

## Notice of annual general meeting

Notice is hereby given that the annual general meeting of shareholders of Aspen Pharmacare Holdings Ltd will be held at Building Number 1, Healthcare Park, Woodlands Drive, Woodmead, Johannesburg, Gauteng, on Friday, 4 December 2009 at 09:30.

The following business will be transacted and resolutions proposed, with or without modification:

### Ordinary business

#### 1. Ordinary resolution number 1

##### Approval of annual financial statements

To receive, approve and adopt the annual financial statements of the Company and of the Group for the year ended 30 June 2009.

#### 2. Ordinary resolution number 2

##### Re-election of directors

To re-elect the following directors who retire by rotation in terms of the Articles of Association of the Company:

- (a) Archie Aaron
- (b) Chris Mortimer
- (c) David Nurek
- (d) Sindi Zilwa

all of whom are eligible and offer themselves for re-election.

Abbreviated biographical details of the directors are set out in the directorate.

#### 3. Ordinary resolution number 3

##### Re-appointment of external auditors

To re-appoint the auditors, PricewaterhouseCoopers Inc., as auditors of the Company and the Group; and Eric MacKeown as the audit partner, for the ensuing year.

#### 4. Ordinary resolution number 4

##### Remuneration of auditors

To authorise the directors of the Company to determine the remuneration of the auditors.

#### 5. Ordinary resolution number 5

##### Remuneration of non-executive directors

To approve the remuneration of non-executive directors for the year ending 30 June 2010 on the following basis :

Type of fee	Existing fee for the year ended 30 June 2009 R	Proposed fee for the year ending 30 June 2010 R
<b>Group Board</b>		
Chairman	500 000	540 000
Member	176 000	190 000
<b>Audit &amp; Risk Committee</b>		
Chairman	176 000	220 000
Member	88 000	100 350
<b>Remuneration &amp; Nomination Committee</b>		
Chairman	60 500	65 350
Member	30 250	32 670
<b>Transformation Committee</b>		
Member	46 750	50 500

#### 6. Ordinary resolution number 6

##### General authority to distribute to shareholders part of the Company's share premium

"Resolved that, the directors of the Company be authorised, by way of a general authority, to distribute to shareholders of the Company any share capital and reserves of the Company in terms of section 90 of the Companies Act, 61 of 1973 as amended, Article 30.2 of the Company's Articles of Association and in terms of the Listings Requirements of JSE Ltd, provided that:

- > the distribution will be made pro rata to all ordinary shareholders;
- > the general authority shall be valid until the next annual general meeting of the Company or for 15 months from the passing of this ordinary resolution (whichever period is the shorter); and
- > any general distribution of share premium by the Company does not exceed 20% of the Company's issued share capital and reserves, excluding minority interests.

The directors of the Company are of the opinion that, were the Company to enter into a transaction to distribute share capital and/or reserves up to a maximum of 20% of the current issued share capital and reserves, and they are satisfied that for a period of 12 months after the date of the notice of this annual general meeting:

- > the Company and its subsidiaries ("the Group") will be able to pay its debts as they become due in the ordinary course of business;
- > the assets of the Group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the Company and the Group;
- > the issued share capital of the Group will be adequate for the purpose of the business of the Group for the foreseeable future; and
- > the working capital available to the Group will be adequate for the Group's requirements for the foreseeable future."

If the directors recommend a distribution to shareholders on publication of the preliminary results for the year ending June 2010, the above authority will be used.

#### 7. Ordinary resolution number 7

##### **Renewal of the authority that the unissued shares be placed under the control of directors**

"Resolved that all of the ordinary shares in the authorised but unissued share capital of the Company be placed at the disposal and under the control of the directors until the next annual general meeting of the Company, and that the directors be authorised and empowered, subject to the provisions of the Companies Act 61 of 1973 ("the Act"), and the Listings Requirements of JSE Ltd, to allot, issue and otherwise dispose of such shares to such person/s on such terms and conditions and at such times as the directors may from time-to-time in their discretion deem fit."

#### 8. Ordinary resolution number 8

##### **Authorisation for an executive director to sign necessary documents**

"Resolved that any one executive director be authorised to sign all such documents and to do all such things as may be necessary for or incidental to the implementation of the resolutions to be proposed at the annual general meeting."

#### **Special business**

Shareholders are requested to consider, and if deemed fit, pass the following special resolutions with or without amendment:

#### 9. Special resolution number 1

##### **General authority to repurchase Company shares**

"Resolved that the Company or any of its subsidiaries, be authorised by way of a general authority, to acquire up to a further 20% of the Company's ordinary issued share capital (subject to the proviso that a subsidiary may not hold more than 10% of the Company's issued share capital), in terms of Sections 85(2) and 85(3) of the Companies Act 61 of 1973, as amended, and of the Listings Requirements of JSE Ltd. Such general approval shall be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution. Such authority is subject to the following conditions:

- > any such acquisition of ordinary shares shall be implemented through the order book operated by JSE Ltd's trading system and done without any prior understanding or arrangement between the Company or its subsidiary and the counter-party;
- > acquisitions in the aggregate in any one financial year may not exceed 20% of the Company's issued share capital as at the date of passing this special resolution;
- > an announcement is published as soon as the Company or any of its subsidiaries has acquired shares constituting, on a cumulative basis, 3% of the number of the ordinary shares in issue at the time the authority is granted and for each subsequent 3% purchase thereafter, containing full details of such acquisition;
- > in determining the price at which Aspen shares are acquired by the Company or its subsidiaries, the maximum premium at which such shares may be purchased will be 10% of the weighted average of the market value of the shares for the five business days immediately preceding the date of the relevant transaction;
- > the Company or its subsidiary has been given authority by its Articles of Association;
- > at any point in time, the Company or its subsidiary may only appoint one agent to effect any repurchase on the Company's behalf;

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- > the Company's sponsor must confirm the adequacy of the Company's working capital for purposes of undertaking the repurchase of shares in writing to JSE Ltd before entering the market to proceed with the repurchase;
- > the Company remaining in compliance with the minimum shareholder spread requirements of JSE Ltd's Listings Requirements; and
- > the Company and/or its subsidiaries not repurchasing any shares during a prohibited period as defined by JSE Ltd's Listings Requirements, unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

### Opinion of the directors

Should the authority be granted at the Company's annual general meeting, it will provide the Directors with the flexibility to repurchase such shares as and when the best interests of the Company require it to do so.

The directors, after considering the effect of the repurchase of the maximum number of Aspen shares in terms of the general authority, are satisfied that for a period of 12 months after the date of the notice of this annual general meeting:

- > the Company and its subsidiaries ("the Group") will be able to pay its debts as they become due in the ordinary course of business;
- > the assets of the Group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the Company and the Group;
- > the issued share capital of the Group will be adequate for the purpose of the business of the Group for the foreseeable future;
- > the working capital available to the Group will be adequate for the Group's requirements for the foreseeable future; and
- > the Company's sponsor must confirm the adequacy of the Company's working capital for purposes of undertaking the repurchase of shares in writing to JSE Ltd before entering the market to proceed with the repurchase.

### 10. Special resolution number 2

#### Specific authority to purchase treasury shares

"Resolved that the Directors of the Company be authorised, by way of a specific authority, to approve the purchase in terms of Section 85 of the Companies Act of 1973, as amended, by Aspen of 681,301 treasury shares from Pharmacare Ltd, a wholly owned subsidiary of Aspen, at a price of R62,50 per share, being the closing share price for Aspen on JSE Ltd on 22 October 2009.

The Board of Directors is of the opinion that, after considering the effect of the specific repurchase the:

- > Company and the Group will be able, in the ordinary course of business, to pay its debt for a period of 12 months after the date of approval of the special resolution;
- > assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the approval of the special resolution. For this purpose the assets and liabilities were recognised and measured in accordance with the accounting policies used in the audited annual financial statements of the Group;
- > share capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the special resolution;
- > working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the approval of the special resolution; and
- > the Company and/or its subsidiaries will not repurchase any shares during a prohibited period as defined by JSE Ltd's Listings Requirements, unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period."

The reasons and effects of the ordinary resolutions and the special resolutions are set out in the explanatory notes that form part of this notice.

## 11. Other

To transact such other business as may be transacted at an annual general meeting of shareholders.

### Votings and proxies

#### Certified shareholders and dematerialised shareholders with “own name” registration

A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and on a poll to vote in his/her stead. A proxy need not be a shareholder of the Company. In order to be valid, completed forms of proxy must be lodged at the Company’s transfer secretaries, Computershare Investor Services (Pty) Ltd by no later than 09:30 on 3 December 2009.

Shareholders who have dematerialised their shares, other than with “own name” registration, and who wish to attend the annual general meeting must instruct their Central Securities Depository Participant (“CSDP”) or broker to issue them with the necessary Letter of Representation to attend.

Shareholders who have dematerialised their shares, other than with “own name” registration, and who wish to vote by way of proxy, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and their CSDP or broker.

By order of the Board



**Hymie Shapiro**

Company Secretary  
Johannesburg

22 October 2009

## Notice of annual general meeting (continued)

### Explanatory notes to resolutions for consideration at the annual general meeting

#### Ordinary business

##### Ordinary resolution number 1: Approval of annual financial statements

The directors must present to shareholders at the annual general meeting the annual financial statements incorporating the directors' report and the report of the auditors for the year ended 30 June 2009. These are contained within the annual report.

##### Ordinary resolution number 2: Re-election of directors

Under the Articles of Association, one third of the directors are required to retire at each annual general meeting and may offer themselves for re-election. In addition, any person appointed since the last annual general meeting is similarly required to retire and is eligible for re-election at the next annual general meeting.

##### Ordinary resolution number 3: Re-appointment of external auditors

The reason for proposing ordinary resolution number 3 is to confirm the appointment of PricewaterhouseCoopers Inc., and the audit partner, as the external auditors of the Company and the Group.

##### Ordinary resolution number 4: Remuneration of auditors

It is usual for this matter to be left to the directors, as they will be conversant with the amount of work that was involved in the audit. The Chairman will therefore propose a resolution to this effect, authorising the directors to attend to this matter:

##### Ordinary resolution number 5: Remuneration of non-executive directors

The Company, in general meeting, as per the Articles of Association, shall from time-to-time determine the remuneration of non-executive directors, subject to shareholders' approval.

##### Ordinary resolution number 6: General authority to distribute to shareholders part of the Company's share premium

The reason for and effect of this ordinary resolution is to grant the Board of Directors of the Company a general authority in terms of the Companies Act for the distribution of share capital and share premium by the Company to its shareholders. Such general authority will, subject to the requirements of the Companies Act, and JSE Ltd, provide the Board with the flexibility to distribute any surplus capital of the Company to its shareholders. This general approval shall be valid until the next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this ordinary resolution.

##### Ordinary resolution number 7: Directors' control of unissued ordinary shares

It is considered advantageous to grant the directors authority to enable the Company to take advantage of business opportunities which may arise in the future. This authority is due to expire at the next annual general meeting.

##### Ordinary resolution number 8: Authorisation for an executive director to sign necessary documents

It is necessary to confer upon an executive director of the Company an authority to sign all documents as may be necessary for or incidental to the resolutions to be proposed at the annual general meeting.

#### Special business

##### Special resolution number 1: General authority to repurchase Company shares

The reason for proposing the special resolution is to permit and authorise the Company and/or any subsidiaries to acquire the Company's own shares. The effect will be to grant the directors a general authority to purchase shares in Aspen. Such general authority will provide the Board with the flexibility, subject to the requirements of the Act and JSE Ltd, to repurchase the

Company's shares should it be in the interests of the Company while the general authority exists. This general authority shall be valid until the next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution.

#### **Special resolution number 2: Specific authority to repurchase treasury shares**

The reason for and effect of the special resolution is to grant the Company's directors a specific authority to approve the repurchase by the Company of 681,301 treasury shares of R62,50 each in the issued share capital of the Company from Pharmacare Ltd, a wholly owned subsidiary of the Company.

#### **Additional information**

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of JSE Ltd's Listings Requirements for purposes of the general authority to repurchase the Company's shares:

- > Directors and management page 50;
- > Major beneficial shareholders page 202;
- > Directors' interests in ordinary shares page 97;
- > Share capital of the Company page 139;
- > Directors' report page 96.

#### **Litigation statement**

In terms of section 11.26 of JSE Ltd's Listings Requirements, the directors, whose names appear in the directorate of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

#### **Directors' responsibility statement**

The directors, whose names appear in the directorate of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolutions 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 the special resolutions contain all relevant information.

#### **Material changes**

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

The Company undertakes to advise the sponsor before embarking on a general repurchase or capital distribution, in order to enable the sponsor to furnish JSE Ltd with written confirmation of the Company's working capital.