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## Notice of AGM



*a dose of care*

# Notice of Annual General Meeting

The full Integrated Report is available on our website at:  
[https://www.adcock.co.za/documents/2020\\_IntReport.pdf](https://www.adcock.co.za/documents/2020_IntReport.pdf)  
or on request from the office of the Company Secretary at no charge.

## ADCOCK INGRAM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

ISIN: ZAE000123436

JSE Share Code: AIP

("Adcock Ingram" or "the Company")

**Board of Directors ("Board"):** Ms L Boyce, Dr S Gumbi, Mr A Hall (CEO), Prof M Haus (Lead Independent Director), Ms B Letsoalo (Executive Director: Human Capital & Transformation), Ms N Madisa, Dr C Manning, Ms D Neethling (CFO), Mr L Ralphs (Chairman), Ms D Ransby, Prof M Sathekege, Mr K Wakeford.

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual General Meeting ("AGM") of shareholders of Adcock Ingram will be held at the Company's premises, 1 New Road, Midrand, Gauteng on Wednesday, 25 November 2020 at 09:00, or at any other adjourned or postponed time determined in accordance with the provisions of section 64(4) or section 64(10) (as read with section 64(11)(a)(i)) of the Companies Act 71 of 2008 ("**Companies Act**").

**This document is important and requires your immediate attention. Your attention is drawn to the notes at the end of this notice, which contain important information regarding shareholders' participation at the AGM. Should you be in any doubt as to what action to take in respect of the proposed resolutions and other matters contemplated in this notice of the AGM or the explanatory notes hereto, we recommend that you consult appropriate professional advisers. For purposes of this notice of the AGM and the explanatory notes hereto, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.**

In terms of section 59(1) of the Companies Act, the Board has set the record dates to determine which shareholders are entitled to:

- a) receive this notice of the AGM as being Friday, 18 September 2020; and
- b) participate in and vote at the AGM as being Friday, 20 November 2020.

The last day to trade in the Company's shares, in order to participate in and vote at the AGM is Tuesday, 17 November 2020.

The meeting is convened to consider and if deemed appropriate, pass and approve, with or without modification, the ordinary and special resolutions set out below in the manner required by the Companies Act and Listings Requirements of the JSE Limited ("**JSE**"). Please see the explanatory notes commencing on page 8 or the explanations which accompany the ordinary and special resolutions that follow.

## 1. Presentation of annual financial statements and reports

To present the audited annual financial statements of the Company and its subsidiaries (the "Group") as approved by the Board of the Company in terms of section 30(3) of the Companies Act, incorporating, *inter alia*, the reports of the external auditors, audit committee and the directors for the financial year ended 30 June 2020.

## 2. Presentation of the social, ethics and transformation committee report

To present the report of the Social, Ethics and Transformation Committee for the financial year ended 30 June 2020, as required in terms of regulation 43(5)(c) of the Regulations to the Companies Act, 2011 ("Companies Regulations").

## 3. Election and re-election of non-executive directors

### Ordinary resolution 1

- 3.1 To elect Prof. M Sathekge, who is retiring by rotation in accordance with clause 15.5 of the Company's Memorandum of Incorporation ("MOI"), as a non-executive director of the Company as contemplated in section 68(2)(a) of the Companies Act. Prof. M Sathekge, being eligible and available, offers himself for election (as *Ordinary resolution number 1.1*).
- 3.2 To elect Ms L Boyce, who is retiring by rotation in accordance with clause 17.1 of the Company's MOI, as a non-executive director of the Company as contemplated in section 68(2)(a) of the Companies Act. Ms Boyce, being eligible and available, offers herself for re-election (as *Ordinary resolution number 1.2*).
- 3.3 To elect Dr C Manning, who is retiring by rotation in accordance with clause 17.1 of the MOI and as contemplated in section 68(2)(a) of the Companies Act, as a non-executive director of the Company. Dr Manning, being eligible and available, offers herself for re-election (as *Ordinary resolution number 1.3*).

## 4. Election of audit committee members

### Ordinary resolution 2

To re-elect by way of separate divisible resolutions the following independent non-executive directors as the audit committee members for the ensuing year in accordance with section 94 of the Companies Act:

- 4.1 Ms D Ransby (Chairperson) (as *Ordinary resolution 2.1*);
- 4.2 Ms L Boyce (as *Ordinary resolution 2.2*), subject to being re-elected as a director in terms of resolution 1.2 above; and
- 4.3 Prof M Haus (as *Ordinary resolution 2.3*).

## 5. Re-appointment of external auditors

### Ordinary resolution 3

To appoint PricewaterhouseCoopers Inc. as independent external auditor of the Company for the ensuing year (the designated auditor being Mr Keeran Ramnarian) and to note the remuneration of the independent external auditor as determined by the Audit Committee of the Board for the past year's audit as reflected in note 7 to the annual financial statements.

## 6. Non-binding advisory vote on the remuneration policy

### Ordinary resolution 4

To endorse, by way of a non-binding advisory vote as recommended by King IV, the Company and the Group's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of committees), as set out from page 60 of the Integrated Report.

## 7. Non-binding advisory vote on the implementation of the remuneration policy

### Ordinary resolution 5

To endorse, by way of a non-binding advisory vote as recommended by King IV, the Company and the Group's remuneration implementation report as set out on pages 200 to 206 of the Integrated Report.

## 8. Delegation of authority

### Ordinary resolution 6

To authorise any 1 (one) director of the Company and/or the Company Secretary to do all such things and sign all such documents (including any amendments thereto) as are deemed necessary or advisable to implement the ordinary and special resolutions which have been (or will be) duly passed as set out in the notice convening the AGM.

## 9. Financial assistance in terms of Section 45 of the Companies Act to related and inter-related parties

### Special resolution 1

To approve, subject to compliance with the provisions of the MOI and Companies Act (including but not limited to the Board being satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company), the provision by the Company, at any time and from time to time during the period of 2 (two) years commencing from the date of approval of this special resolution, of such direct or indirect financial assistance as contemplated in section 45 of the Companies Act, by way of a loan, guarantee of a loan or other obligation or securing of a debt or other obligation or otherwise as the Board may authorise to any 1 (one) or more related or inter-related company(ies) or corporation(s) (as such relations and inter-relationships are outlined in section 2 of the Companies Act), on such other terms and conditions as the Board may deem fit, subject to the Companies Act.

## 10. Proposed remuneration of non-executive directors payable with effect from 1 December 2020

### Special resolution 2

To approve the proposed fees and remuneration payable to non-executive directors, for their services as directors with effect from 1 December 2020 until the next AGM in accordance with the proposed remuneration as set out in the explanatory notes.

## 11. Approval of the amendments to the Memorandum of Incorporation ("MOI")

### Special resolution 3

To consider and approve the following inclusion or amendments to the MOI:

*"17.2.3 Subject to clause 15.7 above and save as set out below, no person who is 70 (seventy) years of age or older, shall be allowed to be a member of the Board of directors as a non-executive director. Notwithstanding the above, if a director reaches 70 (seventy) years of age before his/her turn to retire by rotation is due, such a director's turn to retire by rotation shall be brought forward to enable the director who has turned 70 (seventy) years of age to retire and not to offer himself/herself for re-election, unless the Board, having considered that the director who has reached the age of 70 (seventy) years possesses a rare or unique skill which is required or desirable on the Board, determines that that director should remain in place for another term or until a suitable replacement director with similar skills and experience is appointed in the place of such retiring director, in which case that director may be available for re-election".*

## 12. Share repurchase

### Special resolution 4

To authorise the directors to approve and implement the acquisition by the Company (or by a subsidiary of the Company in terms of section 48(2)(b) of the Companies Act), of ordinary shares of the Company, by way of a general authority, which shall only be valid until the Company's next AGM or 15 (fifteen) months from the date of the passing of this special resolution, whichever period is the shorter, and subject to the Companies Act, the MOI, the JSE Listings Requirements, when applicable, and the following limitations, namely:

- a) the repurchase of shares in terms of this authority be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party (reported trades are prohibited);
- b) the Company being authorised thereto by its MOI;

- c) this authority shall be valid until the next annual general meeting of the Company, or for a period of 15 (fifteen) months from the date for passing the resolution, whichever is the shorter;
- d) repurchases not being made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;
- e) an announcement containing full details of such acquisition of shares, will be published in accordance with the JSE Listings Requirements as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue at date of the Annual General Meeting at which this resolution is considered and passed ("initial number"), and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing such details of such repurchases as are required under the JSE Listings Requirements as well as any confirmations and disclosures required of the Company and its directors;
- f) a resolution has been passed by the Board confirming that it has authorised the repurchase, and that the Company and its subsidiary/ies 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;
- g) the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% (ten percent) in aggregate of the number of issued shares in the Company at the relevant times;
- h) a general repurchase of ordinary shares in the aggregate in any one financial year may not exceed 5% (five percent) of the Company's issued ordinary share capital as at the beginning of the financial year;
- i) any such general repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase);
- j) the Company or its subsidiary may not repurchase securities during a prohibited period as defined in the JSE Listings Requirements unless the Company has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period to execute the repurchase programme submitted the JSE; and
- k) the Company only appointing 1 (one) agent at any point in time to effect any repurchases on its behalf.

Having considered the effects of a maximum repurchase, the directors are of the opinion that:

- the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 (twelve) months following the date of the general repurchase;
- the consolidated assets of the Company and the Group, recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements, will exceed the liabilities of the Company and the Group for a period of 12 (twelve) months following the date of the general repurchase;
- the ordinary share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the general repurchase; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the general repurchase.

### **Solvency and liquidity test**

The Board confirms that, it will consider the effects of the maximum repurchase, before it passes a resolution approving the repurchase and confirm that the Company and its subsidiary/ies 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.

## Statement of intent

The directors undertake that, to the extent it is still required by the JSE Listings Requirements and the Companies Act, they will not implement any repurchase as contemplated in this special resolution while this general authority is valid, unless:

- a) the Board has resolved to authorise such repurchase subject to the limitations set out in this special resolution, have applied the solvency and liquidity test set out in section 4 of the Companies Act and have reasonably concluded that the Group will satisfy the solvency and liquidity test immediately after completing such repurchase, and are satisfied that since the test was carried out there have been no material changes to the financial position of the Group; and
- b) the Group will comply with the provisions of section 46 of the Companies Act and the JSE Listings Requirements in relation to such repurchase.

## Directors' responsibility statement

The directors, whose names are given on page 20 and 21 of the Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this Special Resolution 4 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, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

**The JSE Listings Requirements require the following disclosures, some of which are elsewhere in the Integrated Report and as set out below.**

- 🔗 **Major shareholders of the Company – page 207;**
- 🔗 **Share capital of the Company – page 158.**

## 13. Material change

Other than the facts and developments reported on in the Integrated Report, there have been no material changes in the financial and trading position of the Group since the date of signature of the audit report and the date of this notice.

## 14. Any other business

In terms of section 61(8)(d) of the Companies Act, an AGM must provide for the transacting of business in relation to any matters raised by shareholders, with or without advance notice to the Company.

## 15. Electronic communication and participation

Shareholders or their proxies may participate in the AGM by way of a teleconference call and, if they wish to do so:

- 🔗 must contact the Company Secretary: ntando.simelane@adcock.com or +27 (0) 11 635 0143 during business hours (08h00 to 17h00 on week days) by no later than Monday, 23 November 2020;
- 🔗 will be required to provide reasonably satisfactory identification; and
- 🔗 will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

Please note that shareholders or their proxies will be entitled to exercise voting rights at the meeting by way of teleconference call.

## 16. Proxies and voting

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not also be a shareholder of the Company. Equity securities held by a share trust or scheme and unlisted securities will not have their votes taken into account at the AGM for the purposes of resolutions proposed in terms of the JSE Listings Requirements. Shares held as treasury shares in terms of the Companies Act may not vote on any resolutions.

Please note that, in accordance with section 63(1) of the Companies Act, the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. Accordingly, meeting participants (including shareholders and proxies) must provide satisfactory identification. Without limiting the generality hereof, the Company will accept a valid South African identity document, a valid driver's license or a valid passport as satisfactory identification.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company shall have one vote for every share held in the Company by such shareholder. Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, must contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Forms of proxy should be lodged in person or posted to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; Private Bag X9000, Saxonwold, 2132, South Africa), to be received for the orderly arrangement of matters on the date of the AGM (but not required) by no later than 09h00, on Monday, 23 November 2020 (for administrative purposes), provided that they may be handed to the chairperson of the meeting at any time prior to the proxy exercising any right at the meeting.

All beneficial owners whose shares have been dematerialised through a CSDP or broker, other than with "own name" registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the AGM. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the AGM.

By order of the Board

**Ntando Simelane**

*Company Secretary*

Midrand

30 September 2020

## ANNUAL GENERAL MEETING – EXPLANATORY NOTES

### Presentation of annual financial statements and reports

Section 61(8) of the Companies Act requires directors to present the annual financial statements for the year ended 30 June 2020 to shareholders, together with the reports of the directors, external auditor and the Audit Committee at the AGM. These are contained within the Integrated Report.

Shareholders are advised that, in terms of section 62(3)(d) of the Companies Act, a copy of the complete annual financial statements for the preceding financial year may be obtained by submitting a written request to the Company Secretary, and electronic copies are available on the Adcock Ingram website ([www.adcock.com](http://www.adcock.com)).

### Presentation of the Social, Ethics and Transformation Committee report

Regulation 43(5)(c) of the Companies Regulations requires the Social and Ethics Committee, through 1 (one) of its members, to report to the shareholders on matters within its mandate at the AGM. The Social, Ethics and Transformation Committee's report will be presented during the AGM.

### Ordinary resolution 1 – Election and re-election of non-executive directors

In terms of the MOI, one-third of the non-executive directors are required to retire at each annual general meeting and may offer themselves for re-election. The MOI also provides that non-executive directors who were appointed by the Board to fill a vacancy or as an addition to the Board shall retire in terms of paragraphs 15.5 and/or 17.1 of the MOI.

- 1.1 **Prof M Sathekge**, (as *Ordinary resolution number 1.1*) retires by rotation in terms of paragraph 15.5 of the MOI;
- 1.2 **Ms L Boyce** (as *Ordinary resolution number 1.2*) retires by rotation in terms of paragraph 17.1 of the MOI; and
- 1.3 **Dr C Manning** (as *Ordinary resolution number 1.3*) retires by rotation in terms of paragraph 17.1 of the MOI.

Prof M Sathekge has offered himself for election, Ms Boyce and Dr Manning have offered themselves for re-election and, having been evaluated and had their suitability for re-appointment confirmed by the Nominations Committee, are eligible for election and re-election.

Brief curriculum vitae in respect of the retiring directors who have offered themselves for re-election, are set out on page 20 of the Integrated Report.

To be approved, each of the resolutions set out under Ordinary resolution 1 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

If each of the resolutions set out under Ordinary resolution 1 is approved, the effect would be to elect the retiring directors who have offered themselves for election and re-election (i.e. Prof. M Sathekge, Ms Boyce and Dr Manning) as non-executive directors to the Board of the Company until such time as they resign, retire or do not offer themselves for re-election or are otherwise removed from office.

### Ordinary resolution 2 – Election of the Audit Committee members

Section 94(2) of the Companies Act requires the Company to elect an Audit Committee comprising at least 3 (three) non-executive directors of the Board at each AGM. In order to comply with this provision of the Companies Act, the Board, following a recommendation of the Nominations Committee, hereby nominates the following non-executive directors to be elected as members of the Audit Committee:

- 2.1 **Ms Debbie Ransby** (Chair) (as *Ordinary resolution 2.1*);
- 2.2 **Ms L Boyce** (as *Ordinary resolution 2.2*) subject to being re-elected as a director in terms of resolution 1.2; and
- 2.3 **Prof M Haus** (as *Ordinary resolution 2.3*).

A brief curriculum vitae in respect of each of the above non-executive directors offering themselves for re-election as a member of the Audit Committee, is set out on page 20 of the Integrated Report.

To be approved, each of the resolutions for the election of members of the Audit Committee in Ordinary resolution 2 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

If Ordinary resolution 2 is approved, the effect would be to elect the abovementioned directors to the Audit Committee until the next AGM of the Company.

### Ordinary resolution 3 – Re-appointment of external auditor

In terms of section 90(1) of the Companies Act the Company must appoint an auditor each year at its AGM by way of an ordinary resolution of the shareholders entitled to exercise voting rights on that resolution. In terms of section 94(7)(a) (as read with section 90(2)) of the Companies Act, the Audit Committee of the Company must nominate a registered auditor for appointment as auditor of the Company who is, in the opinion of the Audit Committee, independent of the Company.

The Audit Committee has nominated PricewaterhouseCoopers Inc. (“PwC”) as the independent external auditor of the Company. The Audit Committee is satisfied that PwC and the individual auditor designated by PwC as responsible for performing the functions of the Company’s auditor on behalf of PwC, namely Mr Keeran Ramnarian, can be regarded as independent and are thereby able to conduct their audit functions without any conflict or influence. The relevant section of the Audit Committee Report relating to the Audit Committee’s nomination of PwC as the auditors of the Company is contained on pages 97 to 100 of the Integrated Report.

PwC has confirmed its willingness to be engaged as external auditor of the Company and Ordinary resolution 3 proposes the appointment of that firm as the Company’s auditor with immediate effect until the next AGM. As contemplated in section 90(3) of the Companies Act, the name of the designated auditor, Mr Keeran Ramnarian, forms part of the resolution. The resolution also notes the remuneration of the independent external auditor as determined by the Audit Committee of the Board.

To be approved, Ordinary resolution 3 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

If Ordinary resolution 3 is approved, the effect would be to approve the appointment of PwC as the independent external auditor of the Company until the next AGM of the Company.

### Ordinary resolution 4 – Non-binding advisory vote on the Remuneration policy

Principle 14 of the King IV Code on Corporate Governance (“King IV”) requires companies to ensure that they remunerate fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term and requires companies to table their remuneration policy to shareholders every year for a non-binding advisory vote at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. The Company and the Group’s remuneration report is contained from page 60 of the Integrated Report. Ordinary resolution 4 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Board will as required in terms King IV, disclose in the background statement of the remuneration report succeeding the voting: with whom the Company engaged, the manner and form of engagement to ascertain the reasons for dissenting votes; and the nature of steps taken to address legitimate and reasonable objections and concerns, in the event that either the remuneration policy or implementation report, or both, were voted against by 25% (twenty five percent), or more, of the voting rights exercised.

To be approved, Ordinary resolution 4 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

### Ordinary resolution 5 – Non-binding advisory vote on the implementation of the Remuneration policy

Principle 14 of King IV further recommends that the implementation of a Company’s and Group remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM. This resolution is of advisory nature only to enable shareholders to express their views on the implementation of the Company’s and Group remuneration policy.

To be approved, Ordinary resolution 5 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

## Ordinary resolution 6 – Delegation of authority

The reason for Ordinary Resolution 6 is to authorise any 1 (one) director or the Company Secretary of the Company to do all such things and sign all documents and take all such action as he / she may consider necessary to implement the resolutions set out in the notice convening the AGM.

To be approved, Ordinary resolution 6 requires the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

## Special resolution 1 – Financial assistance in terms of section 45 of the Companies Act to related and inter-related parties

It is important for the Group to be able to administer its cash resources efficiently. From time to time it is advisable for the Company to borrow from its subsidiaries, and to on-lend or provide loans to its subsidiaries envisaged in Special resolution 1 in accordance with the provisions of section 45 of the Companies Act. It is not possible to detail in advance all instances where such financial assistance could be required, and approval is accordingly sought as contemplated in section 45(3)(a) (ii) of the Companies Act generally for the provision of financial assistance to certain subsidiaries. If approved, this general authority will expire at the end of 2 (two) years from the date on which Special resolution 1 is approved. In addition, it would be impractical and difficult to obtain shareholder approval every time the Company wishes to provide financial assistance as contemplated above. Accordingly, the Company requires flexibility and the authority to act promptly as the need arises, and the authority of this special resolution is sought in advance to obviate the need for shareholder approval in each instance.

To be approved, Special resolution 1 requires the support of more than 75% (seventy-five percent) of the voting rights exercised on the resolution.

If Special resolution 1 is approved, the effect would be to authorise the Company to grant the aforementioned financial assistance to the relevant companies, subject to compliance with the MOI and the Companies Act (including but not limited to the Board being satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company).

## Special resolution 2 – Proposed remuneration of non-executive directors' payable with effect from 1 December 2020

Shareholders are requested to consider and if deemed appropriate, approve the proposed fees and remuneration payable quarterly in arrears to non-executive directors for their services as directors (which for clarity includes their participation in sub-committees of the Board) with effect from 1 December 2020 until the next AGM as set out in the table hereunder. Full particulars of all fees and remuneration for the past financial year are contained on page 206 the Integrated Report. Since the coming into effect of the Companies Act, in particular sections 65(11), 66(8) and (9), remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders (i.e. a resolution passed with the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution) within the previous 2 (two) years. The directors are not asking for an increase in respect of the remuneration that was approved in November 2019, except for the Social, Ethics and Transformation Committee member role, whose remuneration has been adjusted to the market median.

In light of the depressed economic environment, the Board resolved not to propose remuneration for the Nominations Committee, after it was constituted as a stand-alone Committee. The Board will review this decision in future.

To be approved, Special resolution 2 requires the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution.

Category	Current annual remuneration	Proposed annual remuneration payable with effect from 1 December 2020
<b>Board</b>		
<i>Chairman</i>	1 189 163	1 189 163
<i>Lead independent</i>	390 000	390 000
<i>Board member</i>	302 400	302 400
<b>Audit Committee</b>		
<i>Chairman</i>	249 500	249 500
<i>Audit Committee member</i>	124 740	124 740
<b>Risk and Sustainability Committee</b>		
<i>Chairman</i>	235 370	235 370
<i>Committee member</i>	120 000	120 000
<b>Human Resources and Remuneration Committee</b>		
<i>Chairman</i>	180 000	180 000
<i>Committee member</i>	82 700	82 700
<b>Social, Ethics and Transformation Committee</b>		
<i>Chairman</i>	165 900	165 900
<i>Committee member</i>	71 230	72 000
<b>Acquisitions Committee</b>		
<i>Chairman</i>	249 500	249 500*
<i>Committee member</i>	124 740	124 740

\*The Chairman of the Board does not get paid any additional amount for attending meetings of sub-committees of the Board.

Non-executive directors are paid an additional R13 000 (thirteen thousand Rand) each when they attend special meetings of the Board and/or sub-committees of the Board which last more than 3 (three) hours.

If Special resolution 2 is approved, the effect would be to authorise the Company to pay the remuneration contemplated in the above table to the non-executive directors of the Company for their services as directors, with effect from 1 December 2020 until the next AGM.

## Special resolution 3 – Amendments to the Memorandum of Incorporation

In terms of section 16(1)(c) of the Companies Act, the Company's MOI may be amended at any time if, *inter alia*, a special resolution to amend it is proposed by the Board and adopted at a shareholders' meeting of the Company.

The Board has proposed the amendments to the MOI as more fully set out in Special Resolution 3 in order to ensure that the MOI captures the recently adopted principle based on best practice to impose an age limit of 70 years for non-executive directors who are members of or those who wish to serve on the Board, unless the Board, having considered that the relevant director possesses a rare or unique skill which is required or desirable on the board, determines that that director should remain in place for another term or until a suitable replacement director with similar skills and experience is appointed in the place of such retiring director, in which case that director may be available for re-election.

The Board is of the view that the adoption of the proposed inclusion or amendments to the MOI in terms of Special resolution 3 will not result in a material adverse change to the interests of the existing shareholders as contemplated in section 164(2)(a) of the Companies Act.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

A full marked-up version of the MOI incorporating the proposed inclusion or amendments is available on the Company's website at [www.adcock.co.za/documents/2020\\_MOI.pdf](http://www.adcock.co.za/documents/2020_MOI.pdf) and at the registered office of the Company for a period of 14 days from the date of this notice.

To be approved, Special resolution 3 requires the support of 75% majority of the votes cast by shareholders present or represented by proxy.

If Special resolution 3 is approved, the effect would be to amend the MOI in the manner contemplated by Special resolution 3 and as explained above.

### Special resolution 4 – Share repurchase

The Board believes that it may be prudent to obtain a general authority to repurchase the Company's shares to enable it to act promptly should the opportunity arise. Shareholders' approval, by way of a special resolution, is sought for a repurchase of the Company's shares, subject to the provisions of the JSE Listings Requirements and the Companies Act as set out in the proposed resolution. This special resolution is subject to the statement of intent as set out above.

To be approved, Special resolution 4 requires the support of at least 75% (seventy five percent) of the voting rights exercised on the resolution.

If Special resolution 4 is approved, the effect would be to authorise the Company and/or its subsidiary company/ies by way of a general authority to acquire the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the provisions of the JSE Listings Requirements and the Companies Act as set out in Special resolution 4.

### Quorum

The meeting of shareholders contemplated herein may begin, and a matter may begin to be debated at that meeting, only if the following quorum requirements are met as required by the Companies Act and the MOI:

1. subject to 2 and 3 below –
  - 1.1 a meeting of shareholders may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
  - 1.2 a matter to be decided at the meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda;
2. once a quorum has been established at a meeting of shareholders, all the shareholders necessary to maintain such quorum must be present at that meeting to consider and vote on any matter;
3. despite the percentage figures set out in 1, as the Company has more than 2 (two) shareholders, a meeting may not begin, or a matter begin to be debated unless –
  - 3.1 at least 3 (three) shareholders are "present at the meeting" (as defined in the Companies Act); and
  - 3.2 the requirements of 1 are satisfied.

# Form of Proxy

## ADCOCK INGRAM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

ISIN: ZAE000123436 JSE Share Code: AIP

("Adcock Ingram" or "the Company")

**For use only by certificated shareholders and "own name" dematerialised shareholders of Adcock Ingram in respect of the Annual General Meeting of shareholders to be held at 1 New Road, Midrand, Gauteng, on Wednesday, 25 November 2020 at 09:00 or at any other adjourned or postponed time determined in accordance with the provisions of section 64(4) or section 64(10) (as read with section 64(11)(a)(i)) of the Companies Act.**

**A shareholder is entitled, at any time, to appoint an individual as a proxy (who need not to be a shareholder of Adcock Ingram) to attend, speak and vote or abstain from voting in the place of that shareholder at the Annual General Meeting.**

All terms defined in the Notice of Annual General Meeting to shareholders dated Wednesday, 30 September 2020 to which this form of proxy is attached and not defined herein shall bear the same meanings herein.

This form of proxy is only to be completed by those ordinary shareholders of Adcock Ingram who hold ordinary shares in certificated form or who are recorded on sub-registered electronic form in "own name". Shareholders who hold dematerialised ordinary shares are referred to paragraphs 3 and 4 of the "Notes" overleaf for further instructions.

I/We, the undersigned (Please print full names) \_\_\_\_\_

of (address) \_\_\_\_\_

(contact details) \_\_\_\_\_, being a shareholder of the Company, and entitled to

(insert number) \_\_\_\_\_ votes, do hereby appoint:

\_\_\_\_\_ or failing him/her,

\_\_\_\_\_ or, failing him/her,

the chairman of the Annual General Meeting,

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of shareholders of the Company to be held at the Company's premises, 1 New Road, Midrand, Gauteng on Wednesday, 25 November 2020 at 09:00 or any postponement or adjournment thereof, as follows:

*(\*Indicate instructions to proxy by insertion of the relevant number of votes exercisable by the shareholders in the space provided below. If no instructions are given, the proxy holder will be entitled to vote or to abstain from voting as such proxy holder deems fit.)*

**Number of votes** \_\_\_\_\_

	In favour of the resolution	Against the resolution	Abstain from voting on the resolution
<b>Ordinary resolution 1</b>			
1.1 To elect Prof M Sathekge, as a non-executive director of the Company, who is retiring by rotation in terms of the MOI and makes himself available for re-election.			
1.3 To re-elect Ms L Boyce as a non-executive director of the Company, who is retiring by rotation in terms of the MOI and makes herself available for re-election.			
1.3 To re-elect Dr C Manning as a non-executive director of the Company, who is retiring by rotation in terms of the MOI and makes herself available for re-election.			

**NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)**

	<b>In favour of the resolution</b>	<b>Against the resolution</b>	<b>Abstain from voting on the resolution</b>
<b>Ordinary resolution 2</b> To re-elect the following non-executive directors as Audit Committee members by way of separate resolutions.			
2.1 Ms D Ransby (Chairperson)			
2.2 Ms L Boyce, subject to being elected as a non-executive director in terms of resolution 1.2 above			
2.3 Prof M Haus			
<b>Ordinary resolution 3</b> To re-appoint PwC as the independent external auditor of the Company for the ensuing year (the designated auditor being Mr Keeran Ramnarian) and to note the remuneration of the independent external auditor as determined by the Audit Committee.			
<b>Ordinary resolution 4</b> To endorse by way of a non-binding vote the Company and the Group's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of committees).			
<b>Ordinary resolution 5</b> To endorse, by way of a non-binding advisory vote, the Company and Group's remuneration implementation report.			
<b>Ordinary resolution 6</b> To authorise any one director of the Company or the Company Secretary to do all such things and sign all such documents (including any amendments thereto) to implement all the resolutions tabled and approved at this AGM.			
<b>Special resolution 1</b> To approve the Company to provide financial assistance to related and inter-related parties as contemplated in section 45 of the Companies Act to any of the recipients falling within those identified in the notice of this AGM.			
<b>Special resolution 2</b> To approve the proposed fees and remuneration payable to non-executive directors for their services as directors with effect from 1 December 2020 until the next AGM as set out in the notice of this AGM.			
<b>Special resolution 3</b> To consider and approve the amendments to the MOI.			
<b>Special resolution 4</b> To approve a general authority to repurchase the Company's shares subject to the provisions of the JSE Listings Requirements and the Companies Act as set out in the notice of this AGM.			

And generally to act as my/our proxy at the Annual General Meeting.

Signed by me (full names) \_\_\_\_\_

in my capacity as \_\_\_\_\_ at (place) \_\_\_\_\_

on this (date, month and year) \_\_\_\_\_

Signature \_\_\_\_\_

**Please read the notes on the reverse hereof.**

## NOTES TO COMPLETION OF FORM OF PROXY

1. If you have disposed of all your ordinary shares, this document should be handed to the purchaser of such ordinary shares or the broker, Central Securities Depository Participant ("CSDP"), banker, attorney, accountant or other person through whom the disposal was effected.
2. If you are in any doubt as to what action you should take arising from this document, please immediately consult your broker, CSDP, banker, attorney, accountant or other person through whom the disposal was effected. You are reminded that the onus is on you to communicate with your CSDP or broker.
3. A form of proxy is only to be completed by those ordinary shareholders who are:
  - 3.1 holding ordinary shares in certificated form; or
  - 3.2 recorded on sub-register electronic form in "own name".
4. If you have already dematerialised your ordinary shares through a CSDP or broker and wish to attend the Annual General Meeting, you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP or broker.
5. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided with or without deleting "the chairman of the Annual General Meeting" but any such deletion must be initialled by you. Any insertion or deletion not complying with the foregoing will, subject to 12 below, be declared not to have been validly effected. A proxy need not be a shareholder of the Company. The person whose name stands first on this form of proxy and who is present at the Annual General Meeting of shareholders 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 chairman of the Annual General Meeting.
6. If voting is by a show of hands, any person who is present at the meeting, whether as a shareholder or as a proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.
7. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant numbers of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of the votes exercisable by the shareholder or by the proxy.
8. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of the proposed amendment to the above resolutions. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form of proxy is attached. A vote given in terms of an instrument of proxy shall be valid in relation to the meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the Company Secretary before the commencement of the Annual General Meeting.

9. To be effective, completed forms of proxy:

- (i) should be lodged with or mailed to Computershare Investor Services Proprietary Limited

### Hand deliveries to:

Rosebank Towers,  
15 Biermann Avenue  
Rosebank, Johannesburg, 2196

### Postal deliveries to:

P/Bag x9000  
Saxonwold, 2132

to be received, for administrative purposes only, by 09h00 on Monday, 23 November 2020 or not less than 48 hours before any adjourned or postponed meeting); or

- (ii) should be lodged with or mailed to Adcock Ingram, 1 New Road, Midrand, Gauteng (marked for the attention of the Company Secretary) to be received after the time last specified in (i) above but up to at least 10 minutes before the commencement of the Annual General Meeting (including any adjourned or postponed meeting); or
  - (iii) must be handed to the chairperson of the Annual General Meeting before the appointed proxy exercises any of the relevant shareholder's rights at the Annual General Meeting (including any adjourned or postponed meeting), provided that, should the relevant shareholder return such form of proxy in terms of (ii) above, the relevant shareholder will also be required to furnish a copy of such form of proxy to the chairperson of the Annual General Meeting before the appointed proxy exercises any of the relevant shareholder's rights at the Annual General Meeting (including any adjourned or postponed meeting).
10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
  11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairman of the Annual General Meeting. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Adcock Ingram.
  12. Any alteration or correction made to this form or proxy must be initialled by the signatory/ies.
  13. Notwithstanding the foregoing, the chairman of the Annual General Meeting may waive any formalities that would otherwise be a pre-requisite for a valid proxy.
  14. Where there are joint holders of shares: (i) any one holder may sign this form of proxy; and (ii) the vote(s) of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the shareholders appear in the securities register of the Company) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholders.
  15. The chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
  16. A proxy may not delegate his/her authority to act on behalf of the shareholder in question to another person.

## SUMMARY OF APPLICABLE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the memorandum of incorporation of a company provides otherwise:
  - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
  - 3.2 a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
  - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
4. Irrespective of the form of instrument used to appoint a proxy:
  - 4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and
  - 4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.
5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
  - 5.1 stated in the revocation instrument, if any; or
  - 5.2 upon which the revocation instrument is delivered to the proxy and the relevant company.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered by such company to the:
  - 6.1 shareholder; or
  - 6.2 proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the company or the instrument appointing the proxy provides otherwise.
8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
  - 8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised and must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act;
  - 8.2 the company must not require that the proxy appointment be made irrevocable; and
  - 8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act (see paragraph 5 above).