs of the Group as at the end of the financial year and the financial performance and cash flows for the financial year.

### Going concern

The financial statements have been prepared on a going concern basis. After making enquiries, the directors have formed a judgement, at the time of approving the annual financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going-concern basis in preparing the annual financial statements.

### Internal control and internal audit

The Board is responsible for ensuring that appropriate internal control systems are maintained to ensure that Group assets are safeguarded and managed, and losses arising from fraud and/or other illegal acts are minimised. Control systems are continually monitored and improved in accordance with generally accepted best practices.

The internal audit department is a function established at Group level, reporting to the Audit Committee, to assist executive management and the Audit Committee in the effective discharge of their respective responsibilities, by means of independent financial, internal control and operational systems reviews.

The Audit Committee ensures that the internal audit function has the necessary resources and access to information to enable it to fulfil its mandate. The Audit Committee:

- ensures that the Head: Group Audit Services has direct access to the Board chairman and to the Audit Committee and is accountable to the Audit Committee;
- reviews and assesses the annual internal audit work plan;
- receives reports on the results of the internal auditor's work on a periodic basis;
- reviews and monitors management's responsiveness to the internal auditor's findings and recommendations; and
- monitors and assesses the role and effectiveness of the internal audit function in the overall context of the Company's risk management framework.

The Board is confident that major business risks are being identified and managed appropriately and that the risk management and internal control framework is operating effectively.

Nothing has come to the attention of the Board of directors to indicate that any material breakdown in the functioning of the Group's internal controls and systems has occurred during the year under review.

### Communication protocols

#### Investor relations

The Board has established an investor relations (IR) unit. Strict protocols are in place to control the nature, scope and frequency of Group communications with analysts, financial institutions and the financial community in general.

The primary goals of the Netcare IR programme are:

- to ensure that the market price of the securities of the Group accurately reflects the values of the assets of that entity and the expectations of future earnings;
- to maintain access to the capital markets at all times and on the most favourable terms possible;
- to maintain the most liquid market possible for the Company's securities under all market conditions; and
- to provide management with information regarding developments in the financial markets that may be of use in formulating the Group's long- and short-term plans.

The major activity of the investor relations unit continues to encompass regular telephonic interaction, meetings and conferences with both local and international analysts and fund managers and the arrangement of periodic site visits. In addition, the Netcare IR website ([www.netcareinvestor.co.za](http://www.netcareinvestor.co.za)) is upgraded frequently to allow for transparent and timeous dissemination of meaningful investor information.

#### Disclosure policy

Netcare is committed to fair disclosure of information to its shareholders, the investment community and the public, while preventing selective disclosure of material, non-public information regarding the Netcare Group. Netcare and its management team believe it is in the Group's best interest to maintain active and open communication with shareholders and potential investors regarding Netcare's historic performance and future prospects. The Company is also aware of its need for confidentiality regarding details of key business and operating strategies.

Netcare will endeavour to periodically and regularly communicate with its shareholders and other members of the investment community about its business operations. Netcare will communicate with the investment community and shareholders only through designated representatives. All new material information will be disseminated via a formal press release and SENS to ensure public disclosure.

In line with corporate governance best practice, Netcare conducts investor communication seminars from time to time, details of which are announced via SENS.

## Stakeholder communication and relationships

The Board considers that regular communication of the Group's activities to stakeholders is essential and endeavours to timeously present information when appropriate. The Board recognises the Company's ongoing obligation regarding the timely disclosure of all relevant information to shareholders coupled with the equal treatment of all shareholders.

The Company adopts a pro-active stance in disseminating appropriate operational information to stakeholders through print and electronic news releases and the statutory publication of the Group's financial performance.

All reports to stakeholders present a comprehensive and objective assessment of the Group so that all relevant stakeholders with legitimate interests in the Group's affairs, operations and conduct, are apprised of a complete, fair and responsible account of its performance and impact.

During closed periods, no communication with the investor community by directors, officers and those designated members of Group management who may have access to price-sensitive information, is permitted.

In line with corporate governance best practice, the Board recognises its responsibility for ensuring that a satisfactory dialogue with shareholders has taken place.

## Business risk management

### Risk management

The Netcare Group considers that risk management is a basic component of its competitive advantage and, in order to achieve this objective, devotes the required effort and resources to ensure that the risks incurred by the Group in the course of its business activities are appropriately identified, measured, valued and managed. The Board, in conjunction with senior executives, is responsible for overall risk management, which is a process of identifying and managing the risk factors across the Group, and the implementation of appropriate systems of internal control to mitigate risks to an acceptable level.

The Board's risk management philosophy incorporates the necessary assurance requirements to satisfy all external stakeholders that the Board understands the business risks facing the Group and is managing them actively, whilst simultaneously integrating risk management in operational decision-making activity and performance. Fundamental risk analysis is incorporated into the formulation of annual

business plans. Risk management practices are incorporated into business operations through control mechanisms, risk awareness training and compliance protocols.

The Group has an independent risk management department which is involved in the implementation and monitoring of processes designed to incorporate a risk management philosophy into the day-to-day activities of the Group. The Risk Management Department ensures that risks are properly controlled, consistent with agreed risk appetite and endeavours to ensure that relevant risk management policies are properly compiled and implemented at each business unit. These policies and procedures include the financing of residual risks as well as self-insurance.

The risk management function is monitored by a Board Risk Committee whose deliberations include consideration of the following factors:

- ➔ the nature and extent of the risks facing the Group;
- ➔ the extent and categories of risk which it regards as acceptable for the Group to bear;
- ➔ the likelihood of the risks concerned materialising;
- ➔ the Group's ability to reduce the incidence and impact on the business of risks that do materialise; and
- ➔ the costs of risk mitigation procedures relative to the benefit thereby obtained in managing the related risks.

The Board Risk Committee formalises and standardises this process by guiding management and assessing their effectiveness on risk management. The required management information and metrics to objectively assess exposure to the key risks are clearly defined and actual performance against these targets are appropriately monitored.

The Group has identified the undermentioned seven major risks as the most significant:

- i. Skill shortages (nursing/medical professionals)
- ii. Industry regulation/legislative/funder regime
- iii. Operational/SAP transition
- iv. Business model/structuring of fee pricing/competitive environment
- v. Brand/medico-legal/reputation
- vi. Impact of HIV/Aids
- vii. Infection control

The Board is satisfied that the Group's risk funding strategy and existing cover are adequate and appropriate in relation to the exposures identified. In addition, the Board has considered

the effectiveness and efficiency of the risk management process, all of which have been corroborated by appropriate compliance reports. Furthermore, in the event of the occurrence of a disastrous incident, there is a documented and tested process in place that will allow the continuity of critical business processes.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group has been in place for the year under review and up to the date of approval of the annual financial statements.

## Sustainability and socio-economic responsibility

### Ethics and corporate culture

The task of helping people find a moral compass in the complex world of business is a challenging one. Achieving this is a key leadership objective of the Netcare Board, which strives to ensure that an ethical, values-based culture is embedded throughout the Group.

The Board ensures that Group executives and personnel uphold the highest ethical standards and nurture the appropriate culture when setting strategic goals. Furthermore, the Group practises its stated values of honesty and integrity in developing its business models. Netcare recognises that profitability is one of the rewards for responsible risk taking.

Netcare recognises that ethics in corporate governance extend beyond the letter of the law or regulation – it robustly embraces the letter and spirit of all these requirements in all aspects of its business operations so as to ensure the application of transparency, accountability and integrity in all its activities.

The Group appreciates the added value from setting high standards which extend to the selection of the Group's business partners and suppliers; in any instance where ethical standards are called into question, the circumstances are investigated and, where necessary, dealt with by an appropriate executive.

The Group is mindful of the professional codes which govern the conduct and ethics of health professionals in South Africa. The Group supports the Health Professions Council of South Africa in all its endeavours to enforce any breaches of its code, its principles and its values.

The Group has implemented a Code of Ethics which incorporates the following tenets of the group's value statement:

- Care
- Dignity
- Participation
- Truth
- Passion

The Board has inculcated the appropriate tone at the top to ensure that the values are practised through all levels of the organisation by ensuring that ethical culture is assumed as part of individual responsibility. In this respect, the Board has endeavoured to balance the formality of structured compliance regimes coupled with the development of a personal integrity culture.

Netcare has a zero tolerance approach to any type of fraudulent activity or non-ethical medical practice; it has made available an anonymous hotline facility (Fraud Line – 0860 fraud 1 (0860 372 831) or email [fraud@netcare.co.za](mailto:fraud@netcare.co.za)) for the purpose of reporting dishonest and unethical behaviour. All calls logged on the hotline are reported to the Audit Committee via the Internal Audit framework.

### Black economic empowerment

Netcare's black economic empowerment (BEE) strategies and performance against the DTI B-BBEE Codes are contained in the BEE report on pages 66 to 69.

### Sustainability review

A sustainability review, detailing the Group's economic, social and environmental performance, is contained on pages 70 to 100.