

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

### Action required

1. This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Adcock Ingram Shareholders", which commences on page 1 of this Circular.
2. Copies of this Circular may be obtained from the registered office of Adcock Ingram, whose address is set out in the "Corporate Information and Advisers" section in the Circular, from Thursday, 13 February 2014 until Wednesday, 19 March 2014.
3. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant or other professional adviser immediately.
4. If you have disposed of all your Adcock Ingram Shares, please forward this Circular to the purchaser or to the Broker, CSDP, banker, accountant or other agent through whom the disposal was effected.

**Adcock Ingram does not accept responsibility, and will not be held liable, for any act of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of a CSDP or Broker or any registered holder of Adcock Ingram Shares to notify the holder of beneficial interests in those shares of the matters contemplated in this Circular.**



**adcock ingram**

**Adcock Ingram Holdings Limited**

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

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## CIRCULAR TO ADCOCK INGRAM SHAREHOLDERS

relating to the remuneration payable to non-executive directors for their services as directors for the period 1 February 2013 to 31 January 2014 and for the period from 1 February 2014; and

incorporating:

- a notice convening an Extraordinary General Meeting; and
- a form of proxy in respect of the Extraordinary General Meeting (*blue*) (for use by Certificated Shareholders and Own-Name Dematerialised Shareholders only).

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Thursday, 13 February 2014

This document is available in English only. Copies may be obtained from the registered office of Adcock Ingram, whose address is set out in the "Corporate Information and Advisers" section on the inside front cover of this Circular from Thursday, 13 February 2014 until Wednesday, 19 March 2014. Copies of this document may also be found on Adcock Ingram's website: [http: www.adcock.com](http://www.adcock.com).

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**Sponsor**

**Deutsche Bank**

Deutsche Securities (SA) Proprietary Limited  
(A non-bank member of the Deutsche Bank Group)



**Transfer Secretaries**

**Computershare**

**Legal Adviser**

**read hope phillips**  
ATTORNEYS

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## CORPORATE INFORMATION AND ADVISERS

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### **Company Secretary**

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### **Registered office**

Adcock Ingram Holdings Limited  
(Registration number 2007/016236/06)  
1 New Road  
Midrand, 1682  
(Private Bag X69, Bryanston, 2021)  
South Africa

**Website:** <http://www.adcock.com>

### **Date and place of incorporation**

4 June 2007, South Africa

### **Sponsor**

Deutsche Securities (SA) (Proprietary) Limited  
(A non-bank member of the Deutsche Bank Group)  
(Registration number 1995/011798/07)  
3 Exchange Square, 87 Maude Street  
Sandton, 2196  
(Private Bag X9933, Sandton, 2146) South Africa

### **Legal Adviser**

Read Hope Phillips Thomas & Cadman Incorporated  
3rd Floor, 30 Melrose Boulevard  
Melrose North, 2196  
(PO Box 757, Northlands, 2116) South Africa

### **Transfer Secretaries**

Computershare Investor Services (Proprietary) Limited  
(Registration number 2004/003647/07)  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107) South Africa

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## **ACTION REQUIRED BY ADCOCK INGRAM SHAREHOLDERS**

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The Extraordinary General Meeting is scheduled to be held at 11h00 on Wednesday, 19 March 2014 in the auditorium at Adcock Ingram's registered office, 1 New Road, Midrand, Gauteng, South Africa.

A notice convening the Extraordinary General Meeting is attached to, and forms part of, this Circular.

*Please note that whether a person is entitled to attend and vote at the Extraordinary General Meeting is dependent on whether that person is recorded in the Register as having an interest in any Shares on the Voting Record Date.*

*For this purpose, the Voting Record Date for the Extraordinary General Meeting will be Friday, 14 March 2014.*

### **1. IF YOU HAVE DEMATERIALIZED YOUR ADCOCK INGRAM ORDINARY SHARES AND DO NOT HAVE "OWN-NAME" REGISTRATION**

#### **1.1 Voting at the Extraordinary General Meeting**

- 1.1.1 You may be contacted by your duly appointed CSDP or Broker in the manner stipulated in the custody agreement between you and your CSDP or Broker in order to obtain your voting instructions in relation to the Extraordinary General Meeting.
- 1.1.2 If you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker immediately and to furnish your CSDP or Broker with your voting instructions in relation to the Extraordinary General Meeting in the manner and by the cut-off time stipulated by your CSDP or Broker in terms of the custody agreement between you and your CSDP or Broker.
- 1.1.3 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or Broker.
- 1.1.4 You **must not** complete the attached form of proxy.

#### **1.2 Attendance at the Extraordinary General Meeting**

- 1.2.1 In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to: (i) attend, speak and vote at the Extraordinary General Meeting; or (ii) send a proxy to represent you at the Extraordinary General Meeting.
- 1.2.2 Your CSDP or Broker should then issue the necessary letter(s) of representation to you for you or your proxy to attend, speak and vote at the Extraordinary General Meeting.

### **2. IF YOU HAVE DEMATERIALIZED YOUR ADCOCK INGRAM ORDINARY SHARES WITH "OWN-NAME" REGISTRATION**

#### **2.1 Voting, attendance and representation at the Extraordinary General Meeting by Voting Members**

- 2.1.1 You may attend, speak and vote at the Extraordinary General Meeting (or if you are a company or other body corporate, be represented by a duly authorised person) if you are a Voting Member.
- 2.1.2 If you do not wish to or are unable to attend the Extraordinary General Meeting and wish to be represented thereat, you must complete and return the form of proxy in accordance with the instructions therein to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61051, Marshalltown, 2107, to be received no later than 11h00 on Monday, 17 March 2014, or 48 hours immediately preceding any adjourned or postponed meeting. Forms of proxy may also be handed to the chairperson of the meeting up to 10 minutes before that meeting (including any postponed or adjourned meeting) is due to commence.

### **3. IF YOU HAVE NOT DEMATERIALIZED YOUR ORDINARY SHARES**

#### **3.1 Voting, attendance and representation at the Extraordinary General Meeting by Voting Members**

- 3.1.1 You may attend, speak and vote at the Extraordinary General Meeting (or if you are a company or other body corporate, be represented by a duly authorised person) if you are a Voting Member.

- 3.1.2 If you do not wish to or are unable to attend the Extraordinary General Meeting and wish to be represented thereat, you must complete and return the form of proxy in accordance with the instructions therein to the Transfer Secretaries by hand to 70 Marshall Street, Johannesburg, or by post to PO Box 61051, Marshalltown, 2107, to be received no later than 11h00 on Monday, 17 March 2014. Forms of proxy may also be handed to the chairperson of the Extraordinary General Meeting up to 10 minutes before that meeting (including any postponed or adjourned meeting) is due to commence.

#### 4. ELECTRONIC PARTICIPATION

- 4.1.1 Adcock Ingram Shareholders are advised in terms of section 63(3) of the Companies Act, that while the Extraordinary General Meeting will be held in person, Adcock Ingram Shareholders (and/or their proxies) may participate in (but not vote at) the Extraordinary General Meeting by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Adcock Ingram Shareholders and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Extraordinary General Meeting by means of a teleconference facility.
- 4.1.2 Arrangements so to participate in the Extraordinary General Meeting should be made through the office of the Company Secretary.

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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 3 of this Circular shall apply throughout this section (unless the context indicates a contrary intention).

**2014**

Record date to determine which Adcock Ingram Shareholders are entitled to receive the Circular	Friday, 7 February
Circular issued to Adcock Ingram Shareholders and notice convening the Extraordinary General Meeting released on SENS on	Thursday, 13 February
Notice convening the Extraordinary General Meeting published in the South African press	Friday, 14 February
Last day to trade Adcock Ingram Shares on the JSE in order to be recorded in the Register on the Voting Record Date in order to be eligible to vote at the Extraordinary General Meeting (see note 1 below) on	Friday, 7 March
Voting Record Date on which Adcock Ingram Shareholders must be recorded in the Register in order to vote at the Extraordinary General Meeting by close of trading (see note 2 below) on	Friday, 14 March
Last date and time to lodge form of proxy for the Extraordinary General Meeting with the Transfer Secretaries by 11h00 on	Monday, 17 March
Extraordinary General Meeting to held at 11h00 on	Wednesday, 19 March
Results of Extraordinary General Meeting released on SENS on	Wednesday, 19 March
Results of Extraordinary General Meeting published in the South African press	Thursday, 20 March

#### Notes:

- The above dates and times are subject to such changes as may be agreed by Adcock Ingram (and to the extent necessary, the JSE and other relevant regulatory authorities).
- Adcock Ingram Shareholders should note that, as trade in Adcock Ingram Ordinary Shares on the JSE is settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after the date of such trades. Therefore, persons who acquire Adcock Ingram Ordinary Shares on the JSE after Friday, 7 March 2014, being the last day to trade in Adcock Ingram Ordinary Shares so as to be recorded in the Register on the Voting Record Date, will not be entitled to vote at the Extraordinary General Meeting.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless the context indicates a contrary intention, an expression which denotes any gender includes the other genders, a natural person includes a juristic person, a trust and a partnership, and *vice versa*, the singular includes the plural and *vice versa* and the following expressions bear the meanings assigned to them below:

“Adcock Ingram” or “the Company”	Adcock Ingram Holdings Limited (registration number 2007/016236/06), a company incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE;
“Adcock Ingram “A” Ordinary Shares”	automatically convertible “A” Ordinary Shares in Adcock Ingram with a par value of 10 cents each;
“Adcock Ingram “B” Ordinary Shares”	automatically convertible “B” Ordinary Shares in Adcock Ingram with a par value of 10 cents each;
“Adcock Ingram Ordinary Shares”	ordinary shares in Adcock Ingram with a par value of 10 cents each (it being recorded that such shares do not include the Adcock Ingram “A” Ordinary Shares or the Adcock Ingram “B” Ordinary Shares, which shares are of different classes);
“Adcock Ingram Shareholders” or “Shareholders”	collectively, holders of Adcock Ingram Ordinary Shares, Adcock Ingram “A” Ordinary Shares and Adcock Ingram “B” Ordinary Shares;
“Adcock Ingram Shares” or “Shares”	collectively, Adcock Ingram Ordinary Shares, Adcock Ingram “A” Ordinary Shares and Adcock Ingram “B” Ordinary Shares;
“Board”	the board of directors of Adcock Ingram for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as Adcock Ingram directors on page 5 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or statutory public holiday in South Africa;
“Certificated Shareholders”	subject to section 57(1) of the Companies Act, registered holders of Certificated Shares;
“Certificated Shares”	Adcock Ingram Shares, represented by a share certificate or other documents of title, which are not Dematerialised Shares;
“Circular”	this bound document dated 13 February 2014;
“Companies Act”	the South African Companies Act, 71 of 2008, as amended;
“CSDP”	a person that holds in custody and administers securities or an interest in securities and that has been accepted in terms of the Financial Markets Act by a central securities depository as a participant in that central securities depository or a “participant”, as defined in the Financial Markets Act;
“Dematerialised Shareholders”	subject to section 57(1) of the Companies Act, registered holders of Dematerialised Shares;
“Dematerialised Shares”	Adcock Ingram Ordinary Shares that have been dematerialised through a CSDP or Broker and are held in a sub-register in electronic form;

“Extraordinary General Meeting”	the general meeting of Adcock Ingram Shareholders to be convened and to be held (subject to any adjournment, postponement or cancellation thereof) at 11h00 on Wednesday, 19 March 2014, in the auditorium at Adcock Ingram’s office, 1 New Road, Midrand, Gauteng, South Africa, to consider and, if deemed fit, approve the resolutions in the notice convening such meeting which is attached to, and forms part of, this Circular;
“Financial Markets Act”	the South African Financial Markets Act, 19 of 2012, as amended;
“Group”	Adcock Ingram and its subsidiaries;
“Independent Board”	the independent directors of Adcock Ingram from time to time;
“JSE”	as the context requires, either the JSE Limited (registration number 2005/022939/06), a company incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act, or the securities exchange operated by that company;
“Last Practicable Date”	close of business on Friday, 7 February 2014, the last practicable date before this Circular was finalised;
“MOI”	the memorandum of incorporation of Adcock Ingram;
“Register”	(i) the register of Shareholders (including the relevant sub-registers of the CSDP (as contemplated in the Financial Markets Act) administering the sub-registers of Adcock Ingram); or  (ii) the register of disclosures of Adcock Ingram;
“Strate”	Strate Limited (registration number 1998/022242/06), a company incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Transfer Secretaries”	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a company incorporated in accordance with the laws of South Africa;
“Voting Members”	those persons who are in terms of the Companies Act and the MOI entitled to vote at the Extraordinary General Meeting, being those persons recorded in the Register as having an interest in any Shares on the Voting Record Date (it being recorded that if, in respect of any Share, a person is the registered holder of such Share, and one or more persons has/have a beneficial interest in such Share in terms of the register of disclosures of Adcock Ingram, only one of those persons shall be entitled to vote in respect of that Share); and
“Voting Record Date”	the date on, and time at which, a person must be recorded in the Register in order to be eligible to vote at the Extraordinary General Meeting, being Friday, 14 March 2014.



**adcock ingram**

**Adcock Ingram Holdings Limited**

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

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**Directors:** KDK Mokhele (*Chairperson*)\*, JJ Louw (*Chief Executive Officer*), AG Hall (*Deputy Chief Executive and Financial Director*), M Haus\*§, T Lesoli\*, PM Makwana\*, CD Raphiri\*, RI Stewart\*  
\*Independent non-executive §German

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## 1. INTRODUCTION

The remuneration of non-executive directors for their services as directors was last approved by Adcock Ingram Shareholders by way of a special resolution in January 2012, with the support of 90.7% of the voting rights exercised on that resolution. This authority was limited in time. The resolution in the Notice of the Annual General Meeting in 2013 which was intended to authorise the payment of increased remuneration to non-executive directors was withdrawn, and was not resubmitted to Adcock Ingram Shareholders in the belief that the authority provided in 2012 would continue to apply for the full statutory period of two years. It was discovered in the week of 24 January 2014 that this understanding was incorrect. In fact, that resolution was in its terms applicable only from 1 February 2012 until the next Annual General Meeting, which took place on Thursday, 31 January 2013.

In the first quarterly meeting of the 2014 financial year, held in November 2013, the Board resolved not to seek authority from Shareholders for an increase in non-executive directors' remuneration over the levels approved in 2012. In the circumstances a resolution to maintain non-executive directors' remuneration at previous levels ought to have been included in the notice calling for the 2014 Annual General Meeting. However, due to an administrative error this did not happen. Authority by way of special resolution is accordingly required to authorise payment now to non-executive directors of remuneration for the period from 1 February 2013. It was not possible to include the required resolutions in the Annual General Meeting convened on 31 January 2014 given the statutory requirement for notice for resolutions. Accordingly, the Board proposes that Adcock Ingram Shareholders consider and approve Special Resolution 1 and Special Resolution 2 set out in the attached notice convening the Extraordinary General Meeting.

On discovering the above oversight, the Board immediately resolved to take the necessary steps to inform Shareholders, recover the monies paid without Shareholder authority and to enable Shareholders to consider providing authority for the payment of remuneration to non-executive directors.

Shareholders are advised that the non-executive directors have been requested by the Company to repay the Company for the remuneration paid for the 2013 financial year.

Non-executive directors' remuneration paid during the 2013 financial year (part of which, it is now acknowledged, was paid without authority from Shareholders) was at the same levels for which authority was obtained in January 2012. Full details of all fees and remuneration for non-executive directors for the financial year to September 2013 are set out in the Remuneration report at page 54 of the Company's Integrated Report which states, among other things, the following:

- "Board fees paid to non-executive directors are based on various market surveys conducted by Adcock Ingram to ensure that they are market-related, based among others on the director's skills, years of experience, etc. The survey is conducted on an annual basis and reviewed by the Remuneration Committee;
- during 2013, the Independent Board was constituted in terms of the Companies Act, following the submission of an unsolicited letter from the Bidvest Group proposing a scheme of arrangement to acquire 60.0% of the entire issued share capital of the Group. The Independent Board constituted a working committee of six independent directors with the authority to act for the Independent Board and to brief the Independent Board from time to time. The meetings of the Independent Board and its working committee are considered to be special Board meetings and members were paid R13 000 per meeting for meetings which lasted in excess of three hours; and
- non-executive directors receive no benefits from their office other than fees and do not participate in the Group's incentive bonus plan or any of its share option schemes."

The following table sets out the meetings attended by directors during the period 1 February 2013 to 31 January 2014, inclusive.

No. of meetings	Meeting date	Type of meeting	Meeting duration above 3 hours	Meeting duration above 3 hours						LE	
				KDK Mokhele	RI Stewart	AM Thompson	T Lesoli	M Haus	CD Raphiri		PM Makwana
1	19 March 2013	Special Board	✓	x	x	x	x	x	x	x	x
2	20 March 2013	Independent Board Committee		x		x		x		x	x
3	22 March 2013	Independent Board Committee		x		x		x		x	x
4	25 March 2013	Independent Board Committee	✓	x		x		x		x	x
5	28 March 2013	Independent Board Committee		x		x		x		x	x
6	2 April 2013	Independent Board Committee		x		x		x		x	x
7	8 April 2013	Independent Board Committee	✓	x		x		x		x	x
8	12 April 2013	Independent Board Committee		x	x	x	x	x		x	x
9	23 April 2013	Independent Board Committee	✓	x		x		x		x	x
10	9 May 2013	Special Board	✓	x		x		x		x	x
11	20 May 2013	Remuneration Committee		x		x		x		x	x
12	20 May 2013	Social, Ethics & Transformation		x		x		x		x	x
13	21 May 2013	Audit			x	x					x
14	21 May 2013	Risk & Sustainability			x	x		x		x	x
15	21 May 2013	Independent Board Committee	✓	x		x		x		x	x
16	24 May 2013	Independent Board Committee		x		x		x		x	x
17	28 May 2013	Independent Board Committee		x		x		x		x	x
18	30 May 2013	Independent Board Committee		x		x		x		x	x
19	3 June 2013	Board		x		x		x	x	x	x
20	10 June 2013	Independent Board Committee		x		x		x		x	x
21	18 June 2013	Independent Board Committee		x		x		x		x	x
22	24 June 2013	Independent Board Committee	✓	x		x		x		x	x
23	1 July 2013	Independent Board Committee	✓	x		x		x		x	x
24	18 July 2013	Independent Board Committee	✓	x		x		x		x	x
25	22 July 2013	Independent Board Committee		x		x		x		x	x
26	26 July 2013	Independent Board Committee	✓	x		x		x		x	x
27	5 August 2013	Independent Board Committee	✓	x		x		x		x	x
28	12 August 2013	Independent Board Committee		x		x		x		x	x
29	19 August 2013	Independent Board Committee	✓	x		x		x		x	x
30	22/26 August 2013	Independent Board Committee	✓	x		x		x		x	x
31	3 September 2013	Independent Board Committee	✓	x		x		x		x	x
32	10 September 2013	Independent Board Committee	✓	x		x		x	x	x	x
33	16 September 2013	Audit			x	x					x
34	25 September 2013	Board		x		x		x		x	x
35	21 October 2013	Independent Board Committee	✓	x		x		x		x	x
36	29 October 2013	Independent Board	✓	x		x		x	x	x	x

No. of meetings	Meeting date	Type of meeting	Meeting duration above 3 hours	Meeting duration above 3 hours								
				KDK Mokhele	RI Stewart	AM Thompson	T Lesoli	M Haus	CD Raphiri	PM Makwana	LE Schönknecht	
37	7 November 2013	Independent Board	√	X	X	X	X	X	X	X	X	X
38	8 November 2013	Independent Board		X		X		X		X		X
39	14 November 2013	Independent Board		X		X		X		X		X
40	19 November 2013	Audit		X		X						X
41	19 November 2013	Risk & Sustainability		X				X				X
42	22 November 2013	Remuneration Committee		X		X				X		
43	22 November 2013	Social, Ethics & Transformation		X		X		X				X
44	25 November 2013	Independent Board Committee	√	X		X		X		X		X
45	26 November 2013	Board		X		X		X		X		X
46	2 December 2013	Independent Board	√	X		X		X		X		X
47	9 December 2013	Independent Board Committee	√	X		X		X		X		X
48	12 December 2013	Independent Board	√	X		X		X		X		X
49	12 December 2013	Special Board		X		X		X		X		X
50	18 December 2013	Independent Board	√	X		X		X		X		X
51	19 December 2013	Independent Board		X		X		X		X		X
52	19 December 2013	Special Board		X		X		X		X		X
53	14 January 2014	Independent Board		X		X		X		X		X
54	14 January 2014	Special Board		X		X		X		X		X
55	29 January 2014	Independent Board	√	X		X		X		X		X
56	29 January 2014	Special Board		X		X		X		X		X
57	31 January 2014	Board		X		X		X		X		X
58	31 January 2014	Independent Board		X		X		X		X		X

Special meetings are those meetings of the Board and the Independent Board convened outside the regular Board meetings scheduled at the beginning of each financial year and provided for in the Company's annual calendar at the beginning of each financial year.

Shareholder authority is accordingly sought for the following:

1. Payment now to the non-executive directors of the Company in office from 1 February 2013 to 31 January 2014 of the following remuneration for that period. These amounts remain at the rates approved by Shareholders at the Annual General Meeting in January 2012 which are the same as those proposed in paragraph 2 below.

**Fees to be paid for the period 1 February 2013 to 31 January 2014 are as follows:**

	<b>Number of Independent Board and Special Board Meetings exceeding 3 hours</b>	<b>Independent Board and Independent Board Committee meetings* (R)</b>	<b>Board and Board Committee meetings** (R)</b>	<b>Total (R)</b>
KDK Mokhele	24	312 000.00	973 875.00	1 285 875.00
AM Thompson	23	299 000.00	515 839.50	814 839.50
LE Schönknecht	23	299 000.00	407 859.25	706 859.25
PM Makwana	15	195 000.00	410 030.00	605 030.00
M Haus	21	273 000.00	346 180.50	619 180.50
RI Stewart	19	247 000.00	540 028.00	787 028.00
T Lesoli	9	117 000.00	266 898.00	383 898.00
CD Raphiri	5	65 000.00	309 637.00	374 637.00
E Diack***	0	–	90 004.67	90 004.67
		<b>1 807 000.00</b>	<b>3 860 351.92</b>	<b>5 667 351.92</b>

\* The fee for special meetings is only paid for meetings exceeding three hours in duration.

\*\* The fees have remained unchanged since 1 February 2012.

\*\*\* Mr E Diack resigned from the Board on 22 March 2013.

Board members are paid an additional R13 000 each when they attend special meetings which last more than three hours. The Chairman of the Board does not get paid for attending Board Committee meetings.

2. Payment to non-executive directors of the Company in office from 1 February 2014 onwards of the remuneration set out in the table below for the period from 1 February 2014. It will be noted that these amounts remain at the rates approved by Shareholders at the Annual General Meeting in January 2012.

**Annual fees to be paid for the period from 1 February 2014 are as follows:**

		<b>R*</b>
Board	Chairman	973 875
	Member	222 823
Audit Committee	Chairman	211 470
	Member	105 735
Risk Committee	Chairman	211 470
	Member	105 735
Remuneration Committee	Chairman	86 814
	Member	55 094
Social, Ethics and Transformation Committee	Chairman	81 472
	Member	44 075
Special Board meeting**	Attendee	13 000

\* The fees have remained unchanged since 1 February 2012.

\*\* The fee for special meetings is only paid for meetings exceeding three hours in duration.

Board members are paid an additional R13 000 each when they attend special meetings which last more than three hours. The Chairman of the Board does not get paid for attending Board Committee meetings.

## 2. EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting will be held in the auditorium at Adcock Ingram's office, 1 New Road, Midrand, Gauteng, South Africa commencing at 11h00 on Wednesday, 19 March 2014 to consider and, if deemed fit, to approve Special Resolution 1 and Special Resolution 2 as set out in the attached notice convening the Extraordinary General Meeting.

### SIGNED ON BEHALF OF THE BOARD

**A G Hall**

*Deputy Chief Executive and Financial Director*

13 February 2014



**adcock ingram**

**Adcock Ingram Holdings Limited**

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

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## **NOTICE CONVENING THE EXTRAORDINARY GENERAL MEETING**

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*All terms defined in the Circular to Adcock Ingram Shareholders dated 13 February 2014 to which this notice of General Meeting is attached shall bear the same meanings herein unless the term is defined herein or unless the context requires otherwise.*

Notice is hereby given that an Extraordinary General Meeting of Voting Members will, subject to any cancellation or postponement of the meeting by Adcock Ingram, be convened and held in the auditorium at Adcock Ingram's office, 1 New Road, Midrand, Gauteng, South Africa commencing at 11h00 on Wednesday, 19 March 2014 to consider and, if deemed fit, to approve the resolutions contemplated herein.

Voting Members are reminded that:

- Voting Members entitled to attend and vote at the Extraordinary General Meeting are entitled to appoint a proxy (or concurrent proxies) to attend, participate in and vote (or abstain from voting) at the Extraordinary General Meeting in the place of a Voting Member and are referred to the attached proxy form;
- a proxy need not also be a Voting Member; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a company meeting must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified.

### **Special Resolution 1**

To consider and, if deemed appropriate, sanction, in accordance with sections 66(8) and (9) of the Companies Act, the payment now of remuneration to non-executive directors of the Company who were in office during the period 1 February 2013 to 31 January 2014 for their services as directors in respect of that period, as set out on page 8 of the Circular.

To be adopted, Special Resolution 1 requires the support of at least 75% of the voting rights exercised on the resolution.

### **The reason for and effect of Special Resolution 1**

Special Resolution 1 is proposed in order to approve the payment of remuneration of non-executive directors of the Company in office during the period 1 February 2013 to 31 January 2014 for their services as directors for that period.

Particulars of the proposed fees and remuneration for non-executive directors for the period 1 February 2013 until 31 January 2014 are contained on page 8 of the Circular. Since the coming into effect of the Companies Act, in particular sections 65(11), 66(8) and (9) thereof, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by shareholders (i.e. a resolution passed with the support of at least 75% of the voting rights exercised on the resolution) within the previous two years. The proposed payment of remuneration of the non-executive directors of the Company in office during the period 1 February 2013 to 31 January 2014 for that period, which is set out in the first table on page 8 of the Circular, is at rates unchanged from those approved in January 2012 with the support of 90.7% of the voting rights exercised on the resolution.

The effect of Special Resolution 1 is to approve the payment now of remuneration of non-executive directors of the Company in office during the period 1 February 2013 to 31 January 2014 for their services for the period 1 February 2013 until 31 January 2014.

### **Special Resolution 2**

To consider and, if deemed appropriate, sanction, in accordance with sections 66(8) and (9) of the Companies Act, the payment of remuneration to non-executive directors of the Company in office from 1 February 2014 for their services as directors in respect of the period from 1 February 2014, as set out on page 8 of the Circular.

To be adopted, Special Resolution 2 requires the support of at least 75% of the voting rights exercised on the resolution.

### **The reason for and effect of Special Resolution 2**

Special Resolution 2 is proposed in order to approve the payment of remuneration of non-executive directors of the Company in office from 1 February 2014 for their services as directors for the period from 1 February 2014.

Particulars of the proposed fees and remuneration for non-executive directors for the period from 1 February 2014 are contained on page 8 of the Circular. Since the coming into effect of the Companies Act 71 of 2008, in particular sections 65(11), 66(8) and (9) thereof, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by shareholders (i.e. a resolution passed with the support of at least 75% of the voting rights exercised on the resolution) within the previous two years. The proposed payment of remuneration of the non-executive directors of the Company in office from 1 February 2014 for the period from 1 February 2014, which is set out in the second table on page 8 of this Circular, is at rates unchanged from those approved in January 2012 with the support of 90.7% of the voting rights exercised on the resolution.

The effect of Special Resolution 2 is to approve the payment of remuneration of non-executive directors of the Company in office from 1 February 2014 for their services for the period from 1 February 2014.

### **Quorum requirements**

The Extraordinary General Meeting may not begin until sufficient persons are present at such meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Extraordinary General Meeting. A matter to be decided at the Extraordinary General Meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% 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. In addition, a quorum shall consist of at least three persons entitled to exercise voting rights at the Extraordinary General Meeting, present at the meeting.

The Board has determined that the Voting Record Date for the purposes of the Extraordinary General Meeting (being the date on which a Voting Member must be registered in the Company's Register in order to participate in and vote at the Extraordinary General Meeting) shall be Friday, 14 March 2014. The last day to trade Adcock Ingram Ordinary Shares in order to vote at the Extraordinary General Meeting will be Friday, 7 March 2014.

A Voting Member who holds Certificated Shares, or who holds Dematerialised Shares in own-name, and who is registered as such on the Voting Record Date is entitled to attend, participate in and vote at the Extraordinary General Meeting and may appoint a proxy or proxies to attend, participate in and speak and vote at the Extraordinary General Meeting in his/her stead. A proxy need not be a member of the Company. The completion and lodging of a form of proxy will not preclude a Voting Member from attending, participating in, speaking and voting at the Extraordinary General Meeting to the exclusion of the proxy/ies so appointed.

The form of proxy in respect of the Extraordinary General Meeting (*blue*) should be completed and returned to the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 11h00 on Monday, 17 March 2014, or 48 hours immediately preceding any adjourned or postponed meeting, or handed to the chairperson of the Extraordinary General Meeting by no later than ten minutes before the scheduled time for the commencement of the Extraordinary General Meeting in accordance with the instructions contained therein.

On a poll every Voting Member present in person or represented by proxy shall have one vote for every Adcock Ingram Share held by such Voting Member. On a show of hands, every Voting Member present in person or represented by proxy at the Extraordinary General Meeting shall have only one vote, irrespective of how many Adcock Ingram Shares or Adcock Ingram Shareholders he/she represents.

Voting Members who hold Dematerialised Shares, other than holders of Dematerialised Shares in their own-name, must inform their CSDP or Broker of their intention to attend the Extraordinary General Meeting and request their CSDP or Broker to issue them with the necessary letters of representation to attend the Extraordinary General Meeting or to provide their CSDP or Broker with their voting instructions should they not wish to attend the Extraordinary General Meeting in person, failing which the CSDP or Broker will be obliged to act in terms of the mandate between such Voting Members and their CSDP or Broker.

### **Electronic participation**

Voting Members are advised in terms of section 63(3) of the Companies Act, that while the Extraordinary General Meeting will be held in person, Voting Members (and/or their proxies) may participate in (but not vote at) the Extraordinary General Meeting by electronic communication, as contemplated in subsection 63(2) of the Companies Act, and Voting Members and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Extraordinary General Meeting by means of a teleconference facility.

Arrangements so to participate in the Extraordinary General Meeting should be made through the office of the Company Secretary.

### **By order of the Board**

#### **A G Hall**

*Deputy Chief Executive and Financial Director*

13 February 2014



**adcock ingram**

**Adcock Ingram Holdings Limited**

(Incorporated in the Republic of South Africa)

Registration number 2007/016236/06

Share code: AIP ISIN: ZAE000123436

("Adcock Ingram" or "the Company")

**FORM OF PROXY IN RESPECT OF THE EXTRAORDINARY GENERAL MEETING**

All terms defined in the Circular to Adcock Ingram Shareholders dated 13 February 2014 to which this form of proxy is attached shall bear the same meanings herein unless the term is defined herein or unless the context requires otherwise.

For use only by Voting Members that hold Adcock Ingram Shares in certificated form (Certificated Shareholders) or Voting Members who have dematerialised their Shares (Dematerialised Shareholders) and are registered with "own-name" registration, at the Extraordinary General Meeting of Voting Members to be held in the auditorium at Adcock Ingram's office, 1 New Road, Midrand, Gauteng, South Africa commencing at 11h00 on Wednesday, 19 March 2014.

Dematerialised Shareholders holding Adcock Ingram Shares other than with "own-name" registration, must inform their CSDP or Broker of their intention to attend the Extraordinary General Meeting and request their CSDP or Broker to issue them with the necessary letter of representation and/or proxy form to attend the Extraordinary General Meeting in person and vote (or abstain from voting) or provide their CSDP or Broker with their voting instructions should they not wish to attend the Extraordinary General Meeting in person. Letters of representation must be lodged with the Transfer Secretaries by the commencement of the Extraordinary General Meeting (including any adjournment or postponed meeting). These Shareholders must **not** use this form of proxy.

I/We (full name/s in BLOCK LETTERS)

Of (Address in BLOCK LETTERS)

Telephone number (Work) (Area code)

Mobile number

being the holders of  Adcock Ingram Shares, and entitled to vote, do hereby appoint (see note):

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

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

3. the chairperson of the Extraordinary General Meeting,

as my/our proxy to represent and act for me/us at the Extraordinary General Meeting (including any adjourned or postponed meeting) for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions to be proposed thereat and at each adjournment or postponement thereof; and to vote for and/or against such resolutions and/or abstain from voting in respect of the Shares registered in my/our name in accordance with the following instructions, and otherwise in accordance with the Companies Act, the MOI and the terms of the attached notes:

	Number of Shares		
	For	Against	Abstain
<b>Special Resolution 1</b> To sanction the payment now of the proposed remuneration to non-executive directors for the period 1 February 2013 until 31 January 2014			
<b>Special Resolution 2</b> To sanction the payment of the proposed remuneration to non-executive directors for the period from 1 February 2014			

**Please indicate in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain from voting as he/she deems fit.**

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2014

Signature

Assisted by (where applicable)

Each Voting Member is entitled to appoint one or more proxies (who need not be a Shareholder of Adcock Ingram but must be natural persons) to attend, speak at and vote (or abstain from voting) in place of that Shareholder at the meeting.

**Please see the notes on the reverse side hereof.**

#### Notes to the form of proxy:

1. The form of proxy must only be used by Certificated Shareholders or Dematerialised Shareholders who hold Dematerialised Shares in their "own-name".
2. Dematerialised Shareholders who hold Dematerialised Shares other than in their "own-name" and who wish to attend the Extraordinary General Meeting in person may do so by requesting the registered holder, being their CSDP, Broker or nominee, to issue them with a letter of representation and/or form of proxy.
3. Dematerialised Shareholders who hold Dematerialised Shares other than in their "own-name" and who do not wish to attend the Extraordinary General Meeting in person but wish to vote (or abstain from voting) thereat must provide the registered holder, being the CSDP, Broker or nominee, with their voting instructions. The voting instructions must reach the registered holder in sufficient time to allow the registered holder to exercise such vote on your behalf.
4. Shareholders are reminded that the onus is on them to communicate with their CSDP or Broker.
5. A Shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the Extraordinary General Meeting", but any such deletion or insertion must be initialled by the shareholder. Any insertion or deletion not complying with the foregoing will, subject to 10, be declared not to have been validly effected. A proxy need not be a Shareholder. The person whose name stands first on the form of proxy and who is present at the Extraordinary General Meeting 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 chairperson of the Extraordinary General Meeting.
6. Please note that the chairperson of the Extraordinary General 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.
7. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each Share held. A Shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that Shareholder. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she deems fit in respect of all the Shareholder's votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the Shareholder or by his/her 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 any 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 is attached.
9. 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 Extraordinary General Meeting.
10. The chairperson of the Extraordinary General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
11. The completion and lodging of this form of proxy will not preclude the relevant voting rights holder from attending the meeting and speaking and voting (or abstain from voting) in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
12. Documentary evidence establishing the authority of a person signing the form of proxy in a representative or other legal capacity must be attached to this form of proxy, unless previously recorded by Adcock Ingram or unless this requirement is waived by the chairperson of the Extraordinary General Meeting.
13. 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.
14. Where there are joint holders of Shares:
  - Any one holder may sign the form of proxy.
  - The vote(s) of the senior Shareholder (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
15. To be effective, completed forms of proxy should be:
  - (i) lodged with or mailed to Computershare Investor Services (Proprietary) Limited
    - Hand deliveries to:**  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001
    - Postal deliveries to:**  
PO Box 61051  
Marshalltown, 2107to be received by 11h00 on Monday, 17 March 2014, (or not less than 48 hours before any adjourned or postponed meeting); or
  - (ii) handed to the chairperson of the Extraordinary General Meeting up to 10 minutes before that Extraordinary General Meeting (including any adjourned or postponed meeting).
16. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
17. A proxy may not delegate his/her authority to act on behalf of the Shareholder, to another person.

## **Annexure to the form of proxy in respect of the Extraordinary General Meeting**

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

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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
  - 3.2 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 relevant company’s memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to:
  - 6.1 the shareholder, or
  - 6.2 the 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 relevant 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).

