

ASPEN PHARMACARE HOLDINGS LIMITED
AND ITS SUBSIDIARIES'
(“Aspen” or “the Group”)

STAKEHOLDER ENGAGEMENT POLICY

1. Overview

With its history extending back to approximately 160 years since the inception of Lennon Limited in 1850, Aspen has an entrenched legacy in South Africa and parts of Southern Africa. In the twelve years since listing on the Johannesburg Stock Exchange (now the JSE Limited) in 1998, Aspen has evolved from a trusted, domestic pharmaceutical company in South Africa to a well reputed manufacturer and supplier of high quality, affordable pharmaceutical products to more than one hundred countries around the globe. The strength of the Group lies in its ability to foster and maintain strong relationships with its stakeholders through transparency and effective communication. The Board of Directors is committed to sustaining Aspen’s established credibility and rapport amongst its stakeholders.

2. Stakeholder Identification

Stakeholders are considered to be those persons, groups or organisations which are directly impacted by the activities of the Group as well as those persons, groups or organisations which can reasonably be foreseen to be impacted by the Group’s activities. A structured system of engagement exists to ensure the timeous communication of accurate and relevant information to each stakeholder group in a consistent manner. Stakeholder engagement in the South African business has been well established over the years. Steps towards identifying and actively engaging Aspen’s relevant stakeholders in the international operations are being taken as Aspen embeds its presence in these new regions.

The Group’s key stakeholders can be classified into the following groups:

(1) People

- (a) employees;
- (b) trade unions;
- (b) bargaining councils; and
- (d) academia/educational institutions.

(2) Operations

- (a) pharmaceutical regulatory authorities;
- (b) healthcare industry;
- (c) suppliers;
- (d) government and local authorities;
- (e) customers;
- (f) business and joint venture partners; and
- (g) service providers.

(3) Corporate

- (a) shareholders;
- (b) investors, healthcare analysts and media;
- (c) communities;
- (d) consultants and service providers; and
- (e) funders and corporate bankers.

A detailed overview of stakeholder engagement methods can be found in Appendix A.

3. Responsibility for Stakeholder Engagement

The Board of Directors of Aspen (“the Board”) is responsible for the implementation of a stakeholder-inclusive governance approach. The stakeholder engagement policy for the Group was approved by the Board. The Board delegates this responsibility to the Group’s executive management body. Executive management is hence entrusted with the responsibility for implementation of the stakeholder engagement policy and a robust and consistent system of communication with identified stakeholder groups. Business leaders at the Group’s subsidiary companies (or their equivalent) are mandated to liaise with the People and Operations stakeholder groups to ensure that the specific expectations of a diverse stakeholder base are met. The Group corporate communications team is then responsible for interaction with stakeholders in the Corporate group. To ensure compliance with all relevant regulations and protocols governing corporate communication, external consultants are appointed as required.

In accordance with the JSE Limited Listings Requirements, all corporate communications which appear on the Johannesburg Stock Exchange News Service (SENS) are approved by the Group's corporate Sponsor for the time being prior to posting the announcement.

4. Stakeholder participation

Stakeholders are encouraged to interact with the Group to gain a better understanding of Aspen and also to voice their opinion.

The open door policy at Aspen facilitates ongoing interaction and promotes internal stakeholder participation. Meetings, forums, awareness sessions and electronic communication are just some of the interaction methods available to internal stakeholders.

External stakeholders can liaise with the Group using the following channels:

- (a) Aspen's online enquiry form (which can be found on the website at www.aspenpharma.com);
- (b) using direct contact details of the corporate and regional offices for specific information;
- (c) the Aspen customer care line;
- (d) the independently monitored tip-offs hotline;
- (e) direct access to the Group Investor Relations Manager, Group Company Secretary or the Group PRO consultant; and
- (f) access to publically-available corporate information through the Group Company Secretary.

Further details can be found in Appendix A.

5. Dispute resolution

The Group's approach to conflict/dispute resolution is through constructive dialogue with the relevant parties. Where this preferred method does not result in adequate resolution of a matter, external legal advisors, arbitrators and/or mediators are engaged to expedite resolution.

6. Review of the Stakeholder Engagement Policy

This Stakeholder Engagement Policy must be reviewed by the Company Secretary & Group Governance Officer from time to time to ensure that it remains updated and appropriate. Any proposed changes must be submitted to the Board for approval..

APPENDIX A

Stakeholder engagements and communication

STAKEHOLDER	MEANS OF ENGAGEMENT
<u>PEOPLE</u>	
Employees	<ul style="list-style-type: none"> • Routine and specifically scheduled functional and cross-functional meetings as required; • Notice Boards to display relevant announcements are accessible to staff across the departments; • Company intranet is available for online access to key notices and pertinent information; • Sales conferences are held and attended by the sales teams, executives and representatives from relevant support functions; • An annual strategic conference is held for Executives to discuss Group strategy; • Letters/emails are sent to employees regarding policies, procedures and/or employment related information; • Workshops and training sessions are held to create an awareness of and provide training on new processes, new technology, and for continuous learning; • Employment equity committees exist in South Africa to promote the development and advancement of previously disadvantaged individuals. • Annual results presentations and selected strategic announcements are delivered to Group Executives and management who then disseminate the information to operational staff; • An open-door policy/culture exists for ongoing communication and interaction amongst colleagues; and • The tip-offs hotline is managed independently by Deloitte for the reporting of fraud, theft and unethical behaviour..
Trade Unions	<ul style="list-style-type: none"> • Union representatives are elected to liaise with management on matters affecting union members; • Human Resources managers are responsible for managing the relationship with the employee unions and relevant industrial labour organisations and to represent the Company at the CCMA in South Africa.
Bargaining Council	<ul style="list-style-type: none"> • Meetings are held with the Bargaining Councils as required;

	<ul style="list-style-type: none"> The Human Resources Manager - Operations represents the Company at the Bargaining Council meetings in South Africa.
Academia/institutions	<ul style="list-style-type: none"> Interaction is managed with institutions and academia as required by a dedicated executive; Aspen is represented at seminars, conferences, student days hosted by institutions and also participates in career development programmes.
<u>OPERATIONS</u>	
Pharmaceutical regulatory authorities	<ul style="list-style-type: none"> Audits and site inspections are conducted by authorities against notification; Correspondence, as required, is entered into with regulatory authorities for purposes of managing regulatory matters regarding the regulatory status of facilities and the registration status of intellectual property; Meetings are held with regulatory authorities when necessary.
Healthcare industry	<ul style="list-style-type: none"> Representation on pharmaceutical industry bodies and relevant commercial and trade associations;
Suppliers	<ul style="list-style-type: none"> A centralised procurement department exists in South Africa to identify new suppliers and manage supplier relationships; A vendor rating process is in place for supplier performance assessments, the results of which are communicated with suppliers and corrective action plans are negotiated; Meetings are held with vendors as necessary; Vendor audits are conducted where required; Relevant vendors are involved in assisting with the supply of materials for new product launch processes where necessary; and Representatives attend international supply symposiums to identify new suppliers and meet with existing suppliers.
Government and Local authorities	<ul style="list-style-type: none"> Interaction with government departments and officials as required; and Commenting on policy proposals

<p>Customers including national and provincial department of health, healthcare practitioners, healthcare providers, healthcare funders and patients and/or consumers</p>	<ul style="list-style-type: none"> • Direct calling by qualified sales representatives for the various customer groups; • Representatives participation at relevant conferences to interact with customers; • Product/brand advertising is undertaken to create brand awareness and market products as permissible by marketing codes; • Implementation of product/brand awareness campaigns and product awareness sessions as relevant; • Correspondence, as required, is sent to customers; • Aspen newsletters are sent to customers containing product information, general, relevant information and information about events; • Dedicated sales teams interact with specific customer groups; • Customer call line; • Site visits to manufacturing facilities as arranged; and • Participation in State tenders.
<p>Non-governmental Organisations (NGOs) and Public Benefit Organisations (PBOs) / Public Funders</p>	<ul style="list-style-type: none"> • Interaction by means of conferences and other collaborative engagements, including CSI initiatives with NGOs focussed on social and community upliftment; • Commercial negotiations regarding the procurement of pharmaceutical products by various multilateral procurement agencies; • Interaction with activist organisations either through multilateral forums attended by the relevant senior executives or through personal one-on-one interaction by these executives; and • Engagement with international organisations via direct, indirect and multilateral engagements.
<p>Partners</p>	<ul style="list-style-type: none"> • Ongoing communication and interaction; • Meetings as required; • Site visits to manufacturing facilities as arranged; • Personal interaction with third parties by relevant senior executives; • Information sharing projects are undertaken for mutual benefit; • Dedicated technical transfer project teams are formed to manage manufacturing transfer plans and distribution transfer teams to manage supply arrangements.

CORPORATE

<p>Investors, healthcare analysts and media</p>	<ul style="list-style-type: none"> • A dedicated Investor Relations Manager is responsible for the information needs of existing and potential investors and healthcare analysts; • Corporate presentations are delivered, by the Group Chief Executive and Deputy Group Chief Executive, to investors, analysts and media for the communication of financial results and for information regarding significant corporate activity; • A conference call follows corporate announcements to accommodate international investors and analysts to provide an opportunity for investor participation; • One-on-one meetings and interviews are held to cater for specific information needs of investors, analysts and media groups; • Within the confines of the rules of the JSE Limited, continuous interaction with investors and media between closed periods; • Distribution of a comprehensive annual report and the interim results to all investors; • Periodic scheduled site visits conducted for investors and analysts; • SENS announcements are made to communicate information pertaining to corporate activity and Group results; • Investor-relevant information can be accessed on the Aspen Group website.
<p>Shareholders</p>	<ul style="list-style-type: none"> • Annual General Meetings are held as per statutory requirements; • The Annual Report is distributed to shareholders; • Shareholders are able to access disclosable information through the Company Secretary; • SENS announcements communicate information pertaining to statutory corporate activities which impact shareholders and directors' share dealings; • Selected statutory information is available on the Aspen website; • Selected announcements are published in both English and Afrikaans in the printed press after release on SENS; • Statutory correspondence is posted to shareholders as required by the South African Companies Act and other applicable legislation;

	<ul style="list-style-type: none"> • Institutional shareholders can access information regarding corporate activity through the Investor Relations Manager.
Community	<ul style="list-style-type: none"> • Aspen supports local community projects through its Corporate Social Investment (“CSI”) programme; • A dedicated CSI Manager liaises directly with community project leaders and visits project sites; • Peer educators offer HIV/AIDS training to communities in the Port Elizabeth area.
Consultants and service providers	<ul style="list-style-type: none"> • Information sharing and interaction when services are procured for expert/specialist services including technical consultants and the media for public relations and corporate communications; • A dedicated communications consultant to co-ordinate liaisons and interaction with members of the media.
Funders and Corporate Bankers	<ul style="list-style-type: none"> • Regular communication with funders regarding performance against covenants; • Frequent contact with providers of finance to keep abreast of conditions in the capital markets; • Engagement with bankers in respect of the Group’s potential funding requirements.

END
