

NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY 2017



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the seventh Annual General Meeting of shareholders of Dis-Chem Pharmacies Limited (“Dis-Chem” or “the Company”) will be held at Investec, 100 Grayston Drive, Sandton, Johannesburg, 2196, on 28 July 2017 at 10:00. To ensure that registration procedures are completed by 10:00, please register for the Annual General Meeting from 09:30. Only those shareholders listed in the shareholders’ register as at Friday, 21 July 2017 will be eligible to vote at the Annual General Meeting. Accordingly, the last day to trade in order to be eligible go participate in and vote at the Annual General Meeting is Tuesday, 18 July 2017.

The purpose of the Annual General Meeting is to propose the passing of the following ordinary and special resolutions:

1. ORDINARY RESOLUTION NUMBER 1

Approval of annual financial statements

Resolved that the annual financial statements of the Company and its subsidiary companies for the year ended 28 February 2017, together with the reports of the Directors, Auditors and Audit and Risk Management Committee be and are hereby considered and adopted.

2. ORDINARY RESOLUTION NUMBER 2

Appointment of auditors and designated auditor

Resolved that Ernst and Young Inc. be and are hereby re-appointed auditors of the Company and that Mr Derek Engelbrecht is hereby appointed the designated auditor to hold office for the ensuing year.

The Company’s Audit and Risk Committee has recommended the re-appointment of Ernst & Young Inc. as auditors of the Company with Mr Derek Engelbrecht being appointed as the designated auditor for the current financial year.

3. ORDINARY RESOLUTION NUMBER 3

Re-election of director

Resolved that Mr Mark John Bowman, who retires in terms of the Company’s Memorandum of Incorporation, be re-elected a director of the Company.

The *curriculum vitae* for Mr Bowman appears on page 21 of this annual report.

4. ORDINARY RESOLUTION NUMBER 4

Re-election of director

Resolved that Dr Anuschka Coovadia, who retires in terms of the Company’s Memorandum of Incorporation, be re-elected a director of the Company.

The *curriculum vitae* for Ms Coovadia appears on page 21 of this annual report.

5. ORDINARY RESOLUTION NUMBER 5

Re-election of director

Resolved that Mr Mahomed Salim Ismail Gani, who retires in terms of the Company’s Memorandum of Incorporation, be re-elected a director of the Company.

The *curriculum vitae* for Mr Gani appears on page 21 of this annual report.

6. ORDINARY RESOLUTION NUMBER 6

Re-election of director

Resolved that Mr Johannes Sanyana Mthimyune, who retires in terms of the Company’s Memorandum of Incorporation, be re-elected a director of the Company.

The *curriculum vitae* for Mr Mthimyune appears on page 21 of this annual report.

7. ORDINARY RESOLUTION NUMBER 7

Re-election of director

Resolved that Mr Laurence Michael Nestadt, who retires in terms of the Company’s Memorandum of Incorporation, be re-elected a director of the Company.

The *curriculum vitae* for Mr Nestadt appears on page 20 of this annual report.

8. ORDINARY RESOLUTION NUMBER 8

Appointment of Audit and Risk Committee member

Resolved that Mr Mark John Bowman be appointed a member of the Company's Audit and Risk Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

9. ORDINARY RESOLUTION NUMBER 9

Appointment of Audit and Risk Committee member

Resolved that Dr Anuschka Coovadia be appointed a member of the Audit and Risk Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

10. ORDINARY RESOLUTION NUMBER 10

Appointment of Audit and Risk Committee member

Resolved that Mr Mahomed Salim Ismail Gani be appointed a member of the Audit and Risk Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

11. ORDINARY RESOLUTION NUMBER 11

Appointment of Audit and Risk Committee member

Resolved that Mr Johannes Sanyana Mthimunye be appointed a member of the Audit and Risk Committee and that this appointment shall be valid up to the date of the next Annual General Meeting of the Company.

12. ORDINARY RESOLUTION NUMBER 12

Remuneration Policy

The Remuneration Policy, which forms part of the Remuneration Report, as set out on pages 52 to 57 of the annual report, for the financial year ended 28 February 2017, will be tabled at the Annual General Meeting.

Resolved that, as a non-binding advisory vote, the Remuneration Policy, as tabled, be and is hereby approved.

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required. Nevertheless, for record purposes, the minimum percentage of voting rights that is required for this resolution to be adopted as a non-binding advisory vote is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

13. SPECIAL RESOLUTION NUMBER 1

Non-executive directors' fees for the financial year ending 28 February 2018 and quarter ending 31 May 2018

Resolved that the fees, to be paid to the non-executive directors for their services as directors of the Company, for the year ending 28 February 2018 and the quarter ending 31 May 2018 (being a quarter of the fees payable for the year ending 28 February 2018) be approved as follows:

	28 February 2018
Chairperson	R2 670 000
Non-executive director	R247 776
Chairperson of the Audit Committee	R260 592
Member of the Audit Committee	R167 240
Chairperson of the Remuneration and Nomination Committee	R125 430
Member of the Remuneration and Nomination Committee	R67 284
Chairperson of the Social and Ethics Committee	R60 876
Chairperson of Special Committees	R6 500 per hour
Member of Special Committees	R6 000 per hour

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

The reason for this special resolution is to obtain shareholder approval for the remuneration of each of the non-executive directors of the Company for the financial year ending 28 February 2018 and for the quarter ending 31 May 2018 in accordance with section 66(9) of the Companies Act, 2008. The passing of this special resolution will have the effect of approving the remuneration of each of the non-executive directors of the Company for the financial year ending 28 February 2018 and quarter ending 31 May 2018. The fees payable for the quarter ending 31 May 2018 will be based on a quarter of the fees as approved above. Shareholders will be requested to approve any adjustment to the fees payable for the quarter ending 31 May 2018 at the 2018 Annual General Meeting.

14. SPECIAL RESOLUTION NUMBER 2

Loans or other financial assistance

Resolved that the Board of directors may, subject to the Companies Act, 2008 ("the Act") and the Memorandum of Incorporation, authorise the Company to provide direct or indirect financial assistance:

- by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purpose of any securities of the Company or a related or inter-related company, as contemplated in section 44 of the Act, at any time during a period commencing on the date of passing of this special resolution and ending at the expiry of two years from the date of adoption of this special resolution number 2; and/or
- to a director of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related company, or to a person related to any such company, corporation, director, prescribed officer or member, as contemplated in section 45 of the Act, at any time during a period commencing on the date of passing of this special resolution and ending at the expiry of two years from the date of the adoption of this special resolution number 2.

The reason for special resolution number 2 is to approve generally the provision of financial assistance to the parties stated in the said special resolution number 2. Any financial assistance given will be subject to the Company complying with the Solvency and Liquidity Test as more fully set out in section 4 of the Companies Act, 2008.

15. ORDINARY RESOLUTION NUMBER 13

General authority over unissued shares

Resolved that all the authorised unissued ordinary shares in the Company be and are hereby placed under the control of the directors until the date of the next Annual General Meeting, subject to the provisions of the JSE Listings Requirements and the condition that no issue of these shares will be made if it could have the effect of changing control of the Company.

No issue of these shares is contemplated at the present time and no issue will be made that could effectively change the control of the Company without the prior approval of shareholders in a general meeting.

16. ORDINARY RESOLUTION NUMBER 14

General authority to issue shares for cash

Resolved that the directors of the Company be and are hereby authorised, by way of a general authority, to issue shares for cash (as contemplated in terms of the JSE Listings Requirements) for up to 10% of the ordinary shares in issue at the date of the notice of the Annual General Meeting, net of treasury shares, i.e. 86 008 448 of the ordinary issued shares in the capital of the Company as and when they in their discretion deem fit, subject to the Companies Act, No. 71 of 2008, as amended, the Memorandum of Incorporation of the Company and the JSE Listings Requirements as presently constituted and which may be amended from time-to-time.

The reason for the above ordinary resolution number 14 is to give the directors authority to issue up to 10% of the unissued shares for cash to enable the Company to pursue suitable business opportunities as and when they arise.

Additional requirements imposed by the JSE Listings Requirements

It is recorded that the Company may only make an issue of shares (as defined in the JSE Listings Requirements) for cash under the above general authority if the following JSE Listings Requirements are met:

- (a) the shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- (b) the general authority shall only be valid until the Company's next Annual General Meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter;

- (c) a SENS announcement will be published giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue was agreed in writing between the Company and party/ies subscribing for such shares at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to that issue;
- (d) that issues in the aggregate in any 1 (one) financial year may not exceed 10% (ten percent) of the number of the shares of the Company in issue of that class of shares before such issue, taking into account the dilution effect of convertible equity securities and options in accordance with the JSE Listings Requirements;
- (e) in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the Company and the party/ies subscribing for the shares; and
- (f) any issue will only be made to "public shareholders" as defined by the JSE Listings Requirements and not to related parties.

17. ORDINARY RESOLUTION NUMBER 15

Directors' or Company Secretary's authority to implement special and ordinary resolutions

Resolved that any director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting.

18. SOCIAL AND ETHICS COMMITTEE

A report on the Social and Ethics Committee, in terms of Regulation 43 of the Companies Act, 2008, has been included in the annual report (page 58). The report sets out the matters as required in terms of the Social and Ethics Committee's terms of reference. Shareholders will not be asked to vote on any matters contained in the Social and Ethics Committee's terms of reference but may raise any questions they may have regarding the said terms of reference.

Voting and Proxies

All ordinary resolutions (except for Ordinary resolution number 14) will, in terms of the Companies Act, 2008, require the support of more than 50% of the voting rights of shareholders exercised thereon to be approved.

A general issue of shares for cash must be approved by ordinary resolution with a 75% majority of shareholders voting in favour thereof. Accordingly ordinary resolution number 14 will require the support of more than 75% of the voting rights of shareholders exercised thereon to be approved.

All the Special resolutions will, in terms of the Companies Act, 2008, require the support of at least 75% of the total voting rights exercised thereon to be approved.

General Instructions and information

The annual report to which this notice of the Annual General Meeting is attached, provides details of:

- the directors of the Company on pages 20 to 21;
- the major shareholders of the Company on page 133;
- the director's shareholding in the Company on page 57; and
- the share capital of the Company in note 18 on page 103.

Entitlement to attend and vote at the Annual General Meeting in person or by proxy

All shareholders are encouraged to attend, speak and vote at the Annual General Meeting.

If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an own name dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name in the Company's sub-register), as at Friday, 21 July 2017, then:

- you may attend and vote at the Annual General Meeting; or, alternatively,
- you may appoint an individual as a proxy, (who need not also be a shareholder of the Company) to attend, participate in and speak and vote in your place at the Annual General Meeting, by completing the attached form of proxy and returning it to the registered office of the Company or to the transfer secretaries, Computershare Investor Services Proprietary Limited, the details of which are set out on page 142 of the

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annual report. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of the Company or to the transfer secretaries, Computershare Investor Services Proprietary Limited as aforesaid, before your proxy may exercise any of your rights as a shareholder at the Annual General Meeting.

Any shareholder of the Company that is a company may authorise any person to act as its representative at the Annual General Meeting. Section 63(1) of the 2008 Companies Act, requires that persons wishing to participate in the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Please note that if you are the owner of dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE's electronic settlement system, Share Transactions Totally Electronic ("STRATE") held through a CSDP or broker (or their nominee) and are not registered as an "own name dematerialised shareholder") then you are not a registered shareholder of the Company, but your CSDP or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- if you wish to attend the Annual General Meeting you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; or alternatively;
- if you are unable to attend the Annual General Meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the Annual General Meeting and/or request your CSDP to appoint a proxy.

You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares in the Company, vote by either appointing a duly authorised representative to attend and vote at the Annual General Meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of the Company or to the transfer secretaries, Computershare Investor Services Proprietary Limited, the details of which are set out on page 142 of the annual report.

By order of the Board



W T Green
Company Secretary

Johannesburg
23 June 2017

FORM OF PROXY

Form of proxy for use at the Annual General Meeting of Dis-Chem Pharmacies Limited ("the Company") to be held at Investec, 100 Grayston Drive, Sandton, Johannesburg, at 10:00 on Friday, 28 July 2017. Shareholders listed in the shareholder register as at Friday, 21 July 2017 will be eligible to vote at the Annual General Meeting.

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless you are recorded on the sub-register as an own name dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the Company's sub-register.

This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised ordinary shares.

Each shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy (who need not also be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the Annual General Meeting, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the Annual General Meeting;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

Please note that any shareholder of the Company that is a company may authorise any person to act as its representative at the Annual General Meeting. Please also note that section 63(1) of the Companies Act, 2008 requires that persons wishing to participate in the Annual General Meeting (including the aforementioned representative) provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll so each shareholder present or represented by way of proxy will be entitled to vote.

I/We _____

Address: _____

Contact telephone number: _____

being the holder/s of _____ ordinary shares in the Company, hereby appoint:

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the Chairman of the Annual General Meeting,

as my/our proxy to attend, participate in and speak and vote at the meeting in my/our place and on my/our behalf at the Annual General Meeting which will be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the instructions set out below.

My/our proxy may delegate to another person his/her authority to act on my behalf at the Annual General Meeting, provided that my/our proxy:

- may only delegate his/her authority to act on my behalf at the Annual General Meeting to a director of the Company; and
- must provide written notification to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my behalf at the Annual General Meeting; and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my behalf at the Annual General Meeting.

FORM OF PROXY CONTINUED

Number of votes (one vote per ordinary share)	For	Against	Abstain
ORDINARY RESOLUTION NUMBER 1: Approval of annual financial statements.			
ORDINARY RESOLUTION NUMBER 2: Appointment of the auditors and designated auditor.			
ORDINARY RESOLUTION NUMBER 3: Re-election of Mr M J Bowman as a director.			
ORDINARY RESOLUTION NUMBER 4: Re-election of Ms A Coovadia as a director.			
ORDINARY RESOLUTION NUMBER 5: Re-election of Mr M S I Gani as a director.			
ORDINARY RESOLUTION NUMBER 6: Re-election of Mr J S Mthimiyune as a director.			
ORDINARY RESOLUTION NUMBER 7: Re-election of Mr L M Nestadt as a director.			
ORDINARY RESOLUTION NUMBER 8: Appointment of Audit and Risk Committee member Mr M J Bowman.			
ORDINARY RESOLUTION NUMBER 9: Appointment of Audit and Risk Committee member Ms A Coovadia.			
ORDINARY RESOLUTION NUMBER 10: Appointment of Audit and Risk Committee member Mr M S I Gani.			
ORDINARY RESOLUTION NUMBER 11: Appointment of Audit and Risk Committee member Mr J S Mthimiyune.			
ORDINARY RESOLUTION NUMBER 12: Approval of Remuneration Policy and Report.			
SPECIAL RESOLUTION NUMBER 1: Approval of non-executive directors' remuneration.			
SPECIAL RESOLUTION NUMBER 2: Approval loans or other financial assistance.			
ORDINARY RESOLUTION NUMBER 13: General authority over unissued shares.			
ORDINARY RESOLUTION NUMBER 14: General authority to issue shares for cash.			
ORDINARY RESOLUTION NUMBER 15: Authority any director or Company Secretary to sign documents.			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote.

Signed at _____ on _____ 2017

Signature: _____

(Authority of signatory to be attached if applicable - see note 8)

Telephone number: _____

NOTES TO THE FORM OF PROXY

Summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act, 2008

Please note that in terms of section 58 of the Companies Act, 2008:

- this proxy form must be dated and signed by the shareholder appointing the proxy;
 - you may appoint an individual as a proxy, including an individual who is not a shareholder of the Company, to participate in and speak and vote at the Annual General Meeting on your behalf;
 - your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
 - this proxy form must be delivered to the Company, or to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the Annual General Meeting;
 - the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the Annual General Meeting;
 - the appointment of your proxy is revocable unless you expressly state otherwise in this proxy form;
 - as the appointment of your proxy is revocable, you may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy and to the Company. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of (i) the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company and the proxy as aforesaid.
 - if this proxy form has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act, 2008 or the Company's Memorandum of Incorporation to be delivered by the Company to you will be delivered by the Company to you or your proxy or proxies, if you have directed the Company to do so, in writing and paid any reasonable fee charged by the Company for doing so;
 - your proxy is entitled to exercise, or abstain from exercising, any voting right of yours at the Annual General Meeting, but only as directed by you on this proxy form;
 - the appointment of your proxy remains valid only until the end of the Annual General Meeting or any adjournment or postponement thereof or for a period of 6 (six) months, whichever is shortest, unless it is revoked by you before then on the basis set out above.
1. Only shareholders listed in the shareholder register as at Friday, 21 July 2017 will be eligible to vote at the Annual General Meeting to which this proxy forms part.
 2. The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to act as a proxy to the exclusion of those whose names which follow thereafter.
 3. If no proxy is inserted in the spaces provided, then the Chairperson shall be deemed to be appointed as the proxy to vote or abstain as the Chairperson deems fit.
 4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
 5. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
 6. Proxy forms must be lodged at the Head Office of the Company, 23 Stag Road, Midrand or posted to the Company Secretary at PO Box 260362, Excom, 2023, or lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107, South Africa) so as to be received by no later than 10:00 on Wednesday, 26 July 2017.
 7. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Company Secretary or waived by the Chairperson of the Annual General Meeting if he is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDPs or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 62053, Marshalltown, 2107), together with this form of proxy.
 8. Any alteration or correction made to this proxy form must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairperson.
 9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.