NMC HEALTH PLC
(the Company)

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE
(approved at a meeting of the board of directors of the Company held on 19 March 2012)

Constitution

1. It is resolved that a committee of the board be established, to be known as the remuneration committee.

Membership

2. The remuneration committee members shall be appointed by the board, on the recommendation of the nomination committee in consultation with the chairman of the remuneration committee, in accordance with the Company's articles of association.

3. The remuneration committee shall comprise a minimum of two members, all of whom shall be independent non-executive directors. The chairman of the board may also serve on the remuneration committee as an additional member if he or she was considered independent on appointment as chairman.

4. The first members of the remuneration committee shall be Mr. Tompkins, Mr. Jewitt, Mr. Meade and Mrs. Lawrence.

5. The chairman of the remuneration committee shall be an independent non-executive director appointed by the board on the recommendation of the nomination committee from among the members of the remuneration committee and shall be Mr. Meade at the date of approval of these terms of reference. In the absence of the chairman of the remuneration committee (and/or an appointed alternate member), the members present at any meeting of the committee shall elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position by the board. The chairman of the board shall not be chairman of the remuneration committee.

6. The chairmen and members shall be listed each year in the annual report of the Company.

7. Each member shall hold office as a committee member for a period of up to two years, which may be extended for additional periods of up to two years, provided the director still meets the criteria for membership of the remuneration committee.

8. If any member of the remuneration committee is unable to act for any reason, the chairman of the remuneration committee may appoint another independent non-executive director of the Company or chairman of the board agreed by the other members of the remuneration committee, to act as that member's alternate.

9. The company secretary or his or her nominee shall be the secretary of the remuneration committee.

Meetings

10. The remuneration committee shall meet at least twice in each year and otherwise as the chairman of the remuneration committee shall require.
11. No one other than the chairman and members of the remuneration committee is entitled to be present at a meeting of the remuneration committee. The chairman and members of the remuneration committee shall, however, have the discretion to decide who else shall be invited to attend for all or part of any meeting, as and when appropriate.

12. The chairman of the company and/or chief executive shall be invited by the remuneration committee to attend meetings to discuss the performance of the other executive directors and to make proposals as necessary. The remuneration committee may consult the other non-executive directors in its evaluation of the chief executive.

13. No director or manager shall be present at any meeting of the remuneration committee when his own remuneration is being discussed. No director shall be involved in any decision as to his own remuneration.

14. The quorum for meetings of the remuneration committee shall be two members present throughout the meeting in person or by telephone. A duly convened meeting of the remuneration committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the remuneration committee.

15. Meetings of the remuneration committee shall be called by the secretary of the remuneration committee at the request of any of its members.

16. Unless otherwise agreed, notice of each meeting of the remuneration committee confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall be forwarded to each member of the remuneration committee and to each other person invited to attend, no later than five working days prior to the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the remuneration committee to all members of it and to arrange such meetings so that members are able to attend them.

17. A member of the remuneration committee may participate in a committee meeting by telephone.

18. In the event of an equality of votes, the chairman of the remuneration committee shall have a casting vote.

19. The secretary of the remuneration committee shall prepare minutes of any meeting of the remuneration committee, which shall include names of those present and in attendance and, after approval and signature by the chairman of the remuneration committee, shall circulate the minutes to all members of the remuneration committee and to the chairman of the board and, once agreed, to all other members of the board, unless it would be inappropriate to do so.

20. The chairman of the remuneration committee shall be available to answer questions about the committee's activities at the annual general meeting of the Company. All members of the remuneration committee shall also attend the annual general meeting.

Duties

21. The remuneration committee shall consult the chairman of the Company and/or chief executive about its proposals relating to the remuneration of other executive directors.
22. The duties of the remuneration committee shall be to:

(a) make recommendations to the board on the company's framework of executive remuneration and its cost giving full consideration to the matters set out in Section D (headed "Remuneration") of, and Schedule A to, the Corporate Governance Code;

(b) determine on the board's behalf the entire individual remuneration packages for each executive director, the chairman and the company secretary and to recommend and monitor the level and structure of remuneration for each senior executive, giving full consideration to the matters set out in Section D (headed "Remuneration") of, and Schedule A to, the Corporate Governance Code, including approving the following in respect of each executive director:

(i) a service contract;

(ii) any benefit pension and/or incentive scheme entitlement;

(iii) any other bonuses, fees and expenses; and

(iv) any compensation payable (including pension contributions) on the termination of a service contract.

The remuneration of non-executive directors shall be a matter for the chairman and executive members of the board.

(c) in relation to each of the following cash bonus and equity incentive plans listed below,

Doctor Performance Incentive Scheme;

Performance Share Plan 2012; and

Share Option Plan 2012

(the Plans) to:

(i) determine policy for the grant of awards/options to executive directors and senior executives of NMC Health plc, to ensure that they are provided with appropriate incentives consistent with the Company's policy as stated in the directors' remuneration report for the Company's last audited financial year, as attached to these terms of reference;

(ii) approve all and any awards/options to executive directors and senior executives, including consideration of the quantum of grants and vesting schedules;

(iii) set appropriate performance targets in connection with the awards and options;

(iv) determine, where appropriate, in conjunction with the Company's auditors, whether such performance targets have been satisfied;

(v) approve any amendments to the Plans prior to obtaining any necessary shareholder approval; and
(vi) exercise any discretion specified in the rules of the Plans and generally oversee the administration of Plans offered to executive directors and/or other senior executives;

(d) consider and review the terms of any new equity plans for executive directors and/or senior executives;

(e) advise on any major changes in employee benefit structures throughout the Company or group which relate to executive directors and senior executives;

(f) liaise with the nomination committee to ensure that the remuneration packages of newly appointed executive directors are within the Company’s overall policy;

(g) be aware of pay and employment conditions of employees within the Company’s group and consider how such pay and employment conditions should be taken into account when determining directors' remuneration;

(h) review human resources policies for employees who are below senior management level, at least once every three years;

(i) consider whether the Company's remuneration strategy is compatible with the Company's risk management policies;

(j) appoint consultants in respect of executive director remuneration and make the terms of reference of such consultants together with a statement of whether they have any other connection with the company, available (by placing it on the company’s website);

(k) make available these terms of reference, explaining its role and the authority delegated to it by the board by including the information on the Company's website; and

(l) consider any other matters as referred to the remuneration committee by the board.

23. The remuneration committee is authorised by the board to investigate any activity within the scope of its duties.

**Reporting responsibilities**

24. The chairman of the remuneration committee shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

25. The remuneration committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

26. The remuneration committee shall assist the board in preparing an annual remuneration report to shareholders for the purposes of, and in accordance with, sections 420 and 421 of the Companies Act 2006 and Schedule 8 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, LR 9.8.8.R of the Listing Rules of the Financial Services Authority and the provisions of the Corporate Governance Code. The report will form part of, or be annexed to, the Company's annual report and accounts and will be put to shareholders for approval at the Annual General Meeting.
Performance, resources and training

27. The remuneration committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

28. The remuneration committee is authorised by the board to obtain inside and outside legal or other professional advice including subject to any budgetary restraints imposed by the board information about remuneration practices elsewhere, at the Company's expense. The remuneration committee may, if it thinks fit, supply to others information about the Company's remuneration practices and, secure the attendance at meetings of outsiders with relevant experience and expertise.

29. The remuneration committee is authorised to seek any information it requires from any employee of the Company or group Company in order to perform its duties.

30. The remuneration committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

31. The remuneration committee shall give due consideration to laws and regulations of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.

32. The remuneration committee shall arrange for periodic reviews of its own performance and, at least annually review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.