



Adcock Ingram Holdings Limited
(Registration number 2007/016236/06)

**Performance based long-term
incentive scheme (PBLTIS) (2018)**

TO BE APPROVED BY RESOLUTION TO BE CONSIDERED AND PASSED
AT THE ANNUAL GENERAL MEETING OF THE COMPANY
ON 22 NOVEMBER 2018 [SCH 14.1]

Table of contents

1.	INTERPRETATION	1
2.	INTRODUCTION AND OBJECTIVES	4
3.	THE PBLTIS AND THE ADMINISTRATION THEREOF	4
4.	OPERATION OF THE PBLTIS	5
5.	PBLTIS LIMITS	5
6.	GRANT OF AWARDS <i>[Sch 14.1(f)]</i>	6
7.	REVIEW OF PERFORMANCE CONDITIONS	7
8.	VESTING AND SETTLEMENT OF SHARES	7
9.	CESSATION OF EMPLOYMENT <i>[Sch 14.1(h)]</i>	8
10.	CHANGE OF CONTROL <i>[Sch 14.1(g)]</i>	9
11.	VARIATION IN SHARE CAPITAL AND ADJUSTMENTS	9
12.	FURTHER CONDITIONS	10
13.	CANCELLATION	11
14.	TAX LIABILITY	11
15.	DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS <i>[Sch 14.8]</i>	11
16.	LISTING AND LEGAL REQUIREMENTS	11
17.	AMENDMENTS AND TERMINATION <i>[Sch 14.2]</i>	12
18.	STRATE	12
19.	DOMICILIUM AND NOTICES	13
20.	DISPUTES	14
21.	PROFITS AND LOSSES AND TERMINATION OF THE PLAN	14
22.	GENERAL	14

Performance based long-term incentive scheme (PBLTIS)

1. INTERPRETATION

- 1.1 In these Rules, unless inconsistent with the context, the following words and expressions shall have the following meanings:
- 1.1.1 **"Accrual Date"** means the date on which a Participant is unconditionally entitled to the Shares which are the subject of an Award in terms of the provisions of the PBLTIS, which date will coincide with the Vesting Date;
 - 1.1.2 **"Adoption Date"** means the date on which this PBLTIS was adopted by Shareholders, being 22 November 2018;
 - 1.1.3 **"Allocated"** for purposes of setting the PBLTIS limits referred to in Rule 5, shall mean the aggregate number of Shares allocated in terms of one or more Award granted;
 - 1.1.4 **"Applicable Laws"** means in relation to any person or entity, all and any:
 - 1.1.4.1 statutes, subordinate legislation and common law;
 - 1.1.4.2 regulations;
 - 1.1.4.3 ordinances and by-laws;
 - 1.1.4.4 accounting standards;
 - 1.1.4.5 the Listings Requirements;
 - 1.1.4.6 the Takeover Regulations; and
 - 1.1.4.7 directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority,compliance with which is mandatory for that person or entity;
 - 1.1.5 **"Auditors"** means the auditors of the Company from time to time;
 - 1.1.6 **"Award"** means the award of a Conditional Share Award in accordance with Rule 6.3;
 - 1.1.7 **"Award Date"** means the date on which an Award is granted to an Employee as approved by the Board, irrespective of the date on which the Award is actually accepted by an Employee, which date may not be made retrospective; [Sch 14.13]
 - 1.1.8 **"Board"** means the Board of directors for the time being of the Company, or any committee thereof, (including the RemCom) to or upon whom the powers of the Board in respect of this PBLTIS are delegated or are conferred from time to time;
 - 1.1.9 **"Business Day"** means any day on which the JSE is open for the transaction of business;
 - 1.1.10 **"Capitalisation Issue"** means the issue of shares on capitalisation of the Company's profits and/or reserves including the Company's share premium account;

Performance based long-term incentive scheme continued

- 1.1.11 **“Change of Control”** means all circumstances where a party (or parties acting in concert), directly or indirectly obtains:
- 1.1.11.1 beneficial ownership of the specified percentage or more of the Company’s issued share capital; or
 - 1.1.11.2 control of the specified percentage or more of the voting rights at meetings of the Company; or
 - 1.1.11.3 the right to control the management of the Company or the composition of the Board; or
 - 1.1.11.4 the right to appoint or remove directors holding a majority of voting rights at Board meetings; or
 - 1.1.11.5 the right to control the business or undertaking of the Company through a merger or consolidation with any other business or entity, or upon a sale of the whole or a major part of the Company’s assets or undertakings,
- For the purposes of this 1.1.11 the expression **“specified percentage”** shall mean 50.1% (fifty point one percent); [Sch 14.1(g)]
- 1.1.12 **“Companies Act”** means the Companies Act 71 of 2008, as amended or substituted;
- 1.1.13 **“Company”** means Adcock Ingram Holdings Limited (Registration Number 2007/016236/06);
- 1.1.14 **“Company’s Securities Trading Policy”** means the securities trading policy of the Company, as may be amended from time to time;
- 1.1.15 **“Compliance Officer”** means, if applicable, the officer referred to in section 97 of the Companies Act and/or the person so designated by the Board;
- 1.1.16 **“Conditional Share Award”** means a conditional right to a Share granted to a Participant;
- 1.1.17 **“Employee”** means a person eligible for participation in the PBLTIS, namely any critical senior employee with significant managerial or other responsibility, including any director holding salaried employment or office, of any Employer Company in the Group, as determined from time to time by the Board in its absolute discretion but excluding any non-executive director; [Sch 14.1(a) & 14.4]
- 1.1.18 **“Employer Company”** means a company in the Group to which an Employee or Participant is providing employment services;
- 1.1.19 **“Executive Director Human Capital and Transformation”** means the Head of Human Capital and Transformation of the Group from time to time;
- 1.1.20 **“Financial Year”** means the financial year of the Company which currently runs from 1 July of the previous year to 30 June each year;
- 1.1.21 **“Grant”** or **“granted”** means the grant to an Employee of an Award in terms Rule 6 (Grant of Awards) of this PBLTIS;
- 1.1.22 **“Group”** means the Company, its direct and indirect subsidiaries, joint ventures and associated companies from time to time;
- 1.1.23 **“Independent Advisor”** means an advisor other than the Auditors;

Performance based long-term incentive scheme continued

- 1.1.24 **"JSE"** means the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, licensed as an exchange under the Financial Markets Act, No. 19 of 2012;
- 1.1.25 **"Letter of Grant"** means a document delivered to an Employee in terms of Rule 6.3.1;
- 1.1.26 **"Listing Requirements"** means the listing requirements of the JSE from time to time;
- 1.1.27 **"Market Value"** means in respect of a Share, the volume weighted average price of that Share as quoted on the JSE for the Business Day immediately preceding the date on which a determination of the Market Value of the Shares is to be made for the purposes of these Rules;
- 1.1.28 **"Participant"** means an Employee to whom a Grant has been made in terms of this PBLTIS and who has accepted such Grant, and includes the executor of such employee's deceased estate where appropriate;
- 1.1.29 **"PBLTIS"** means the Adcock Ingram Holdings Limited Performance Based Long-Term Incentive Scheme constituted by these Rules, as amended from time to time;
- 1.1.30 **"Performance Conditions"** means the conditions specified in the Letter of Grant and in this PBLTIS to which an Award is subject;
- 1.1.31 **"Performance Period"** means 1 (one) or more periods over which the Performance Conditions shall be measured as specified in the Letter of Grant;
- 1.1.32 **"Prohibited Period"** means a prohibited period as contemplated in clause 4 of the Company's Securities Trading Policy, as amended from time to time;
- 1.1.33 **"RemCom"** means the Remuneration Committee of the Board from time to time;
- 1.1.34 **"Retirement"** means in relation to an Employee, normal retirement age of 65, or with the approval of the Board, prior to the normal retirement age;
- 1.1.35 **"Rules"** means these rules of this PBLTIS as amended from time to time;
- 1.1.36 **"Rights issue"** means the offer of any securities of the Company to ordinary shareholders of the Company pro rata to their holdings;
- 1.1.37 **"Settlement"** means delivery of the required number of Shares to which a Participant is entitled pursuant to the Vesting in terms of Rule 8.1 of the Conditional Share Award and **"Settle"** or **"Settled"** shall be construed accordingly;
- 1.1.38 **"Settlement Date"** means the date on which Settlement shall occur;
- 1.1.39 **"Share"** means ordinary shares with a par value of 10 (ten) cents each (or as adjusted) in the capital of the Company;
- 1.1.40 **"Tax"** means any present or future tax or other charge of any kind or nature whatsoever imposed, levied, collected, withheld or assessed by any competent authority, and includes all income tax (whether based on or measured by income/revenue or profit or gain of any nature or kind or otherwise and whether levied under the Tax Act or otherwise), capital gains tax, value-added tax and any charge in the nature of taxation, and any interest, penalty, fine or other payment on, or in respect thereof but specifically excluding issue duty, stamp duty and securities transfer tax;
- 1.1.41 **"Tax Act"** means the Income Tax Act 58 of 1962, as amended or substituted;

Performance based long-term incentive scheme continued

1.1.42 **“Vesting Date”** means the date on which a Participant becomes entitled to the Shares which are the subject of an Award, being a date determined by the Board after confirmation by the Board that the Performance Conditions and all other conditions have been fulfilled, as set out in the Letter of Grant, provided that if the Vesting Date would otherwise occur in a Prohibited Period, the Vesting Date shall be postponed until the 1st (first) Business Day after the Prohibited Period and **“Vest”**, **“Vesting”** and **“Vested”** shall be construed accordingly. For clarity, should a Performance Period come to an end during a Prohibited Period, the fulfilment or not of the Performance Conditions shall be determined at the end of such Performance Period, notwithstanding that Vesting may be deferred until the expiry of the Prohibited Period, as aforesaid;

1.2 The headings in these Rules are inserted for reference purposes only and shall in no way govern or affect the interpretation hereof.

1.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive provision.

1.4 Unless the context indicates otherwise, an expression that denotes any gender includes the other; a natural person includes a created entity (corporate or unincorporated) and the singular includes the plural, and *vice versa* in each case.

1.5 References in these Rules to any statutory provisions include a reference to those provisions as amended or replaced from time to time and include any regulations made under them.

2. INTRODUCTION AND OBJECTIVES

The objective of the PBLTIS is to attract, retain, motivate and reward selected Employees who are able to contribute to and influence the performance of the Group and its strategy on a basis which aligns their interest with those of the Company's shareholders. [Sch 14 - Introduction]

3. THE PBLTIS AND THE ADMINISTRATION THEREOF

3.1 The PBLTIS shall be applicable to Awards made on or after the approval of the PBLTIS by shareholders. These Rules shall govern the PBLTIS.

3.2 An Award shall be made as a Conditional Share Award (a conditional right to receive a Share).

3.3 Administration

3.3.1 The Board is responsible for the operation of the administration of the PBLTIS, and subject to Applicable Laws has discretion to decide whether and on what basis the PBLTIS shall be operated, which may include but not be limited to the delegation of the administration of the PBLTIS to a Compliance Officer or any third party appointed by the Board.

3.3.2 Subject to Rule 17 and any other applicable provisions of the PBLTIS, any Applicable Laws and to the approval of the Board, the Board shall be entitled to make and establish such rules and regulations and to amend the same from time to time, as it deems deem necessary in order to achieve the objectives of the PBLTIS and/or expedient for the proper implementation and administration of the PBLTIS.

Performance based long-term incentive scheme continued

4. OPERATION OF THE PBLTIS

- 4.1 The Employer Company, through the Executive Director: Human Capital and Transformation shall periodically recommend to the Board which Employees it intends to incentivise and retain by the making of Awards whereupon the Board shall at the request or on the advice of and on behalf of the Employer Company make an Award to the Employee concerned.
- 4.2 The Board is responsible for the governance pertaining to the PBLTIS. The Board will, therefore, have the final authority to decide on who will participate in the PBLTIS, the quantum of the Awards to be made to the Participants, the nature of the Performance Conditions to be imposed, and all other issues relating to the governance of the PBLTIS.
- 4.3 The Employer Company shall, however, remain responsible to procure the Settlement in terms of the PBLTIS to the Participants on the Vesting Date.

5. PBLTIS LIMITS

5.1 **Overall Company Limit** [Sch 14.1(b)]

- 5.1.1 The aggregate number of Shares at any one time which may be Allocated under Awards made in terms of this PBLTIS, shall not exceed 8,787,402 (eight million seven hundred and eighty seven thousand four hundred and two) Shares (representing approximately 5% (five percent) of the total issued share capital of the Company at the Adoption Date), provided the total number of Shares which may be the subject of Awards in any one financial year may not exceed 1,757,480 (one million seven hundred and fifty seven thousand four hundred and eighty) Shares (representing approximately 1% (one percent) of the total share capital of the Company at the Adoption Date). [Sch 14.1(b)]
- 5.1.2 In the determination of the number of the Shares which may be Allocated under Awards made in terms of this PBLTIS in terms of Rule 5.1.1 above, the Shares which have:
 - 5.1.2.1 been purchased through the open market on the JSE;
 - 5.1.2.2 been forfeited by Participants and revert to the PBLTIS; and
 - 5.1.2.3 failed to Vest in and accordingly failed to be Settled to Participants,shall not be taken into account. [Sch 14.9(c) & 14.12]

5.2 **Individual limit** [Sch 14.1(c)]

- 5.2.1 The aggregate number of Shares at any one time which may be Allocated under Awards made in terms of this PBLTIS to any one Participant, shall not exceed 2,000,000 (two million) Shares, provided the total number of Shares Allocated under Awards made to any Participant in respect of this PBLTIS in any one financial year shall not exceed 200,000 (two hundred thousand) Shares.

Performance based long-term incentive scheme continued

6. GRANT OF AWARDS [SCH 14.1(F)]

6.1 When Awards may be Granted

Subject to Rule 4.1, the Board shall, from time to time, at the request of or on the advice of and on behalf of any Employer Company, make an Award to an Employee of such Employer Company provided that:

- 6.1.1 the PBLTIS has been approved by shareholders; and
- 6.1.2 at the time of making the Awards there are no lawful restrictions on the making of Awards.

6.2 Grant of Awards

6.2.1 An Award shall be made in writing and shall take the form of a written offer of a Conditional Share Award to the Employee.

6.2.2 An Award shall:

- 6.2.2.1 be personal to the Employee to whom it is addressed and may only be acted on by such Employee; and
- 6.2.2.2 indicate that the Employee must accept the Award in writing within the period specified in the Award (being a period of not more than 14 (fourteen) days after the Award Date set out in the Letter of Grant). Failure to accept the Award within the period specified shall be considered as repudiation thereof.

6.2.3 Any written acceptance of the Award shall be in the form prescribed by the Board and be submitted to the Executive Director: Human Capital and Transformation or such other person as the Executive Director: Human Capital and Transformation may nominate, within the period specified in Rule 6.2.2.2, failing which the Grant will be deemed to have been refused.

6.2.4 The Board may at any time change the Performance Conditions specified in a Letter of Grant if events occur which cause the Board reasonably to consider that a changed Performance Condition would be a fairer measure of performance, and would be no more difficult to satisfy, as required by changed business conditions; provided that the Board shall first communicate with the Participant concerned. For clarity, if the Board determines that the change would put the Participant in no more burdensome a position than they are at the time, or in a better position, then the consent of that Participant shall not be required, however, where the Board determines that any such change would be prejudicial and/or potentially prejudicial to the Participant, then the prior written consent of the affected Participant shall be obtained.

6.3 Terms of Awards

6.3.1 The Letter of Grant shall be in writing and shall specify the terms of the Award including:

- 6.3.1.1 the name of the Employee;
- 6.3.1.2 the number of Conditional Share Awards that are the subject of the Award and confirmation that the Employee shall not be obliged to pay any amount in respect of the Shares to which they become entitled at the end of the Performance Period;
- 6.3.1.3 the Award Date;
- 6.3.1.4 the Performance Period and applicable Performance Conditions;
- 6.3.1.5 the Vesting Date/s; and
- 6.3.1.6 any other relevant terms and conditions as determined by RemCom.

Performance based long-term incentive scheme continued

7. REVIEW OF PERFORMANCE CONDITIONS

- 7.1 As soon as reasonably practicable after the end of the Performance Period in relation to an Award, the Board shall review the Performance Conditions as specified in the Letter of Grant.
- 7.2 If the Board is satisfied that the Performance Conditions have been fulfilled, the Board shall calculate the number of Shares which are the subject of the Awards that Vest for each Participant.
- 7.3 Subject to Rule 8.1.2, if the Board is satisfied that the Performance Conditions have not been fulfilled, the Shares, (or the relevant number thereof) which are the subject of the Awards, subject to Performance Conditions, will not Vest and the Participant will be notified of such fact accordingly and of the reason that the Performance Conditions were not fulfilled.

8. VESTING AND SETTLEMENT OF SHARES

8.1 Vesting of Conditional Share Awards

- 8.1.1 Following the Vesting of the Shares which are the subject matter of the Awards, the relevant Employer Company shall within 30 (thirty) days of the Vesting Date, or such other period as may be reasonably practicable in the circumstances, procure the Settlement of that number of Shares determined in accordance with Rule 8.1.2 to the Participant in accordance with the Settlement methods described in Rule 8.1.3.
- 8.1.2 The number of Shares that are the subject matter of the Awards that Vest (which shall be calculated without deducting any costs or income Tax) shall be determined based on the extent to which the Performance Conditions have been met within the relevant Performance Periods, as determined in the Letter of Grant. The number of Shares that are Settled to the Employee may be net of deductions for any costs or income Tax depending on the settlement method adopted in accordance with Rule 8.1.3 below.
- 8.1.3 The Board shall be entitled in its sole and absolute discretion to Settle the Conditional Share Award in Shares using one of the following Settlement methods:
 - 8.1.3.1 the Employer Company will, if so instructed by the Board, incur an expense by making a cash contribution to any third party equal in value to the required number of Shares in Settlement of the Conditional Share Award on the basis that the third party will acquire the required number of Shares on the market as agent for and on behalf of the Employer Company concerned; or [Sch 14.9(e)]
 - 8.1.3.2 the Employer Company shall, if so instructed by the Board, incur an expense by making a cash contribution equal in value to the subscription price of the Shares concerned, by way of subscription for new Shares to be allotted and issued by the Company to the Participant for a subscription price per Share of the Market Value per Share on the Vesting Date, provided, that the number of the Shares delivered to the Participant shall be that determined in accordance with the Letter of Grant irrespective of the cost to the Employer Company;
 - 8.1.3.3 the Company or the relevant Employer Company, as the case may be, after consultation with the Participant, either:
 - 8.1.3.3.1 Settle the gross amount of Shares which have Vested in the Participant to the Participant on condition that the Participant first pays the Company or the relevant Employer Company, as the case may be, an amount in cash sufficient to discharge the Participant's income Tax obligations (and/or any associated costs) which the Company or Employer Company is obliged to pay on behalf of the Participant as a result of the Vesting of the Shares; or

Performance based long-term incentive scheme continued

8.1.3.3.2 if the Participant does not elect to pay over the cash contemplated in 8.1.3.3.1 or fails for any reason to pay such cash following an election to do so within 30 (thirty) days after making such election, the Company or the Employer Company, as the case may be, may sell such number of Shares (as further contemplated in 12.1 below) as are necessary in order to discharge the Participant's income Tax obligations (and/or any associated costs) arising as a result of the Vesting of the Shares.

Further, the Company may, in its discretion and if so requested by the Participant, after consultation with the Participant, elect to dispose of the entirety of the Shares to which the Participant is entitled and pay to the Participant the net cash amount remaining after discharging the Employee's Tax arising as a result of the Vesting of the Shares;

8.1.3.4 subject to 8.1.3.3, the Participant shall pay in such manner and time as the Board may from time to time prescribe, any amount of which the Board may notify the Participant in respect of any deduction on account of Tax or costs as may be applied by Applicable Laws which may arise on the Vesting of the Shares which are the subject matter of the Awards.

8.2 For avoidance of doubt, the Accrual of the Shares (in the case of the Vesting of a Conditional Share Award) will coincide with the Vesting Date as contemplated in these Rules.

8.3 The Participant shall, if Shares are utilised for purpose of Settlement, have all shareholder rights in respect of the Shares on the Settlement Date and the Shares shall rank *pari passu* with the existing Shares in the issued ordinary share capital of the Company. [Sch 14.1 (e) & 14.1 (ii)]

8.4 If the Participant's employment with any Employer Company terminates after the Vesting Date, but before the Settlement Date for whatever reason, other than a matter which would justify summary dismissal under Applicable Laws (including fraud and theft), the Shares shall be Settled to him on the Settlement Date. If the Participant's employment terminates after the Vesting Date but before the Settlement Date for a reason that would justify summary dismissal under Applicable Laws (including fraud and theft) then, in the sole discretion of the Board, the Company may hold such Shares (or, if applicable, proceeds from the sale thereof) as security for any valid claims that the Company or the Employer Company may have against the relevant Employee and may dispose of those Shares in circumstances where the relevant Employee does not make payment of such amount to the Company or the Employer Company, as the case may be, and retain the proceeds as discharge or partial discharge of the amounts due by the Employee to the Company or the Employer Company, as the case may be. [Sch 14.1 (e)]

9. CESSATION OF EMPLOYMENT [Sch 14.1 (h)]

9.1 Resignation or dismissal

If a Participant's employment with any Employer Company terminates by reason of his resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by him or otherwise or where he resigns to avoid dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct) before the Vesting Date, all Unvested Awards will lapse, unless the Board in its absolute discretion determines otherwise. The discretion of the Board will be limited to the Vesting of a *pro rata* portion of the Awards, reflecting the number of months served since the Award Date and, in the opinion of the Board, the extent to which the Performance Conditions have been satisfied.

9.2 Retirement, retrenchment, death, ill health, disability or termination of employment for any other reason

If a Participant's employment with any Employer Company terminates before the end of the Vesting Date, by reason of retirement, retrenchment, death, ill health, disability or for any other reason not listed in Rule 9.1 or 9.2, a *pro rata* portion of the Unvested Awards shall Vest on the date of cessation of employment or the date of death. The *pro rata* portion of the Awards that vest will, unless the Board in its absolute discretion determines otherwise, reflect the number of months served since the Award Date and, in the opinion of the Board the extent to which the Performance Conditions have been satisfied. The balance of the Unvested Awards that do not Vest as aforesaid will lapse.

Performance based long-term incentive scheme continued

- 9.3 For the purposes of this Rule 9, a Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company.
- 9.4 Where a Participant is transferred from one Employer Company to another Employer Company, from the date of transfer:
- 9.4.1 all Awards granted to such Participant by the first Employer Company shall remain in force on the same terms and conditions as set out in these Rules; and
- 9.4.2 the second Employer Company shall assume all of the first Employer Company's obligations in respect of the relevant Awards in consideration for obtaining the Participant's services from the first Employer Company.

10. CHANGE OF CONTROL [Sch 14.1(g)]

- 10.1 In the event that a Change of Control of the Company shall occur before the Vesting Date, the Board shall by written notice to the Participant deem a *pro rata* portion of the Unvested Awards to Vest on the date of the Change of Control occurring. Unless the Board in its absolute discretion decides otherwise, the *pro rata* portion of the Awards that Vest will reflect the number of months served since the Award Date and the extent to which the Performance Conditions have been met. The portion of the Award that does not Vest early will: [Sch 14.3(a)]
- 10.1.1 if the Shares shall continue to be listed on the JSE following such Change of Control, continue to be subject to the terms of the Letter of Grant relating thereto unless, the Board, in its absolute discretion, determines that the terms of the Letter of Grant relating thereto are no longer appropriate, in which case the Board shall make such adjustment to the number of Awards or take such other action as may be required to place the Participants in the same position that they were prior to the occurrence of the Change of Control; or
- 10.1.2 if the Shares shall cease to be listed on the JSE following such Change of control, be subject to the application of the provisions of Rule 11.1.
- 10.2 If the event of an Employer Company (other than the Company) ceasing to be a subsidiary of the Company, the Board may take such action as they consider appropriate to protect the interests of Participants, including converting Awards into grants over shares in one or more other companies, reviewing the time that had endured since the Award Date which had elapsed, and calculate the number of Shares to Vest in each Participant accordingly, provided that the Participants are no worse off.

11. VARIATION IN SHARE CAPITAL AND ADJUSTMENTS

- 11.1 In the event of a rights issue, capitalisation issue, capital distribution, subdivision of Shares, consolidation of Shares, the Shares ceasing being listed on the JSE, the Company being put into liquidation for the purpose of reorganisation or any other event affecting the share capital of the Company (other than the corporate actions set out in Schedule 14.3(c) of the JSE Listings Requirements), or in the event of the Company making distributions to shareholders, including a distribution in specie (other than an ordinary dividend paid in the ordinary course of business out of the current year's retained earnings), Participants shall continue to participate in this PBLTIS, however the Board shall, in accordance with the JSE Listings Requirements, make such adjustment to the maximum number of Shares Allocated in respect of Awards stipulated in Rules 5.1 and 5.2, as the case may require, or take such other action as may be required to place Participants in the same position that they were prior to the happening of the relevant event. [Sch 14.3(a)] & [14.3(b)]
- 11.2 The Board shall notify the Participants of any adjustments which are made under this Rule 11. Where necessary, in respect of any such adjustments, the Independent Advisor, acting as an expert and not as arbitrator and whose decision shall be final and binding on all persons affected thereby, shall confirm to the Board and the JSE in writing that these are calculated on a non-prejudicial basis and in accordance with the provisions of this PBLTIS. Such written confirmation will be provided to the JSE at the time any such adjustment is finalised. [Sch 14.3(d)]

Performance based long-term incentive scheme continued

- 11.3 Any adjustments made in terms of this Rule 11 will be reported in the Company's annual financial statements in the year during which the adjustment is made. [Sch 14.3(e)]
- 11.4 If the Company is placed into liquidation otherwise than for the purposes of reorganisation, the Awards shall *ipso facto* lapse as from the date of liquidation and any Unvested Awards which have not yet Vested shall *ipso facto* lapse from the date of liquidation. For the purposes hereof "date of liquidation" shall mean the date upon which any application (whether provisional or final) for the liquidation of the Company which is granted by the relevant court, is lodged at the relevant court.
- 11.5 If the Company undergoes a Change of Control after an Award Date, then the rights (whether conditional or otherwise) in and to the Shares which are the subject matter of an Award under this PBLTIS, will, to the extent necessary, be accommodated on a basis which shall be determined by the Board to be fair and reasonable to Participants. [Sch 14.1(g)]

12. FURTHER CONDITIONS

- 12.1 Any Employer Company may make such arrangements as are necessary to meet any liability to taxation or any other liabilities and costs in respect of the Vesting of an Award. The arrangements may include but not limited to the sale of Shares on behalf of the Participants and the use of the proceeds of sale to meet such liability. [Sch 14.9(b)] [14.9 b is not applicable as this shares will not be held in Trust.]
- 12.2 If the acquisition or disposal of Shares would be in contravention of any code adopted by the Company relating to dealings in securities by directors and employees or prohibited by insider trading legislation or other Applicable Law, the trading and/or delivery of Shares, as the case may be, will be delayed until there would be no such contravention, alternatively executed subject to prior dispensation from the JSE in case of a protracted Prohibited Period.
- 12.3 The Company will ensure compliance with clauses 3.63 – 3.74 of the JSE Listings Requirements in terms of share dealings by the Company related to the PBLTIS. [Sch 14.9(d)]
- 12.4 Shares intended for use in the Settlement of the PBLTIS may not be purchased during a Prohibited Period unless a purchase programme, in accordance with the JSE Listings Requirements, is in place. [Sch 14.9(e)]
- 12.5 The rights of Participants under this PBLTIS are determined exclusively by these Rules. The Participant has no right to compensation or damages or any other sum or benefit in respect of his ceasing to participate in the PBLTIS or in respect of any loss or reduction of any rights or expectations under this PBLTIS in any circumstances, except as otherwise set out in these Rules.
- 12.6 Awards may not be transferred, ceded, assigned or otherwise disposed of by a Participant to any other person without the consent of RemCom, provided that on the death of a Participant, his Awards may be transferred to the executor of his deceased estate, in accordance with the common law.
- 12.7 A Participant will not be entitled to any voting rights or dividends to Shares prior to the Settlement of Conditional Share Awards however, he will be entitled to same subsequent to the Vesting and Settlement thereof. [Sch 14.(1)(e)]
- 12.8 Application will be made by the Company for a listing of Shares, simultaneously with the issue of Shares, in the event that the Company elects to Settle the Conditional Share Awards by issuing new Shares in terms of Rule 8.1.3.2
- 12.9 Shares Allocated for purposes of the PBLTIS, which are Unvested and not Settled, shall not have votes of the Company taken into account for JSE Listing Requirements resolution approval purposes at general/annual general meetings. Such Shares shall also not be taken account into account for purposes of determining categorisations as detailed in Section 9 of the Listings Requirements of the JSE. [Sch 14.10]
- 12.10 Awards will only be made once a potential Participant has been formally identified. [Sch 14.9(a)]

Performance based long-term incentive scheme continued

13. CANCELLATION

If, in terms of any provision of this PBLTIS, any Award is deemed to have been cancelled:

- 13.1 the Company is hereby irrevocably and *in rem suam* nominated, constituted and appointed as the sole attorney and agent of the Participant concerned in that Participant's name, place and stead to sign and execute all such documents and do all such things as are necessary for that purpose; and
- 13.2 the aforesaid shall revert back to the PBLTIS. [Sch 14.3(f)]

14. TAX LIABILITY

- 14.1 It is the intention that any Award shall be subject to the provisions of section 8C of the Tax Act.
- 14.2 Notwithstanding any other provision in these Rules (including Rule 8.1.3.4), if the Company or an Employer Company are obliged (or would suffer a disadvantage of any nature if they were not) to account for, withhold or deduct any (a) Tax in any jurisdiction which is payable in respect of, or in connection with, the making of any Award, Vesting and/or Settlement to a Participant of Shares, the payment of a cash amount and/or otherwise in connection with the PBLTIS and/or (b) any amount in respect of any social security or similar contributions which would be recoverable from a Participant in respect of the making of any Award, Vesting and/or Settlement to a Participant of Shares, the payment of a cash amount and/or otherwise in connection with the PBLTIS (the obligations referred to in (a) and (b) hereinafter referred to as a "**Tax/Social Liability**"), then the Company or the Employer Company shall be entitled to account for, withhold or deduct such Tax/Social Liability or the Company and/or the Employer Company shall be relieved from the obligation to Settle any Shares to a Participant or to pay any amount to a Participant in terms of the PBLTIS until that Participant has either:
 - 14.2.1 made payment to the relevant Employer Company of an amount equal to the Tax/Social Liability; or
 - 14.2.2 entered into an arrangement which is acceptable to the relevant Employer Company to secure that such payment is made (whether by authorising the sale of some or all of the Shares to be Settled to him and the payment to the relevant person of the relevant amounts out of the proceeds of the sale or otherwise).
- 14.3 The Company is hereby irrevocably and *in rem suam* nominated, constituted and appointed as the sole attorney and agent of a Participant, in that Participant's name, place and stead to sign and execute all such documents and do all such things as are necessary to give effect to the provisions of this Rule 14.

15. DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS [SCH 14.8]

The Company shall disclose in its annual financial statements the number of Shares that may be utilised for purposes of the PBLTIS at the beginning of the accounting period and changes in such number during the accounting period and the balance of securities available for utilisation for purposes of the PBLTIS at the end of the accounting period.

16. LISTING AND LEGAL REQUIREMENTS

Notwithstanding any other provision of this PBLTIS:

- 16.1 no Shares shall be Settled to any Participant or acquired pursuant to this PBLTIS if the Board determines in their sole discretion that such Settlement will or may violate Applicable Laws or the Listings Requirements of any securities exchange on which the Shares of the Company are listed; and
- 16.2 if applicable, the Company shall apply for the listing of all Shares on the JSE or any other securities exchange which have been Settled to Participants under this PBLTIS.

Performance based long-term incentive scheme continued

17. AMENDMENTS AND TERMINATION [SCH 14.2]

- 17.1 Subject as provided in this Rule 16, the Board may at any time, alter, vary or add to these terms and conditions as it deems fit. Amendments to these terms and conditions may only affect Awards to Participants that have already been made if they are to the advantage of Participants, subject to the JSE Listings Requirements.
- 17.2 Except as provided in Rule 17.3 the provisions relating to: [Sch 14.2]
- 17.2.1 categories of persons to whom or for the benefit of whom the Award may be issued in terms of this scheme;
 - 17.2.2 the rights of Participants who leave the employment of the Company as set out in Rule 9;
 - 17.2.3 the number of Conditional Share Awards which may be utilised for the purposes of this scheme;
 - 17.2.4 the basis for determining the Market Value and upon which awards are made and Settled;
 - 17.2.5 the adjustment of Awards of any one Participant and price in the event of a variation of capital of the Company;
 - 17.2.6 the limitations on benefits or maximum entitlements for any one Participant;
 - 17.2.7 the voting, dividend, transfer and other rights, including those arising on a liquidation of the issuer, attaching to the Shares.
 - 17.2.8 the treatment of Awards (vested and unvested) in instances set out in Rule 10; and
 - 17.2.9 the terms of this Rule 17.2,

may not be amended without the prior approval of the JSE and by ordinary resolution of the shareholders of the Company in general meeting (passed by a 75% majority of the votes cast in favour of such resolution by all shareholders present in person or represented by proxy at the general meeting) save that the votes of Participants participating in the PBLTIS shall be excluded to the extent such Shares have been acquired in terms of the PBLTIS and may be impacted by the changes.

- 17.3 The Board may, subject to the prior approval of the JSE, make any minor amendments, for ease of the administration of the PBLTIS, to comply with or take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable, taxation or regulatory treatment of any present or future Participant.

18. STRATE

Notwithstanding any provision in these Rules, the Company shall not be obliged to deliver the Participant share certificates in respect of the Shares Settled to him in terms of these Rules but shall instead be obliged to procure such electronic transactions and/or entries and to deliver to the Participant such documents (if any) as may be required to reflect his rights in and to such Shares pursuant to the provisions of the Companies Act, the Financial Markets Act, the Rules of the Central Securities Depository (being Share Transactions Totally Electronic Limited) and the requirements of the JSE.

Performance based long-term incentive scheme continued

19. DOMICILIUM AND NOTICES

- 19.1 The parties choose *domicilium citandi et executandi* for all purposes arising from this PBLTIS, including, without limitation, the giving of any notice, the payment of any sum, the delivery of shares, the serving of any process, as follows:
- 19.1.1 the Company, the Board:
- | | |
|-------------------|--|
| Physical address: | 1 New Road,
Midrand,
Johannesburg,
1685 |
| Postal address: | Private Bag X69,
Bryanston,
2021 |
| Facsimile: | 0865530110 |
- 19.1.2 Employer Company: The address and telefax number of the Registered Office of the Employer Company from time to time;
- 19.1.3 each Participant: The physical address, telefax number and electronic address from time to time reflected as being his address, telefax number and/or electronic address in the Employer Company's payroll system from time to time.
- 19.2 Any of the above persons shall be entitled from time to time, by written notice to the other, to vary its *domicilium* to any other physical address within the Republic of South Africa and/or its facsimile number and/or (in the case of a Participant) his electronic address; provided in the case of a Participant such variation is also made to his details on the Employer Company's payroll system.
- 19.3 Any notice given and any delivery or payment made by any of the above persons to any other which:
- 19.3.1 is delivered by hand during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee at the time of delivery;
- 19.3.2 is delivered by courier during the normal business hours of the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee on the third day after the date of the instruction to the courier to deliver to the addressee;
- 19.3.3 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium* for the time being shall be rebuttably presumed to have been received by the addressee on the seventh day after the date of posting.
- 19.4 Any notice given that is transmitted by electronic mail and/or facsimile to the addressee at the addressee's electronic address and/or facsimile address (as the case may be) for the time being shall be presumed, to have been received by the addressee on the date of successful transmission thereof.
- 19.5 Any notice or other document given to any Participant pursuant to the PBLTIS may be delivered to him or sent by post to him at his home address according to the records of the Employer Company or such other address as may appear to the Board to be appropriate. Notices or other documents sent by registered post will be deemed to have been given seven days following the date of posting if sent by registered post.
- 19.6 Any notice or document given to the Employer Company pursuant to the PBLTIS may be delivered to it or sent by post to its registered office marked for the attention of the company secretary of the Employer Company, or such other address as may be specified by the Employer Company and the documents will not be deemed to have been received before actual receipt by the company secretary of the Employer Company.

Performance based long-term incentive scheme continued

20. DISPUTES

- 20.1 Should any dispute of whatever nature arise from or in connection with these Rules (including an urgent dispute), then the dispute shall, unless the parties thereto otherwise agree in writing:
 - 20.1.1 in the first instance be referred to mediation by a mediator acceptable to both parties; and
 - 20.1.2 failing resolution by mediation or agreement on a mediator, such dispute shall be referred to the decision of the Auditors, acting as experts and not as arbitrators, whose decision thereon shall be final and binding on the parties to the dispute.
- 20.2 This Rule is severable from the rest of these Rules and shall remain in effect even if these Rules are terminated for any reason.

21. PROFITS AND LOSSES AND TERMINATION OF THE PLAN

- 21.1 The Company shall bear any losses sustained by the PBLTIS which are not recovered from Employer Companies in terms of 7. Furthermore, the Company shall be entitled to receive and be paid any profits made in respect of the purchase, acquisition, sale or disposal of Shares.
- 21.2 The PBLTIS shall terminate if the Board so resolves, subject to any existing Awards. Any deficit arising from the winding up of the PBLTIS shall be borne by the Company, to the extent not recovered by the Company from Employer Companies.

22. GENERAL

- 22.1 The rights and obligations of any Participant under the terms of his office or employment with any Employer Company shall not be affected by his participation in the PBLTIS or any right which he may have to participate in it. The PBLTIS shall not entitle a Participant to any right to continued employment or any additional right to compensation in consequence of the termination of his employment.
- 22.2 South African law governs the PBLTIS. All Employer Companies and Participants submit to the jurisdiction of the South African courts as regards any matter arising under the PBLTIS.

This PBLTIS is to be adopted at an annual general meeting of shareholders of Adcock Ingram Holdings Limited to be held at 1 New Road, Midrand on November 22, 2018 and is available for inspection for at least 14 (fourteen) days prior to the annual general meeting at the Company's registered office. [Sch 14.7]

By Order of the Board

22 November 2018

