MEDICLINIC PROCUREMENT
Policies & Processes

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History

- Mediclinic is a diversified International Private Healthcare Services Group established in 1983.
- Divisions in Switzerland, South Africa, Nambia & the UAE
- Philosophy & Strategy around taking long-term and sustainable growth decisions that support its core business
- The Group's Corporate Strategy provides a framework within which the Company operations are managed
- A remarkably stable management team & focus has been built up over the years

Vision

- Purpose is to enhance the Quality of Life
- Vision is To be the Partner of Choice that people Trust for all their Healthcare needs.
- Values

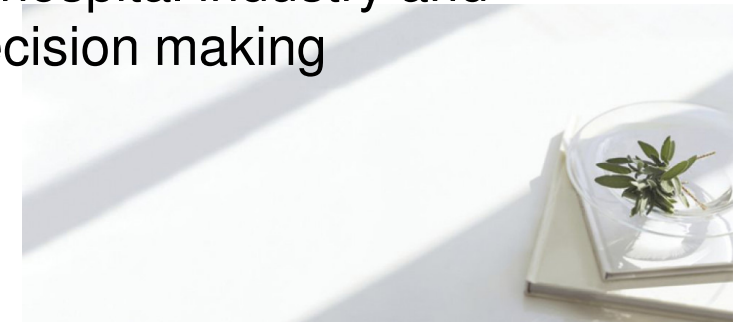
1. Client Centered
2. Trusting and Respectful
3. Patient Safety Focused
4. Performance Driven
5. Team Orientated

Procurement Philosophy

Procurement Philosophy

Mediclinic International Philosophy based on the following principles:

- Underpinned by the Values of the company.
- Support the Mediclinic Vision and Purpose
- Promotes and enhances Standardization
- Equipment & Technology should be appropriate for the intended application. Do not necessarily want the latest technology, but seek cost effective solutions that can meet Local & Group needs
- We are a Long term player in the private hospital industry and normally take a Long Term view in the decision making



Supplier Value

- In providing patient care primarily in an acute hospital setting, the organization is **dependent** on a **large and diverse group of companies** that supply goods, services and capital to the organisation.

- Service delivery from our **suppliers will impact** on the **patient experience at our facilities**

Supplier Relationships

- Ethical Behavior at all times
- Compliance with all applicable laws in all jurisdictions
- Long term partnerships/Contracts are honored
- Mutual trust and respect – such as honoring each others procedures like, payments to suppliers are consistent
- Loyal to our suppliers
- New suppliers/Products – we normally only consider a new supplier once the company has achieved some degree of stability and market share in Southern Africa and if there is a need in that product portfolio(fragmentation)
  - Current Market Forces and other contractual agreements are also considered
  - Operational and Financial Impact of adding to the Vendor & Product database
- We value cooperation
- Gifts, invitations and sponsorships are governed by International principles and policies.

Supplier/Product Selection

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1. **Supplier/Product Compliance & Safety**
   SAHPRA License. Compliance with European (CE) and/or American (FDA) standards.
2. **Product Quality and Functionality**
   We prefer to invest in well established brands.
3. **Price**
   Purchase price and the total cost of ownership.
4. **Guarantee & Liability**
   Minimum guarantee of 12 months, but extended warranties are beneficial and can influence decision making. Suppliers need to have Liability Insurance
5. **Reliability**
   A proven track record of providing reliable products and back up service

Supplier/product Selection

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6. **Stability and Sustainability**

   Do not support brands that often move from one local agent to the next

7. **After sales service and support (Back Office)**

   A proven track record influence decision making - able to support customer service/invoicing etc.

8. **Training and technical advice**

   This aspect is considered to be as important as after sales service and support.

9. **National Network**

   We prefer to do business with suppliers that can provide support on a national scale for our facilities throughout South Africa and Namibia.

10. **BBBEE Status**

    Encourage our existing suppliers to improve their status & to support our vision with regards to transformation.

    Impacts on decision making in numerous avenues but not the only criteria.

New Products

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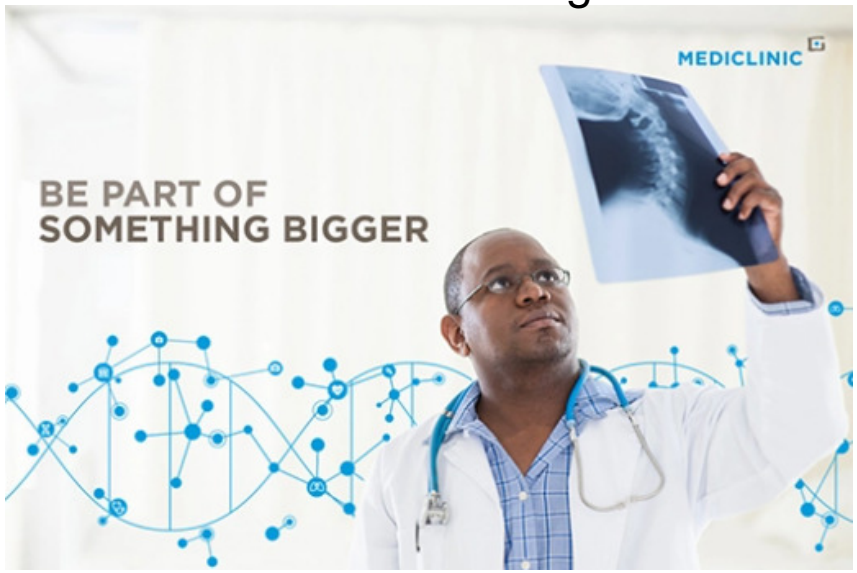
Requirements for New Products & Marketing Approval

- New products (Capital/Consumables/Medical Devices) follow a product assessment process through the procurement department.
- Currently this is managed through our Online Application Portal and has been in existence since 2015.
- Portal is only available to approved vendors
- Applications are assessed in totality against set criteria as a minimum and further to this subject to current procurement & Mediclinic strategies
- Minimum Requirements are shared

  on the portal



New Products

- Registered Mediclinic Supplier
- Valid ISO 13485 Certificate (for Medical Devices)
- Valid CE/FDA Certificate (Depending on Nature of Equipment FDA Approval will be compulsory)
- Approval from funder(s) to cover cost and criteria for re-imbursement
- Electronic brochure of the product/technology
- Valid Document formats are pdf (max size: 2 MB)
- Pricing Proposal
- Capital Equipment also follow this manner

FAQ

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The application is declined, what to I do now?

When an application is declined as a result of the minimum requirements not being met, a new application will need to be submitted should you wish to obtain marketing approval for the product/range.

FAQ...

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Can the outstanding information be emailed through after the application is declined?

We unfortunately do not re-evaluate an application which has been declined thus there is no need to send the omitted information through via email. Should you wish to obtain marketing approval for the product/range, a new application needs to be submitted

FAQ...

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If I resubmit a new application after the first application was declined, does the resubmission take priority or will it follow the queue

The application will not be prioritized and will be reviewed as per normal

This is why it is of utmost importance that the application is complete and the required information is submitted the first time to prevent unnecessary delays & operational inefficiencies on both sides

FAQ...

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Our products are loaded on the Orderwise price files, does this mean that the products are approved for use in the Group?

Marketing approval and the Orderwise price files are two different processes.

It does not mean that a product/range is approved for use if it is available on the price files. The price files are one of the requirements which have to be met in order for an application to be considered for evaluation.

FDA vs CE

- Mediclinic requires FDA approval on medical equipment that is considered high risk
- FDA has a more rigorous quality approval process
- FDA has mandatory reporting requirements to monitor device performance, detect potential device-related safety issues, and contribute to benefit-risk assessments of these products

Use of non-original consumables/accessories on certified equipment

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- In order to preserve the FDA approval & Manufacturer Warranty on various medical equipment, it is required that any non-original consumables or accessories carry a letter of endorsement by the manufacturer. Without this endorsement, the complete equipment will no longer carry the FDA or Manufacturer approval that Mediclinic require.

Equipment that is placed/rented vs. purchased

- All equipment used within Mediclinic facilities must be approved by Mediclinic to ensure that it meets all required quality standards irrespective of who owns the equipment.

In Closing

Mediclinic follows consistent and standardised processes in order to ensure sustainable and cost effective products through sustainable partners enabling the company to provide excellent clinical care and continuously evaluates risk and mitigation steps.

I hope that the information I shared with you today has been valuable to you and that you will consider it to be of strategic importance.

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THANK YOU

QUESTIONS?