NMC Health plc
(the “Company”)

Terms of Reference: Related Party Transactions Committee
as adopted by the board of directors of the Company on 20 August 2019

The Related Party Transactions Committee is established as a committee of the Board. The Related Party Transactions Committee is vested with the authority, powers and duties set out in these Terms of Reference.

1 Definitions
1.1 References to:
the “Board” shall mean the Board of Directors of the Company;
the “Committee” shall mean the Related Party Transactions Committee;
the “Committee Chair” shall mean the chair of the Committee; and
“RPT” shall mean related party transactions.

2 Membership
2.1 The Committee shall comprise at least Four members, comprising of independent non-executive directors and one member nominated by the Chief Executive Officer to represent the Group’s businesses.

2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary, at the invitation of the Committee.

2.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to meet the criteria for membership of the Committee.

2.4 The Board shall appoint the Committee Chair who will be an independent non-executive director.

2.5 In the absence of the Committee Chair, the remaining independent non-executive director members of the Committee present shall elect one of themselves to chair the meeting.

3 Secretary
The company secretary or his or her nominee shall act as the committee secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

4 Quorum
4.1 The quorum necessary for the transaction of business shall be two members both of whom must be independent non-executive directors.

4.2 A duly convened meeting of the 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 Committee.
5 Frequency of Meetings

The Committee shall meet at least twice a year and at such other times as may be required to carry out the duties of the Committee.

6 Notice of Meetings

6.1 Meetings of the Committee shall be called by the Committee Secretary at the request of any of its members, if he or she considers it necessary.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, where possible no later than five working days before the date of the meeting. The Company Secretary should endeavour to send supporting papers for the meeting to Committee members and to other attendees as appropriate, at the same time.

6.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

7 Minutes of Meetings

7.1 The company secretary shall minute the proceedings and resolutions of the Committee, including recording the names of those present and in attendance.

7.2 The company secretary shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee by the company secretary and, once agreed, to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

8 Annual General Meeting

The Committee Chair shall attend the Annual General Meeting of the Company to answer any shareholder questions on the Committee’s activities.

9 Duties

9.1 The Committee shall have the following functions and responsibilities, amongst others:

9.1.1 To evaluate, on an ongoing basis, existing relations between and among Group businesses, principal shareholders and counterparties to ensure that all related parties are continuously identified, RPTs are monitored and subsequent changes in relationships with shareholders and counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in reports to the Board;

9.1.2 To ensure that, following appropriate investigation into the same, appropriate controls and processes are in place across Group companies to identify all RPTs and to oversee the implementation of any system for identifying, monitoring, measuring, controlling and reporting RPTs;

9.1.3 To evaluate all RPTs to ensure that these are not undertaken on more favourable economic terms (e.g. price, omissions, interest rates, fees, tenure and other contractual terms) to such related parties than transactions available with non-related parties under similar circumstances and that no corporate or business resources of the Company or the Company’s Group are misappropriated or misapplied, and to determine any potential
reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating RPTs, the Committee takes into account, amongst other relevant matters, the following:

(a) The related party’s relationship to the Company and interest in the transaction;
(b) The material facts of the RPT or proposed RPT, including the aggregate value of such transaction;
(c) The benefits to the Company and the Group of the RPT;
(d) The availability of other sources of comparable products or services;
(e) The regulatory environment, if any, affecting the terms of the contract between the Company or any Group company and the related party; and
(f) An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

9.1.4 To advise the Board to ensure that appropriate disclosure is made, and/or information is provided to, any regulatory bodies, shareholders and other relevant stakeholders in relation to RPTs;

9.1.5 To appoint independent external advisers to assist the Committee in undertaking its duties and to advise the committee on any relevant aspects of RPTs, or the Group’s policies and framework to monitor RPTs, as the Committee or the independent advisers deem appropriate;

10 Reporting Responsibilities

10.1 The Committee Chair shall report formally to the Board on its proceedings, as appropriate, on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The Committee shall produce a report to be included in the Company’s annual report about its activities.

10.4 Any independent external consultants appointed by the Committee to assist it in undertaking its duties shall be identified in the annual report and a statement made as to whether such consultant has any connection with the Company, individual directors or related parties.

11 Other Matters

The Committee shall:

11.1 have access to sufficient resources in order to carry out its duties, including access to the Group Finance Team for assistance as required;

11.2 Appoint an independent consultant qualified in reviewing the financial, commercial and legal aspects relating to related party transactions, to assist the Committee in undertaking its role;

11.3 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;
11.4 give due consideration to laws and regulations, including the general duties of directors set out in the Companies Act 2006, the provisions of the Code and the requirements of the UK Listing Authority’s Listing, Prospectus and Disclosure and Transparency Rules, Financial Reporting regulations and any other applicable rules, as appropriate; and

11.5 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.

12 Authority

The Committee is authorised by the Board, at the Company’s expense, to:

12.1 seek and obtain outside legal or other independent professional advice on any matters within its terms of reference;

12.2 secure the attendance of other persons at its meetings, as and when considered necessary and appropriate; and

12.3 obtain the advice and assistance of any of the Company’s senior management provided their role in providing such advice and assistance is clearly separated from their role within the business.