NOTICE OF ANNUAL GENERAL MEETING

FORM OF PROXY AND SUMMARISED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2023

AfroCentric GROUP

Healthier Together

CONTENTS

LETTER TO SHAREHOLDERS

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING AND PROXY

The booklet accompanying this letter is our detailed notice of the Annual General Meeting (AGM) for AfroCentric Investment Corporation Limited to be held at 10:00 on Thursday, 9 November 2023 at the AfroCentric Distribution Services Office, The Greens Office Park, Building L. 26 Charles De Gaulle Crescent, Highveld Ext 12, Centurion.

Shareholders will also be able to follow the AGM remotely via a live audio webcast to be provided on our website https://www.corpcam.com/AfroCentricAGM2023.

AfroCentric reserves the right to make further changes, such as limiting the number of physical attendees, changing the venue, providing live voting facilities, or even prohibiting physical attendance, should same be required.

Shareholders should regularly check the release of announcements on the JSE's SENS platform and the AfroCentric website for further updates.

Included in this notice of AGM is summarised consolidated financial statements with explanatory notes and commentary, as well as a Form of Proxy.

These documents comply with the requirements of the Companies Act (Act No. 71 of 2008, as amended) (the Act) and the JSE Limited (JSE) Listings Requirements.

Printed copies of the 2023 Integrated Report and a full set of annual financial statements will only be mailed to shareholders on request.

Should you wish to receive a printed copy of the 2023 Integrated Report and a full set of annual financial statements, please send an email request to investor-relations@afrocentric.za.com.

The Integrated Report and a full set of annual financial statements is available for download on our website at http://www.afrocentric.za.com/inv-annuals.php

Yours sincerely

Billy Mokale
Group Company Secretary

9 October 2023

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE OF THE 17TH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON THURSDAY, 9 NOVEMBER 2023, AT 10H00

AfroCentric Investment Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1988/000570/06)
JSE Share code: ACT
ISIN: ZAE 000078416
(AfroCentric or the Company)
37 Conrad Street, Florida North, Roodepoort, 1709
PO Box 1101, Florida Glen 1708
Telephone: +27 (11) 671 2000
Website: www.afrocentric.za.com

IMPORTANT NOTICE TO SHAREHOLDERS

All terms defined in the 2023 Annual Financial Statements (AFS) to which this Notice of AGM is attached shall bear the same meanings when used in this Notice of Annual General Meeting.

Notice is hereby given that the 17th AGM of shareholders for the year ended 30 June 2023 will be held at the AfroCentric Distribution Services Offices, the Greens Office Park, Building L, 26 Charles De Gaulle Crescent, Highveld Ext 12, Centurion on Thursday, 9 November 2023 at 10h00 to conduct such business as may lawfully be dealt with at the AGM and to consider, and if deemed fit, to pass with or without modification, the special and ordinary resolutions set out hereunder in the manner required by the Act, as read with the JSE Limited (JSE) Listings Requirements, as amended from time to time (Listings Requirements).

Shareholders can also follow the AGM remotely via a live audio webcast on our website, https://www.corpcam.com/AfroCentricAGM2023

AfroCentric reserves the right to make further changes, such as limiting the number of attendees, changing the venue, providing live voting facilities, or even prohibiting physical attendance, if required.

Shareholders should regularly check the release of announcements on the JSE's SENS platform and the AfroCentric website for further updates.

If you are in any doubt as to any action you should take, please immediately consult your banker, stockbroker, legal adviser, accountant, or other professional adviser.

1. If you have disposed of all your AfroCentric shares, this document should be handed to the purchaser of such shares or to the stockbroker, banker, or other agent through whom such disposal was effected.
2. Shareholders attending the AGM of the Company on Thursday, 9 November 2023, at 10h00 are requested to ensure registration of attendance upon arrival.

   *Kindly note that in terms of section 63(1) of the Companies Act 71 of 2008, as amended (**the Act**), any person attending or participating in the AGM must present reasonable satisfactory identification, and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include the presentation of valid identity documents, driver's licences and passports.*
3. The date for shareholders to receive notice of the AGM is Friday, 29 September 2023 (**the notice record date**).
4. The record date of the AGM for shareholders to participate in and vote at the AGM is Friday, 3 November 2023 (**the voting record date**).
5. The last date to trade to be eligible to participate in and vote at the AGM is Tuesday, 31 October 2023.

SALIENT DATES:

Please take note of the following important dates:

	2023
Record date to determine which shareholders of the Company are entitled to receive notice of the AGM (**the notice record date**)	**Friday, 29 September**
Integrated Report and Notice of AGM to be posted	**Monday, 9 October**
The last date to trade to be eligible to participate in and vote at the AGM	**Tuesday, 31 October**
Record date to determine which shareholders of the Company are entitled to participate in and vote at the AGM (**the voting record date**)	**Friday, 3 November**
Last day for lodging forms of proxy by 10h00	**Tuesday, 7 November**
Date of the AGM at 10h00	**Thursday, 9 November**
Results of the AGM published on SENS	**Thursday, 9 November**

Note:
For administrative purposes, please lodge forms of proxy with the transfer secretary by 10h00 on Tuesday, 7 November 2023. However, if forms of proxy are not delivered to the transfer secretary by this time, they may be submitted electronically/by hand to the Chairman of the AGM at any time prior to the commencement of the AGM.

VOTING AND PROXIES:

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in their stead. A proxy need not be a member of the Company. A form of proxy is distributed with this Notice of AGM for convenience.

Proxy forms should be delivered to the Company's transfer secretaries **by no later than 10h00** on Tuesday, 7 November 2023, by hand at the following address: **Computershare Investor Services Proprietary Limited**

(Registration number 2004/003647/07)

15 Biermann Avenue
Rosebank, 2196

Or by email: proxy@computershare.co.za

AGENDA:

The purpose of the AGM is to transact the business set out in the agenda below.

PRESENTATION OF AUDITED AFS

The audited consolidated AFS of the Company and the Group, including the reports of the directors, Group Audit and Risk Committee and the independent auditors, for the year ended 30 June 2023, will be presented to shareholders as required in terms of section 30(3)(d) of the Act. The complete set of audited consolidated AFS, the directors' report, and the independent auditors' report are set out on pages 13 to 18 of the 2023 AFS. The Audit and Risk Committee report is on pages 3 to 4 of the 2023 AFS. The Integrated Report is also available on the Company's website: http://www.afrocentric.za.com/inv-annuals.php

Resignation of directors

Shareholders were informed that Mr FG Allen, Non-executive director, resigned from the Board effective 15 June 2023 and further that Mr A Banderker will be resigning from the Board as Chief Executive Officer of the Group and Executive Director of the Board effective 1 November 2023. On behalf of the Board, the Chairman thanked the two members for their invaluable contribution to the Group and wished them well in their future endeavours.

RESOLUTIONS To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

ORDINARY RESOLUTION NUMBER 1

Election of Directors appointed during the year under review

In terms of the Company's Memorandum of Incorporation (**MOI**), any Board appointments made by the Board during a year under review must be confirmed by shareholders at the next AGM of the Company following such an appointment. Accordingly, Mr PB Hanratty, Ms MK Dippenaar and Mr GN van Wyk were appointed by the Board during the year under review, and shareholders are hereby requested to confirm these appointments.

Accordingly, shareholders are requested to consider and, if deemed fit, confirm the change in function and appointment of the directors named above by passing the separate ordinary resolution numbers 1.1 to 1.3. set out below as required under section 68(2) of the Act.

Ordinary resolution number 1.1

Election of Mr PB Hanratty as a Non-executive Director

"**RESOLVED** that the appointment of Mr PB Hanratty as a Non-executive Director of the Company, who was appointed to the Board on 15 June 2023, be and is hereby confirmed."

Mr Hanratty is the CEO of Sanlam Limited and has over 30 years' experience in insurance, asset management, wealth management and banking in Africa, Europe, the UK, the USA and India. He served as Chairman and CEO of several UK, European and South African financial services businesses, as well as a Non-executive Director of several financial services businesses and a major listed telecoms company.

Ordinary resolution number 1.2

Election of Ms MK Dippenaar as a Non-executive Director

"**RESOLVED** that the appointment of Ms MK Dippenaar as a Non-executive Director of the Company, who was appointed to the Board on 15 June 2023, be and is hereby confirmed."

Ms Dippenaar holds BCompt Honours and CTA in accounting and Bcom Accounting degrees and is a qualified Chartered Accountant (SA). She completed her articles at PricewaterhouseCoopers Incorporated (PwC) in 2006, after which she joined the PwC Corporate Finance Valuations team, where she was involved in the valuation of large unlisted companies across various sectors as well as intangible asset valuations under IAS 38.

Ms Dippenaar joined African Rainbow Capital Investments Limited (ARC) in 2017 as Deal Executive. She was responsible for the listing of ARC on the JSE in September 2017. Over the last six years, she has taken responsibility for negotiating, structuring and implementing several of the non-banking financial services investments in the ARC portfolio. She also has executive responsibility for the portfolio management of the non-banking financial services group, where she is a board member. Ms Dippenaar also serves on the boards of Alexander Forbes Group Holdings Limited, QED Actuaries & Consultants Proprietary Limited and ARC Financial Services Investments Proprietary Limited. In addition, she has primary executive responsibility for external funding and cash management across the wider ARC group.

Ordinary resolution number 1.3

Election of Mr GN van Wyk as an Executive Director

"**RESOLVED** that the appointment of Mr GN van Wyk as an Executive Director of the Company, who was appointed to the Board on 1 August 2023, be and is hereby confirmed."

Mr Van Wyk is the former CEO: Client Solutions for Santam where he was responsible for managing Santam's direct-to-client value proposition that provides end-to-end digital, telephony and face-to-face distribution and servicing capabilities. He was also responsible for the overall Marketing function for the group. He previously served as Executive Head: Strategic Business Development where he was responsible for the identification and driving of targeted growth opportunities. He has over 18 years of extensive experience in the financial services industry. He is a past president, and former executive council member of the Insurance Institute of Gauteng (IIG) and a Fellow of the Insurance Institute of South Africa. And he served as Non-executive director on the boards of two Santam Group subsidiary companies [Indwe Broker Holdings (Chairman) & Snyman van der Vyver] and served as Non-executive director of Ayo Holdings Limited (an MTN Group subsidiary company in alliance with Sanlam).

For the above resolutions 1.1 to 1.3 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

ORDINARY RESOLUTION NUMBER 2

Re-election of directors

In terms of the Company's MOI, one-third of the Non-executive Directors of the Company must retire by rotation every year at the Company's AGM. Accordingly, the following directors retire by rotation at the AGM. The Board has assessed the directors' performance standing for re-election and has found them suitable for reappointment.

Ms M Chauke

Mr MJ Madungandaba

Mr JB Fernandes

Ordinary resolution number 2.1

Re-election of Ms M Chauke as an Independent Non-executive Director

"**RESOLVED** that Ms M Chauke, who retires by rotation in terms of the MOI of the Company, being eligible and offering herself for re-election, be and is hereby re-elected as a Non-executive Director of the Company."

Ordinary resolution number 2.2

Re-election of Mr MJ Madungandaba as a Non-executive Director

"**RESOLVED** that Mr MJ Madungandaba, who retires by rotation in terms of the MOI of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-executive Director of the Company."

Ordinary resolution number 2.3

Re-election of Mr JB Fernandes as an Independent Non-executive Director

"**RESOLVED** that Mr JB Fernandes, who retires by rotation in terms of the MOI of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as a Lead Independent Non-executive Director of the Company."

Brief résumés for these directors are on the Company website.

For resolutions 2.1 to 2.3 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

ORDINARY RESOLUTION NUMBER 3

Appointment of Group Audit and Risk Committee members

"**RESOLVED** that an Audit and Risk Committee, comprising Independent Non-executive Directors, as provided in section 94(4) of the Act, set out below, be and are hereby appointed in terms of section 94(2) of the Act to hold office until the next AGM and to perform the duties and responsibilities stipulated in section 94(7) of the Act and King IV Code on Governance for South Africa.

The Board has assessed the performance of the Group Audit and Risk Committee members standing for election and has found them suitable for appointment."

Brief résumés for these directors appear on the Company website.

Ordinary resolution number 3.1

"**RESOLVED** that, subject to the passing of ordinary resolution number 2.1, Mr JB Fernandes is elected as a member and chairperson of the Audit and Risk Committee."

Ordinary resolution number 3.2

"**RESOLVED** that Ms AM le Roux is re-elected as a member of the Audit and Risk Committee."

Ordinary resolution number 3.3

"**RESOLVED** that Ms M Chauke is re-elected as a member of the Audit and Risk Committee."

For resolutions 3.1. to 3.3 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

ORDINARY RESOLUTION NUMBER 4

Appointment of the independent auditor and designated audit partner

The Group Audit and Risk Committee has assessed KPMG's performance, independence and suitability and has nominated them for appointment as independent auditors of the Group to hold office until the next AGM.

"**RESOLVED** that KPMG be appointed as the independent auditor of the Group for the ensuing year, with the designated audit partner being Mr Zola Beseti."

For resolution number 4 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

ORDINARY RESOLUTION NUMBER 5

General authority to issue shares for cash

"**RESOLVED** that the authorised but unissued shares in the capital of the Company be and are hereby placed under the control and authority of the directors and that they be and are hereby authorised to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as they may from time to time and at their discretion deem fit, subject to the provisions of the Act, clause 4 of the MOI of the Company and the Listings Requirements, provided that:

1. The general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond fifteen months from the date of the passing of this ordinary resolution (whichever period is shorter).
2. The allotment and issue of the shares must be made to public shareholders as defined in the Listings Requirements and not to related parties.
3. The shares that 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 shares or rights that are convertible into a class already in issue.
4. The number of shares issued for cash in aggregate under this authority shall not exceed 28 712 062 shares, being 5% of the Company's listed equity securities as at the date of this Notice of AGM, excluding treasury shares.
5. Any shares issued under this authority during the period contemplated in paragraph 1 above must be deducted from the number in paragraph 4 above.

6. In the event of a sub-division or consolidation of issued shares during the period contemplated in paragraph 1 above, the existing authority must be adjusted accordingly to represent the same allocation ratio.

7. The maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE must be consulted for a ruling if the Company's securities have not traded in such a 30-business day period.

8. After the Company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing details of *inter alia* the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the price of the issue was agreed in writing between the issuer and the party subscribing for the shares and in respect of options and convertible securities, the effects of the issue on the statement of financial position, NAV per share, net tangible asset value per share, the statement of profit or loss and other comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, including supporting documents (if any) regarding the intended use of the funds. This information shall be published when the Company has issued securities or any other announcements that may be required in such regard in terms of the Listings Requirements, which may be applicable from time to time."

Reason for and effect

The reason and effect of this ordinary resolution number 5 is to seek a general authority and approval for the directors to allot and issue ordinary shares in the authorised but unissued share capital of the Company (excluding shares issued pursuant to the Company's share incentive scheme), up to 5% (28 712 062 shares) of the number of ordinary shares of the Company in issue at the date of passing of this resolution, to enable the Company to take advantage of business opportunities that might arise in the future.

For resolution number 5 to be passed, votes in favour must represent at least 75% of all votes cast and/or exercised at the meeting.

At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

ORDINARY RESOLUTION NUMBER 6

Approval of the remuneration policy

"**RESOLVED** that by a non-binding advisory vote, the Company's remuneration policy, as set out in the remuneration report on pages 121 to 129 of the 2023 Integrated Annual Report, be and is hereby endorsed."

Reason for and effect

The King IV Code on Governance for South Africa recommends that a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the remuneration policies adopted. Ordinary Resolution 6 is of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements.

However, the Board will consider the outcome of the vote when determining amendments to the Company's remuneration policy.

For resolution number 6 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

ORDINARY RESOLUTION NUMBER 7

Approval of the remuneration implementation report

RESOLVED that by a non-binding advisory vote, the Company's remuneration implementation report as set out on pages 129 to 134 of the 2023 Integrated Annual Report be and is hereby endorsed.

Reason for and effect

The King IV Code on Governance for South Africa recommends that the implementation of a Company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the implementation of the Company's remuneration policies. Ordinary Resolution 7 is of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration arrangements.

However, the Board will consider the outcome of the vote when considering amendments to the Company's remuneration policy.

For resolution number 7 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

The remuneration policy and implementation report set out above are proposed to shareholders in separate non-binding advisory votes in terms of the Notice of AGM. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the AGM, the Board of Directors will engage with such shareholders to clarify the nature of and evaluate the validity of such objections, and will, where possible and prudent, given the objectives of the remuneration policy, consider those objections when formulating any amendments to the Company's remuneration policy and implementation report in the following financial year.

ORDINARY RESOLUTION NUMBER 8

Authorise directors and/or Company Secretary

"**RESOLVED** that any one director and/or the Group Company Secretary or equivalent be and are hereby authorised to do all such things and to sign all such documents that are deemed necessary to implement the resolutions set out in the notice convening the AGM at which these resolutions will be considered."

For resolution number 8 to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTION NUMBER 1

Approval of Non-executive Directors' fees

Approval in terms of section 66 of the Act is required to authorise the Company to remunerate directors for their services. Furthermore, in terms of the King Code on Governance for South Africa and as read with the Listings Requirements, remuneration payable to Non-executive Directors should be approved by shareholders in advance or within the previous two years.

"**RESOLVED** as a special resolution in terms of the Act that the remuneration of Non-executive Directors for the period 01 January 2024 until 31 December 2024 be and is hereby approved as follows:

	Position	Current (2023)	Recommended Increase (%)	Proposed (2024)
Main Board (Annualised fee)	Chairman	1 503 683	5.0%	1 578 867
	Deputy	1 370 558	5.0%	1 439 086
	Lead Independent Director	694 332	5.0%	729 049
	Member	318 193	5.0%	334 103
Subsidiary Board/Committee (Per meeting fee)	Chairman	24 904	5.0%	26 149
	Member	18 331	5.0%	19 248
Audit and Risk Committee (Per annum fee)	Chairman	266 139	5.0%	279 446
	Member	136 928	5.0%	143 774
Remuneration Committee (Per annum fee)	Chairman	138 317	5.0%	145 233
	Member	75 265	5.0%	79 028
Nomination Committee (Per annum fee)	Chairman	138 317	5.0%	145 233
	Member	75 265	5.0%	79 028
Social and Ethics Committee (Per annum fee)	Chairman	128 307	5.0%	134 722
	Member	74 535	5.0%	78 262
Investment Committee (Per annum fee)	Chairman	199 968	5.0%	209 966
	Member	110 000	5.0%	115 500
ICT Steering Committee (Per annum fee)	Chairman	–	5.0%	–
	Member	73 334	5.0%	77 001

Reason for and effect

The reason and effect of this special resolution number 1 is to approve the remuneration of Non-executive Directors for the next 12 months, payable quarterly in arrears, with effect from 1 January 2024 until 31 December 2024."

For special resolution number 1 to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

SPECIAL RESOLUTION NUMBER 2

General authority to repurchase shares

"**RESOLVED** that as a special resolution that the Company and/or any subsidiary of the Company (**the Group**) be and is hereby authorised by way of a general approval as contemplated in section 48 of the Act to acquire from time to time issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI of the Company and the provisions of the Act and provided that:

1. Any repurchase of shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty.
2. At any point, the Company may appoint only one agent to effect any repurchases on its behalf.
3. The number of shares that may be repurchased pursuant to this authority in any financial year may not in the aggregate exceed 5% (five percent) of the Company's issued share capital as at the date of passing of this general resolution or 10% (ten percent) of the Company's issued share capital in the case of an acquisition of shares in the Company by a wholly owned subsidiary of the Company.
4. Repurchases of shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the shares for the 5 (five) business days immediately preceding the date on which the transaction was effected.
5. The Company or a wholly owned subsidiary of the Company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements.
6. After the Company or a wholly owned subsidiary of the Company has acquired shares that constitute, on a cumulative basis, 3% (three percent) of the initial number of shares in issue (at the time that authority from shareholders for the repurchase is granted) of the relevant class of shares and for each 3% in aggregate of the initial number of that class acquired thereafter, the Company shall publish an announcement on SENS containing full details of the repurchase.
7. The Board have passed a resolution authorising the repurchase. The Company has passed the solvency and liquidity test contained in section 4 of the Act. Since the test was done, there have been no material changes to the Company's financial position.

Reason for and effect

The reason for and effect of this special resolution number 2 is to grant the directors a general authority in terms of the MOI of the Company and the Listings Requirements for the acquisition by the Company or by a wholly owned subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 2. In terms of section 48(2)(b)(i) of the Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. To avoid doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Act.

For special resolution number 2 to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

In accordance with the Listings Requirements, the directors record that:

The directors have no specific intention to repurchase shares but would utilise the renewed general authority to repurchase shares to serve our shareholders' interests as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The directors undertake that they will not implement the repurchase as contemplated in this special resolution while this general authority is valid unless:

» The Company and the Group will be able to pay their debts in the ordinary course of business
» The consolidated assets of the Company and the Group will be in excess of the liabilities of the Company and the Group; the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited Group AFS
» The share capital and reserves of the Company and of the Group are adequate for ordinary purposes
» The working capital of the Company and the Group will be adequate for ordinary business"

Disclosures required in terms of paragraph 11.26 of the Listings Requirements:

The following additional information, some of which may appear elsewhere in this report, is provided in terms of the Listing Requirements for purposes of the special resolution:

Major shareholders – page 12 of the 2023 AFS

Company's share capital – page 84 of the 2023 AFS

Directors' responsibility statement

The directors, whose names are given on page 1 of the 2023 AFS, collectively and individually accept full responsibility for the accuracy of the information pertaining to the special resolution number 2 and certify that to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned special resolution contains all the information required by the JSE.

Material change

Other than the facts and developments reported in the 2023 AFS, there have been no material changes in the financial or trading position of the Company or its subsidiaries since the Company's financial year-end and the signature date of this Integrated Annual Report.

SPECIAL RESOLUTION NUMBER 3

Financial assistance to a related or inter-related company or companies

"**RESOLVED** that, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (**financial assistance** will herein have the meaning attributed to it in section 45(1) of the Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related (**related** or **inter-related** will herein have the meaning attributed to it in section 2 of the Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

Reason for and effect

The reason and effect of this special resolution number 3 is to grant the Board the authority to authorise the Company to provide financial assistance as contemplated in section 45 of the Act to a related or inter-related company or corporation.

For special resolution number 3 to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

SPECIAL RESOLUTION NUMBER 4

Financial assistance for the subscription of shares to related or inter-related companies

"**RESOLVED** that, in terms of section 44(3)(a)(ii) of the Act, as a general approval, the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (**financial assistance** will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company (**related** or **inter-related** will herein have the meaning attributed to it in section 2 of the Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid for two years or until the date of the next AGM of the Company."

Reason for and effect

The reason and effect of special resolution number 4 is to grant the directors the authority, in terms of section 44(3)(a)(ii) of the Act, to provide financial assistance to any company or corporation that is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation.

This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities, in the Company or its subsidiaries.

A typical example of where the Company may rely on this authority is when a subsidiary raises funds by way of issuing preference shares, and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining the same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

For special resolution number 4 to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

Impact of special resolutions 3 and 4

In terms of and pursuant to the provisions of sections 44 and 45 of The Act, the directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 3 and 4 above:

- The assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company)
- The Company will be able to pay its debts as they become due in the ordinary course of business for 12 months
- The terms under which any financial assistance is proposed to be provided will be fair and reasonable to the Company
- All relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met

To transact such other business as may be transacted at an AGM

Identification, voting and proxies

In terms of section 63 (1) of the Act, any person attending or participating in the AGM must present reasonable satisfactory identification. The person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include the presentation of valid identity documents, driver's licences and passports.

The votes of shares held by share trusts classified as schedule 14 trusts in terms of the Listings Requirements will not be taken into account at the AGM for approval of any resolution proposed in terms of the Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised AfroCentric shareholders with own-name registrations who cannot attend the AGM but wish to be represented thereat.

Forms of proxy and/or letters of representation may be presented at any time prior to the AGM and also at the AGM, but to enable the Company to ensure prior to the AGM that a quorum will be present at the AGM, it would be helpful if proxy forms and/or letters of representation could be delivered to the Company or the Company's transfer secretaries before 10h00 on Tuesday, 7 November 2023, being 48 hours prior to the AGM.

All beneficial owners of AfroCentric shares who have dematerialised their shares through a **Central Securities Depository Participant (CSDP)** or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee as the case may be. Should such beneficial owners wish to attend the meeting in person, they must request their CSDP, broker or nominee to issue them with the appropriate letter of authority. If shareholders who have not dematerialised their shares or who have dematerialised their shares with own-name registration and who are entitled to attend and vote at the AGM do not deliver proxy forms to the transfer secretaries timeously, such shareholders will nevertheless, at any time prior to the commencement of the voting on the resolutions at the AGM be entitled to lodge the form of proxy in respect of the AGM, in accordance with the instructions therein with the Chairman of the AGM.

Each shareholder is entitled to appoint one or more proxies (who need not be shareholders of AfroCentric) to attend, speak and vote in their stead. On a show of hands, every shareholder who is present in person or by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each share held.

AfroCentric does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such AfroCentric shareholders of the AGM.

By order of the Board

Billy Mokale
Group Company Secretary

Roodepoort

9 October 2023

ANNEXURE 1 – SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	2023 R'000	Restated 2022 R'000	Restated 2021 R'000
ASSETS			
Non-current assets	**4 141 185**	4 115 697	3 808 789
Property and equipment	**340 819**	381 057	369 065
Land and buildings	**307 052**	316 561	321 504
Right of use assets	**191 065**	147 964	176 924
Investment property	**10 731**	7 631	7 765
Goodwill	**1 558 496**	1 558 496	1 407 497
Intangible assets	**1 487 045**	1 517 840	1 375 369
Investments in associates and joint ventures	**49 148**	33 340	31 541
Deferred tax assets	**82 881**	77 072	89 463
Other financial assets	**109 521**	75 736	29 661
Deferred payment asset	**4 427**	–	–
Current assets	**1 418 660**	1 321 909	1 305 577
Inventory	**444 562**	431 764	421 563
Trade and other receivables	**740 695**	724 321	503 270
Current tax assets	**43 640**	27 235	32 560
Other financial assets	**–**	–	149 244
Cash and cash equivalents	**189 763**	138 589	198 940
Total assets	**5 559 845**	5 437 606	5 114 366
EQUITY AND LIABILITIES			
Capital and reserves	**3 442 917**	2 438 709	2 318 759
Issued share capital	**21 294**	18 909	18 892
Share premium	**2 525 687**	1 094 876	1 084 696
Retained income	**859 252**	1 245 965	1 140 958
Share-based payment reserve	**34 115**	30 465	26 802
Treasury shares	**(1 162)**	(2 324)	(2 324)
Capital contribution by non-controlling interest	**–**	55 874	55 874
Cash flow hedge reserve	**1 530**		
Foreign currency translation reserve	**2 201**	(5 056)	(6 139)
Non-controlling interest	**55 950**	987 772	920 511
Total equity	**3 498 867**	3 426 481	3 239 270

	2023 R'000	Restated 2022 R'000	Restated 2021 R'000
Non-current liabilities	**946 614**	995 923	1 072 665
Deferred tax liabilities	**223 131**	242 367	250 040
Non-current provisions	**16 970**	16 970	8 350
Post-employment medical obligations	**1 825**	1 916	2 137
Lease liabilities	**176 683**	127 790	156 353
Borrowings	**528 005**	531 082	655 785
Contingent consideration	**–**	75 798	–
Current liabilities	**1 114 364**	1 015 202	802 431
Employment benefit provisions	**106 276**	143 122	130 616
Trade and other payables	**610 588**	632 604	452 974
Provisions	**16 695**	15 216	11 269
Current tax liabilities	**9 031**	19 161	23 808
Lease liabilities	**67 644**	68 610	63 764
Borrowings	**120 000**	120 000	120 000
Deferred payment liability	**–**	14 139	–
Bank overdraft	**104 007**	2 350	–
Contingent consideration	**80 123**	–	–
Total liabilities	**2 060 978**	2 011 125	1 875 096
Total equity and liabilities	**5 559 845**	5 437 606	5 114 366

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	2023 R'000	Restated 2022 R'000
Revenue from contracts with customers	**8 868 032**	8 693 217
Dividends received	**105**	–
Fair value gains	**16 245**	6 369
Finance income	**21 745**	14 996
Other income	**2 570**	563
Total income	**8 908 697**	8 715 145
Cost of distribution of pharmaceutical products	**(78 376)**	(98 694)
Cost of pharmaceutical products and finished goods	**(2 125 074)**	(2 025 676)
Employee benefit costs	**(2 445 087)**	(2 340 458)
Other expenses	**(1 225 988)**	(1 028 724)
Capitation costs	**(1 772 982)**	(1 851 342)
Amortisation	**(208 823)**	(231 269)
Rent and property costs	**(109 102)**	(95 137)
Right of use asset depreciation	**(65 380)**	(61 606)
Depreciation	**(82 976)**	(87 138)
IT costs	**(255 701)**	(145 734)
Impairment of property and equipment	**(25 000)**	–
Write-off of intangibles	**(5 415)**	(635)
Impairment of loans	**(2 115)**	(3 203)
Share of profits from associates and joint ventures	**14 051**	6 991
Interest on lease liabilities	**(16 964)**	(18 781)
Finance costs	**(77 229)**	(57 049)
Profit before tax	**426 536**	676 690
Income tax expense – continuing operations	**(131 654)**	(190 963)
Profit from continuing operations	**294 882**	485 727
Loss from discontinued operations	**–**	(6 937)
Loss on disposal of subsidiaries	**(198)**	–
Profit for the year	**294 684**	478 790
Profit for the year attributable to:		
Owners of Parent	**182 673**	312 804
Non-controlling interest	**112 011**	165 986
	294 684	478 790

	2023 R'000	Restated 2022 R'000
Profit for the year attributable to equity shareholders arises from:		
Continuing operations	182 673	319 741
Discontinued operations	–	(6 937)
	182 673	312 804
Profit for the year	294 684	478 790
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligations	(141)	(24)
Income tax relating to these items	38	6
Total other comprehensive income that will not be reclassified to profit or loss	(103)	(18)
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation of foreign operations		
Foreign exchange benefit/(loss) of continuing operations	7 257	1 519
Cash flow hedges	1 530	–
Total other comprehensive income that will be reclassified to profit or loss	8 787	1 519
Total other comprehensive income net of tax	8 684	1 501
Total comprehensive income	303 368	480 291
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	191 357	313 869
Comprehensive income, attributable to non-controlling interests	112 011	166 422
	303 368	480 291

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	2023 R'000	Restated 2022 R'000	Restated 2021 R'000
Balance as previously reported – 1 July 2020	–	–	3 119 095
Decrease due to prior period errors	–	–	(9 789)
Balance at 1 July 2020 – Restated	–	–	3 109 306
Balance at beginning of the period	3 426 481	3 239 270	3 109 306
Issue of share capital*	20	17	7
Share premium*	14 157	10 180	4 395
Vested share-based awards*	(14 187)	(10 197)	(4 402)
Share-based awards reserve	17 837	13 860	10 787
Distributions to shareholders	(98 235)	(195 137)	(194 788)
Net profit for the period	191 357	313 869	307 328
Profit attributable to minorities	112 011	166 422	161 913
Changes in ownership	(1 504 000)	(13 023)	(20 000)
Disposal of subsidiary	–	–	(2 353)
Additional issue of shares	1 419 019	–	
Distributions to non-controlling interests	(65 593)	(98 780)	(132 923)
Balance at end of the period	3 498 867	3 426 481	3 239 270

* *During the current financial year, 3 026 662 shares vested as follows:*

- *663 342 shares were exercised at the weighted average price of R5.20 and the grant date price was R6.20;*
- *943 333 shares were exercised at the weighted average price of R5.20 and the grant date price was R5.50; and*
- *1 419 987 shares were exercised at the weighted average price of R5.20 and the grant date price was R3.30.*

At the end of the financial year, 22 808 329 shares were outstanding for the incentive share schemes.

The fair value of the shares granted was determined by obtaining the share price as traded on the JSE.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	2023 R'000	Restated 2022 R'000
Net cash generated from operating activities	**381 694**	527 018
Cash generated from operations	**800 235**	1 101 850
Net finance cost	**(72 448)**	(61 317)
Distribution to shareholders	**(163 828)**	(293 917)
Dividend received	**105**	5 191
Tax and other payments	**(182 370)**	(224 789)
Net cash utilised in investing activities	**(287 484)**	(382 972)
Net additions to property and equipment	**(66 417)**	(106 487)
Net additions to intangible assets	**(183 691)**	(195 106)
Settlement of deferred consideration	**(15 000)**	–
Net acquisitions of financial assets, investments and subsidiaries	**(22 376)**	(81 379)
Net cash utilised in financing activities	**(151 950)**	(208 266)
Net settlement of borrowings	**(3 077)**	(124 703)
Changes in ownership interests in subsidiaries that do not result in loss of control	**(84 981)**	(13 023)
Net lease liability repayment	**(63 892)**	(70 540)
Effect of foreign exchange benefit	**7 257**	1 519
Net decrease in cash and cash equivalents	**(50 483)**	(62 701)
Cash and cash equivalents at beginning of the period	**136 239**	198 940
Cash and cash equivalents at end of the period	**85 756**	136 239

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

These summarised audited consolidated financial statements for the year ended 30 June 2023 have been extracted from the audited financial statements for the year then ended, but are not audited themselves. The directors take full responsibility for the preparation of this summarised report and that the financial information has been correctly extracted from the underlying audited financial statements. These summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for summarised reports and the requirements of the South African Companies Act (Act No. 71 of 2008, as amended) as applicable to summarised financial statements.

The audited financial statements from which these summarised financial statements are extracted provides information in accordance with the following:

» the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the International Accounting Standards Board's IAS 34: Interim Financial Reporting, the requirements of the Companies Act of South Africa and the JSE Limited Listings Requirements.

2. Audit report

The financial statements from which this summarised report was extracted were audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The audited financial statements and the auditor's report thereon are available for inspection at the Company's registered office.

3. Segment information

	2023			
	Revenue R'000	Operating profit R'000	Profit before tax R'000	Total assets R'000
Healthcare SA	3 913 002	275 983	177 525	1 575 957
Denis Group	558 286	50 085	50 389	163 043
Information Technology	651 877	180 784	(34 393)	1 605 207
Total SA administration business	5 123 165	506 852	193 521	3 344 207
Healthcare Africa	234 836	95 143	90 108	191 515
Total Group administration business	5 358 001	601 995	283 629	3 535 722
Healthcare Retail	4 464 341	196 323	135 394	1 759 636
Pharmacy Direct & Curasana Wholesaler	1 728 754	79 715	43 098	882 877
Activo Group	1 019 098	93 087	70 851	693 658
Scriptpharm	1 475 358	39 833	47 959	183 101
MMed	241 131	(16 312)	(26 514)	–
Total Healthcare	9 822 342	798 318	419 023	5 295 358
Lease reversal adjustment	–	75 241	–	–
Other (including inter-segment elimination)	(954 310)	–	7 513	264 487
Total	8 868 032	873 559	426 536	5 559 845

3. Segment information continued

	2022			
	Revenue R'000	Operating profit R'000	Profit before tax R'000	Total assets R'000
Healthcare SA	3 761 078	290 058	234 389	1 239 978
Denis Group	556 647	67 595	75 492	129 935
Information Technology	673 735	269 869	76 327	1 729 601
Total SA administration business	4 991 460	627 522	386 208	3 099 514
Healthcare Africa	210 125	84 656	79 498	158 833
Total Group administration business	5 201 585	712 178	465 706	3 258 347
Healthcare Retail	4 403 131	333 317	289 405	1 642 772
Pharmacy Direct & Curasana Wholesaler	1 514 546	108 354	82 938	734 905
Activo Group	929 411	156 837	134 471	614 954
Scriptpharm	1 567 695	59 638	70 630	129 015
MMed	391 479	8 488	1 366	163 898
Total Healthcare	9 604 716	1 045 495	755 111	4 901 119
Lease reversal adjustment	–	75 805	–	–
Other (including inter-segment elimination)	(911 499)	–	(78 421)	536 487
Total	8 693 217	1 121 300	676 690	5 437 606

4. Earnings per share

	2023 R'000	Restated 2022 R'000
Number of ordinary shares in issue	825 052 711	576 711 257
Weighted average number of ordinary shares	597 825 403	575 878 754
Weighted average number of shares for diluted EPS	620 633 732	595 728 754
Basic earnings		
– From continuing operations	182 673	319 741
– From discontinued operations	–	(6 937)
Total Basic earnings	182 673	312 804
Adjusted by:	33 735	2 863
– Reversal of loss on disposal of subsidiary	198	–
– Reversal of fair value losses on investment property	1 750	134
– Reversal of loss on disposal of tangible assets	3 338	4 550
– Reversal of scrapping of intangible assets	5 415	635
– Reversal of impairment of property and equipment	25 000	–
Total tax adjustments	(1 374)	(1 304)
Total non-controlling interest adjustments	(592)	(1 152)
Headline earnings	216 408	315 667
Earnings per share (cents)		
Attributable to ordinary shares (cents)	30.56	54.32
– Continuing operations	30.56	55.52
– Discontinued operations	–	(1.20)
Fully diluted EPS (cents)	29.43	52.51
– Continuing operations	29.43	53.67
– Discontinued operations	–	(1.16)
Headline earnings per share (cents)		
– Attributable to ordinary shares (cents)	36.20	54.81
– Fully diluted HEPS (cents)	34.87	52.99

4. Earnings per share continued

	2023 R'000	Restated 2022 R'000
Normalised earnings per share (non-IFRS measure)		
Headline earnings	**216 408**	315 667
Adjusted by:	**56 344**	9 289
– Less rental reversal	**(75 241)**	(75 805)
– Right of use assets depreciation	**65 380**	61 606
– Interest on lease liabilities	**16 964**	18 781
– Acquisition related costs	**15 060**	–
– MMed closure costs	**65 048**	–
– Discontinued operations reversal	**–**	6 937
Total tax effects of adjustments	**(13 018)**	(1 283)
Total NCI effects of adjustments	**(17 849)**	(947)
Normalised Headline earnings	**272 752**	324 956
Normalised Headline earnings per share (cents)		
– Attributable to ordinary shares (cents)	**45.62**	56.43
– Fully diluted HEPS (cents)	**43.95**	54.55

5. Fair value disclosure

Fair value hierarchy

The following hierarchy is used to classify financial and non-financial instruments for fair value measurement purposes:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

5. Fair value disclosure continued

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2023:

	Group			Company		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
2023						
Investment property	–	–	10 731	–	–	–
Investments in Cell Captives	–	–	69 596	–	–	–
Investments in Venture Capital Funds	–	–	8 394	–	–	–
Other equity investments	–	–	243	–	–	–
Foreign currency Forward Contract	1 530	–	–	–	–	–
	1 530	–	88 964	–	–	–
2022						
Investment property	–	–	7 631	–	–	–
Investments in Cell Captives	–	–	56 619	–	–	–
Investments in Venture Capital Funds	–	–	8 394	–	–	–
	–	–	72 644	–	–	–

Specific valuation techniques used to value financial and non-financial instruments include:

» the fair value of the equity investments measured at fair value through profit and loss are determined based on a valuation of the net asset value attributable to the investment.

» the fair value of the remaining financial instruments is determined using discounted cash flow analysis and PE ratios.

» the fair value of the foreign currency forward contract asset is determined with reference to the change in exchange rate between the rate agreed in the contract and the spot rate at the end of the reporting period.

» the fair value of the investment property is determined by using either the comparable sales method or the income approach method of valuation.

Other than the foreign currency forward contract asset, the assets disclosed above have been classified as a Level 3 financial and non-financial instruments i.e. the inputs are not based on observable market data. The carrying amount of all assets in the table above approximates the fair value of the assets.

5. Fair value disclosure continued

	Investment property R'000	Investments in Venture Capital Funds R'000	Investments in Cell Captives R'000	Short-term loan R'000
Opening balance	7 631	8 394	56 619	–
Reclassification of investment property from property and equipment	4 850	–	–	–
Additions		–	401	–
Fair value (losses)/gains	(1 750)	–	12 576	243
Closing balance	10 731	8 394	69 596	243

Valuation inputs and relationships to fair value

Investment property

The fair value of portion 108 (a portion of portion 27) of the farm Weltevreden 202 is derived by an external property valuer using the comparable sales method. In applying this approach, the valuer has selected other properties that have similar risk, growth and cash-generating profiles.

The fair value of the Portion 1 Erf 4172 Garsfontein is derived by an external property valuer using the Income approach method. In applying this approach, the valuer used market value determined by capitalising the first year's normalised net operating income.

Management reviews the valuation performed by the external valuer and is satisfied that the inputs used by the external property valuer are reasonable.

The investment property is valued on an annual basis.

Investments in Cell Captives

The fair value of the equity investments measured at fair value through profit and loss are determined based on a valuation of the net asset value attributable to the investment, as management has deemed it representative of fair value.

Investments in Venture Capital Funds

The intention of the parties is to refund the value invested at the end of the investment term. The recoverable amount of the investments is therefore equal to the initial cost incurred.

Foreign currency Forward Contract

The foreign currency forward contract asset is measured at fair value, being the difference between the firm commitment measured at the exchange rate agreed in the forward contract and the firm commitment measured at spot rate as at year-end.

5. Fair value disclosure continued

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2023 R'000	Unobservable inputs	Input value used	Sensitivity of unobservable inputs on profit and loss
Investment Property – Roodepoort	7 631	Price per block building rights per square metre	R445 per square metre	If the fair value per square metre increased by 10% then the value of the property would increase by R763 100 in profit or loss. If the fair value per square metre decreased by 10% then the value of the property would decrease by R763 100 in profit or loss.
Investment Property – Garsfontein	3 100	Net rentable area	R454 per square metre	If the fair value per square metre increased by 10% then the value of the property would increase by R310 000 in profit or loss. If the fair value per square metre decreased by 10% then the value of the property would decrease by R310 000 in profit or loss.
Investments in Venture Capital Funds	8 394	Cost of investment	8 394 000	As the input is based on the cost of the investment, no sensitivity analysis is deemed necessary.
Investments in Cell Captives	69 596	Net asset value attributable to the investments	69 596 000	As the input is based on the net asset value of the cell captive (which is representative of fair value), no sensitivity analysis is deemed necessary.

Valuation process

The finance department of the Group performs the valuations of the investments for financial reporting purposes, including level 3 fair values (excluding the investment property). The team reports directly to the Chief Financial Officer (CFO). Discussions of the valuation processes and results are held between the CFO and Group Finance at year-end to determine the fair value of investments unless there is an indication of impairment which will result in a write off of the investment at that point in time.

6. Share-based payments

Long Term Incentive Plan

In the 2018 financial year a share award plan was implemented. The purpose of the plan is to retain, motivate and reward eligible employees who are able to influence the performance and growth strategies of individual companies within the Group, on a basis which aligns their interests with those of the Group's shareholders.

Share awards will be issued to identified participants by the Remuneration Committee and Board. The number of share awards to be allocated to an eligible employee will primarily be based on the identified employee's annual salary, grade, performance, retention and attraction requirements and market benchmarks. The number of share awards will be recommended by the Remuneration Committee at the time that share awards are granted per an award letter.

Eligibility for participation to the plan will be considered on an annual basis. Share awards will constitute conditional shares in AfroCentric Investment Corporation Limited and on vesting date this will be issued to the identified participant in equity shares at no cost. The maximum annual allocation is 5 543 773 share awards (1% of current issued share capital of 554 377 328) and the maximum dilution limit is 27 718 866 (5% of the current issued share capital of 554 377 328).

AfroCentric expects that 90% of awards will vest to participants at the end of the plan based on normal staff turnover. The share awards are subject to staggered vesting, i.e. vesting of the share awards following the three-year retention period in three equal tranches. The charge for the year is R14.3 million (2022: R13.9 million).

30 June 2023

	Group					
Offer date	Issue share price R	Balance at 30 June 2022 '000	Offered '000	Forfeited/ Vested '000	Balance as at 30 June 2023 '000	Fair value as at 30 June 2023 R'000
– 8 December 2017	6.20	2 030	–	(2 030)	–	–
– 1 November 2018	5.50	2 990	–	(2 137)	853	3 540
– 30 November 2019	3.30	4 370	–	(1 650)	2 720	11 288
– 7 December 2020	3.50	4 480	–	(340)	4 140	17 181
– 30 November 2021	5.50	5 980	–	(620)	5 360	22 244
Total		19 850	–	(6 777)	13 073	54 253

Fair value based on closing share price as at 30 June 2023 of R4.15.

Weighted average remaining years of 2.49 years.

6. Share-based payments continued

30 June 2022

	Group					
Offer date	**Issue share price R**	**Balance at 30 June 2021 ’000**	**Offered ’000**	**Forfeited/ Vested ’000**	**Balance as at 30 June 2022 ’000**	**Fair value as at 30 June 2022 R’000**
– 8 December 2017	6.20	2 180	–	(150)	2 030	8 912
– 1 November 2018	5.50	3 220	–	(230)	2 990	13 126
– 30 November 2019	3.30	5 490	–	(1 120)	4 370	19 184
– 7 December 2020	3.50	5 700	–	(1 220)	4 480	19 667
– 30 November 2021	5.50	–	5 980	–	5 980	26 252
Total		16 590	5 980	(2 720)	19 850	87 142

Fair value based on closing share price as at 30 June 2022 of R4.39.

Weighted average remaining years of 2.89 years.

Forfeitable Share Plan

In the current financial year a new Forfeitable Share Plan was implemented. The purpose of the plan is to attract, retain, motivate and reward employees on a basis which aligns their interests with those of the Group and the shareholders of the Company.

The Remuneration Committee will be responsible for selecting the employees who will from time to time participate in the plan as well as the extent of their participation. In making a decision, the Remuneration Committee will have regard to the employee’s seniority, job function and role.

Forfeitable shares that are awarded will be transferred to the employees who will become the owner thereof but shall not be entitled to dispose of, or encumber, those forfeitable shares prior to vesting date. The shares will in all other respects enjoy the same rights as other issued shares.

Share awards will be subject to performance conditions linked to both a retention period as well as key performance indicators linked to the Group’s performance.

The aggregate number of shares which may be utilised for the plan at any time shall not exceed 57 000 000 shares. The total aggregate of awards in the previous 10 years may not exceed 10% of the ordinary shares of the company in issue immediately prior to an award.

The aggregate number of shares that any one participant may acquire in terms of this plan may not exceed 11 400 000 shares.

AfroCentric expects that 65% of employees will be retained for the vesting period and that 50% of the shares awarded will vest based on the key performance indicators linked to the Group’s performance.

The charge for the year is R3.5 million (2022: R0).

6. **Share-based payments** continued

30 June 2023

	Group					
Offer date	Issue share price R	Balance at 30 June 2022 '000	Offered '000	Forfeited/ Vested '000	Balance as at 30 June 2023 '000	Fair value as at 30 June 2023 R'000
– 8 December 2017	5.05	–	9 735	–	9 735	40 400
Total		–	9 735	–	9 735	40 400

Fair value based on closing share price as at 30 June 2023 of R4.15.

Weighted average remaining years of 2.42 years.

47 265 000 shares remain available under the Forfeitable Share Plan.

7. Litigation and contingent liabilities

Neil Harvey & Associates Proprietary Limited

In 2018, Neil Harvey and Associates (NHA) initiated a claim against Medscheme for unauthorised use of the EMI Broker software from 2005 to 2007, a tool that Medscheme helped to develop. NHA's claim, valued at approximately R24 million, was examined independently.

Following a 30-day hearing in 2020, the arbitrator determined that Medscheme did not have joint ownership of the software, constituting a copyright infringement. However, due to NHA's inability to demonstrate a loss, they were awarded a nominal R2.7 million. Additionally, claims made against three former Medscheme executives were dismissed.

Subsequently, NHA increased the value of their remaining claims to around R356 million. In 2021, they appended an additional R500 million claim relating to Medscheme's revenue from using a version of Nexus allegedly replicating Medware. NHA's expert quantified the total loss to exceed R1.5 billion.

The presentation of final arguments on NHA's outstanding claims is anticipated from mid-August to mid-September 2023, and we await the arbitrator's decision by December 2023.

Dossier registration milestone payments

As part of the acquisition of the Activo Healthcare Assets Group during the 2022 financial year, an at acquisition contingent liability of R8.62 million was recognised for anticipated future payments linked to predetermined milestones being achieved in the process of registering dossiers that were initiated by date of acquisition.

The timing of registration of the dossiers is uncertain and as such the contingent liability will remain in place until all the dossiers linked thereto have been finalised.

8. Subsequent events

On 3 July 2023 it was announced that, through mutual agreement between the Group and A Banderker (the current AfroCentric Group Chief Executive Officer), A Banderker will leave AfroCentric to take up a role in the wider Sanlam Group effective 1 November 2023. G van Wyk was appointed to the role of CEO Designate: AfroCentric Group, effective 1 August 2023 until 31 October 2023, after which he will assume the role of Group Chief Executive Officer.

9. Preparation of the financial statements

These summarised consolidated financial statements were prepared by Bongiwe Ncube CA(SA), General Manager: Group Finance, AfroCentric Investment Corporation Limited and were reviewed by Hannes Boonzaaier CA(SA), Chief Financial Officer of AfroCentric Investment Corporation Limited.

COMMENTARY ON RESULTS

Introduction and review

AfroCentric is a Level 1 JSE listed investment holding company, which owns and operates a diverse range of healthcare-related enterprises that provide specialised medical scheme administration and deliver a range of healthcare products and services to the public and private healthcare sectors. The principal objective of the Group is to ensure the delivery of efficient health management services and the distribution of quality products – all at a manageable and affordable cost for the benefit of our stakeholders. AfroCentric has successfully broadened its interests in the industry by continuing to pursue new opportunities to expand its presence across the healthcare sector.

The Board presents commentary on the results for the year ended 30 June 2023. These results demonstrate a tough economic climate that the Group has operated in, resulting in an overall decline in earnings. This decline is mainly attributed to once off costs associated with various corporate activities and business unit restructuring. One of the business unit restructuring activities was the closure of the Group's operations in the procurement of hospital surgical consumables through its subsidiary MMed. This closure resulted in significant inventory write off and provisions raised on trade receivables.

The trading in the pharmaceutical cluster has normalised back to pre-Covid levels and therefore decreasing from the high levels experienced in the June 2022 financial year which was driven by the Covid-19 impact. Adverse price adjustments in some of the main product lines of the pharmaceutical cluster has had a negative impact on profitability.

The medical scheme administration business has however sustained its continuous growth in revenue and efficient servicing costs through digital enablement.

Financial performance

The Group's revenue for the year grew by 2% from the prior year – the muted growth has been affected by the trading in the pharmaceutical cluster that has normalised back to pre-Covid levels therefore decreasing from the high levels experienced in the June 2022 financial year which was driven by the Covid-19 impact, the adverse price adjustments in some of the main product lines of the pharmaceutical cluster, reduction in sales of preventative medicine, reduced adherence to chronic medicine by patients, the impact of the drop in ARV pricing, the marginal membership growth, and membership buy down of options.

The Group's profitability has also been significantly impacted by non-recurring costs (investment on the IT system modernisation, business acquisition costs incurred in facilitation of the Sanlam transaction "for unlocking future synergies and collaboration"), costs associated with prolonged loadshedding, the additional legal costs incurred on the second arbitration of the NHA case, and the costs incurred pursuant to the decision to close the operations in the procurement of hospital surgical consumables.

Pursuant to these additional costs incurred, the Group's profit before tax decreased by 37.0% to R426.5 million (2022: R676.7 million). The Group's profit from continuing operations decreased by 39.3% to R294.9 million (2022: R485.7 million).

Growth initiatives

During the period under review, AfroCentric Health acquired the remaining 49% shares in AfroCentric Distribution Services (ADS) effective 1 July 2022. ADS performs a critical role through its marketing and support services for medical schemes.

Effective 29 May 2023, Sanlam Limited acquired 60% controlling shareholding in AfroCentric Group. The transaction adds a strong healthcare capability to Sanlam's existing suite of financial products. Sanlam will integrate AfroCentric's product offering into its ecosystem.

Outlook

Trading in both the pharmaceutical and services clusters started normalising in the last quarter of the financial year, leading up to the date of this publication, and is continuing. Management is confident that the Group is returning back to its historical profitability and cash generation levels.

We are exceptionally pleased to have concluded the Sanlam transaction. Broad goals include sharing of assets and capabilities, and developing a complete and integrated client value proposition (for retail and corporate clients).

The long-term synergies includes, to name a few:

- Improving client experiences by offering a complete product value proposition ranging from health to wealth and insurance protection.
- A new holistic corporate wellness model that partners with client schemes as well as Sanlam Corporate services.
- Growth and retention in client scheme membership.
- Growth and retention in Gap and PHI insurance book.

The Group's core business remains sound with good diversification in the private and public medical scheme membership. A focus for the Group will be to optimise its spend on IT which will then enable the operations to become more efficient in its service model.

The Group's objective will remain on yielding synergies and the integration of various businesses and products, as well as enhancing the elements of the Group's businesses to leverage the full benefits of being the most diversified healthcare group in Southern Africa.

Dividends

After assessing the Group's funding and working capital requirements for the short term, the Board prudently decided not to declare a final dividend. A new dividend policy is being considered linked to the short term acquisition and investment opportunities.

ANNEXURE 2 – DIRECTORS' AND PRESCRIBED OFFICERS' INTERESTS IN THE SHARES OF THE COMPANY

DIRECTORS' ORDINARY SHAREHOLDINGS AS AT 30 JUNE 2023

Director	Direct beneficial	Indirect beneficial	Held by associate	Total	%
ATM Mokgokong (Chairman)	–	33 344 402	–	33 344 402	4.04
MJ Madungandaba	–	41 509 017	–	41 509 017	5.03
A Banderker	232 258	–	–	232 258	0.03
JW Boonzaaier	739	–	–	739	0.00
WH Britz	13 357 287	13 479 468	–	26 836 755	3.25
ND Munisi	7 000	37 124 619	–	37 131 619	4.50
FG Allen	–	–	–	–	–
AM le Roux	17 924	–	–	17 924	0.00
	13 615 208	125 457 506	–	139 072 714	16.85

DIRECTORS' ORDINARY SHAREHOLDINGS AS AT 30 JUNE 2022

Director	Direct beneficial	Indirect beneficial	Held by associate	Total	%
ATM Mokgokong (Chairman)	–	68 459 418	–	68 459 418	11.87
MJ Madungandaba	–	72 276 245	–	72 276 245	12.53
A Banderker	511 326	–	–	511 326	0.09
JW Boonzaaier	230 001	–	–	230 001	0.04
WH Britz*	29 406 641	29 675 628	–	59 082 269	10.24
ND Munisi	7 000	70 000 000	–	70 007 000	12.14
FG Allen	46 880	–	–	46 880	0.01
AM le Roux	39 462	–	–	39 462	0.01
	30 241 310	240 411 291	–	270 652 601	46.93

* *WH Britz shareholding amendments were announced through a JSE SENS Announcement issued on 25 May 2022.*

There were no changes in the directors' interests between the end of the financial year and date of approval of annual financial statements.

ANNEXURE 3 – SHAREHOLDER ANALYSIS

ORDINARY SHAREHOLDERS

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of shares in issue
1 – 1 000 shares	5 953	70.58	545 688	0.07
1 001 – 10 000 shares	1 668	19.78	7 536 068	0.91
10 001 – 100 000 shares	710	8.42	18 827 800	2.28
100 001 – 1 000 000 shares	77	0.91	22 509 221	2.73
1 000 001 – shares and over	26	0.31	775 633 934	94.01
Total	8 434	100.00	825 052 711	100.00

Distribution of shareholders	Number of shareholders	% of total shareholders	Number of shares	% of shares in issue
Banks/Brokers	23	0.27	11 904 984	1.44
Close Corporations	18	0.21	712 688	0.09
Empowerment Trust	1	0.01	4 779 466	0.58
Endowment Funds	9	0.11	908 648	0.11
Individuals	8 089	95.91	49 030 429	5.94
Insurance Companies	5	0.06	52 861	0.01
Investment Company	1	0.01	13 668 507	1.66
Mutual Funds	11	0.13	5 219 490	0.63
Other Corporations	17	0.20	26 759 286	3.24
Private Companies	89	1.06	193 510 966	23.45
Public Companies	2	0.02	1 002	0.00
Retirement Funds	12	0.14	5 369 609	0.65
Strategic Investor	2	0.02	494 431 629	59.93
Treasury Shares	4	0.05	11 097 219	1.35
Trusts	151	1.80	7 605 927	0.92
Total	8 434	100.00	825 052 711	100.00

Public/non-public shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of shares in issue
2023				
Non-public shareholders	**18**	**0.21**	**644 601 562**	**78.13**
Directors and associates of the Company	12	0.14	139 072 714	16.85
Treasury shares*	4	0.05	11 097 219	1.35
Strategic holder (more than 10%)	2	0.02	494 431 629	59.93
Public shareholders	**8 416**	**99.79**	**180 451 149**	**21.87**
Total	**8 434**	**100.00**	**825 052 711**	**100.00**

* *The treasury shares include 9 735 000 shares issued in the current financial year in terms of the new forfeitable share plan.*

Public/non-public shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of shares in issue
2022				
Non-public shareholders	21	0.25	331 734 940	57.52
Directors and associates of the Company	13	0.15	190 021 844	32.95
Treasury shares	3	0.04	1 999 999	0.35
Strategic holder (more than 10%)	5	0.06	139 713 097	24.22
Public shareholders	8 374	99.75	244 976 317	42.48
Total	8 395	100.00	576 711 257	100.00

Major shareholders holding more than 5% of the issued share capital	Number of shares	% of total shares in issue
2023		
Sanlam Group	494 454 340	59.93
Community Healthcare Holdings Proprietary Limited	74 098 672	8.98
African Rainbow Capital	62 433 537	7.57
Total	**630 986 549**	**76.48**

Major shareholders holding more than 5% of the issued share capital	Number of shares	% of total shares in issue
2022		
Community Healthcare Holdings Proprietary Limited	129 228 599	22.41
Golden Pond Trading 175 Proprietary Limited	70 000 000	16.01
RQ Investments Proprietary Limited	57 283 042	9.93
ARC Financial Services Investments Proprietary Limited	48 765 030	8.46
XTR Investment Capital	29 406 641	5.10
WHB Holdings	29 406 641	5.10
Total	364 089 953	67.01

Top 10 institutional shareholders	Number of shares	% of total shares in issue
2023		
Visio Capital Management	**13 727 677**	**1.66**
Umthombo Wealth	**2 371 274**	**0.29**
UBS (Custodian)	**1 550 000**	**0.19**
Metal & Engineering Industries	**1 478 549**	**0.18**
CACEIS Bank Deutschland GmbH	**1 020 000**	**0.12**
Mergence Investment Managers	**576 395**	**0.07**
Peresec Prime Brokers	**469 349**	**0.06**
RMB Securities	**366 857**	**0.04**
Nedbank Private Wealth	**361 268**	**0.04**
Barnard Jacobs Mellet	**244 641**	**0.04**
Total	**22 166 010**	**2.69**

ANNEXURE 4 – SHARE CAPITAL

	2023 R'000	2022 R'000
Authorised:		
1 billion ordinary shares at no par value	**10 000**	10 000
60 million redeemable preference shares of 1 cent each	**600**	600
Issued:		
825 052 711 ordinary shares of 1 cent each**	**21 294**	18 909
– Opening balance	**18 909**	18 892
– Issue of share capital*	**2 385**	17

* *During the current financial year, the last portion of the first tranche, second portion of the second tranche, as well as the the first portion of the third tranche of the share-based awards vested. As part of Sanlam Group's acquisition of 60% of the issued share capital of the Group, the company issued 236 503 129 shares as part of the asset for share transaction.*

** *The number of shares issued includes 9 735 000 treasury shares issued in terms of the FSP share scheme.*

The directors are authorised, by resolution of the shareholders and until the forthcoming AGM, to issue the unissued shares in accordance with the limitation set by members. All issued shares have been fully paid.

ANNEXURE 5 – MATERIAL CHANGE STATEMENT

The Directors report that there have been no material changes to the affairs, financial or trading position of the Company and Group since 30 June 2023 to the date of posting of this report other than disclosed in this report.

ANNEXURE 6 – CURRICULUM VITAE OF DIRECTORS UP FOR APPOINTMENTS

Paul Hanratty

B Bus Sc (Hons); FIA (Age: 62)

Appointed:
15 June 2023

Committees:

» Not allocated yet

Mr Hanratty is the CEO of Sanlam Limited and has over 30 years' experience in insurance, asset management, wealth management and banking in Africa, Europe, the UK, the USA and India. He served as Chairman and CEO of a number of UK, European and South African financial services businesses, as well as a Non-executive director of a number of financial services businesses and a major listed telecoms company.

Marinda Dippenaar

BCompt (Hons), CA(SA) (Age: 42)

Appointed:
15 June 2023

Committees:

» Not allocated yet

Marinda holds BCompt Honours and CTA in accounting and Bcom Accounting degrees and is a qualified Chartered Accountant (SA). She completed her articles at PricewaterhouseCoopers Incorporated (PwC) in 2006 after which she joined the PwC Corporate Finance Valuations team, where she was involved in the valuation of large unlisted companies across various sectors as well as intangible asset valuations under IAS 38. Marinda joined Alexforbes in 2008 as a Corporate Finance Manager. In the eight-year period at the Company she was responsible for managing the debt post the delisting and leveraging of the Group in 2007, as well as Group treasury and capital management. She was also involved in the disposal of certain non- core subsidiaries, which included large multi-national and cross border transactions. In 2014 she was responsible for the full restructure of the Group balance sheet and the listing of Alexforbes on the JSE Limited (JSE).

Marinda joined African Rainbow Capital Investments Limited (ARC) in 2017 as Deal Executive. She was responsible for the listing of ARC on the JSE in September 2017. Over the last 6 years, she has taken responsibility for the negotiation, structuring and implementation of several of the non-banking Financial Services investments in the ARC portfolio. She also has executive responsibility for the portfolio management of the non-banking Financial Services group, where she is a board member. Marinda also serves on the boards of Alexander Forbes Group Holdings Limited, QED Actuaries & Consultants Proprietary Limited and ARC Financial Services Investments Proprietary Limited. In addition, she has primary executive responsibility for the external funding and cash management across the wider ARC group.

Gerald van Wyk

BCom Risk Management, UNISA;

Senior Management Development Programme, University of Stellenbosch

General Management Program, Harvard Business School (Age: 39)

Appointed:
01 August 2023

Committees:

» Not allocated yet

Gerald is the former CEO: Client Solutions for Santam where he was responsible for managing Santam's direct-to-client value proposition that provides end-to-end digital, telephony and face-to-face distribution and servicing capabilities. He was also responsible for the overall Marketing function for the group. He previously served as Executive Head: Strategic Business Development where he was responsible for the identification and driving of targeted growth opportunities across the Santam Group of Companies including collaboration with Sanlam. These business opportunities span across ground up initiatives, acquisitions, joint ventures, and strategic partnerships. His other past experience includes the role of Executive Head: Distribution Services at Discovery Insure where he was also one of the founding executives of Discovery Business Insurance. He has over 18 years of extensive experience in the financial services industry. He is a past president, and former executive council member, of the Insurance Institute of Gauteng (IIG) and a Fellow of the Insurance Institute of South Africa. And he served as Non-executive director on the boards of two Santam Group subsidiary companies [Indwe Broker Holdings (Chairman) & Snyman van der Vyver] and served as Non-executive director of Ayo Holdings Limited (an MTN Group subsidiary company in alliance with Sanlam)

ANNEXURE 7 – CURRICULUM VITAE OF DIRECTORS UP FOR RE-ELECTION

Mmaboshadi Chauke

BComm, Bachelor of Accountancy (CTA), CA(SA) (Age: 44)

Appointed:
1 June 2020

Committees:

» Audit and Risk Committee

Ms Chauke, a Chartered Accountant, holds a BComm and a Bachelor of Accountancy (CTA), Auditing, Taxation, Financial Accounting and Financial Management. She is currently serving on the Mr Price Group Limited's Audit Committee.

Joe Madungandaba

CPA(SA), MDP (Age: 65)

Appointed:
10 June 2010

Committees:

» Remuneration Committee;

» Nomination Committee;

» Investment Committee

Joe Madungandaba studied Commerce at the University of the North, Cranfield School of Management (UK) and at the Wharton Business School (USA). He is a member of the Institute of Commercial and Financial Accountants of Southern Africa and is a certified public accountant and tax practitioner. He is the Group CEO of Community Investment Holdings and is appointed on all its subsidiaries' Boards.

He is also a Non-executive Director of public listed companies Distell, Jasco and AfroCentric.

Bruno Fernandes

B.Comm, B.Acc, B.Com Honours and CA(SA) (Age: 55)

Appointed:
23 Nov 2018

Committees:

» Audit and Risk Committee

» Investment Committee

Mr Fernandes holds a B.Comm (Accountancy), B.Acc (Accountancy Honours) and B.Com Honours (Investment Management) Cum Laude and is CA(SA). Bruno completed his accounting articles of Clerkship in audit at KPMG in 1995 and also spent two years at KPMG Corporate Finance in Johannesburg and Manchester (UK). He is currently consulting privately. Bruno was a former Investment Banking Vice-President at Nedbank Investment Bank Limited and former Principal at Nedbank Limited. He was the former Group Operations Risk Review Manager at Balfour Beatty Limited in UK, London. Bruno has held memberships at the Chartered Institute of Business Management (ACIBM), Investment Analysts Society of SA (IAS), the Golden Key International Honour Society, the Public Accountants' & Auditors' Board (PAAB), the Independent Regulatory Board for Auditors (IRBA) and The South African Institute of Chartered Accountants (SAICA).

ANNEXURE 8 – DIRECTORS NOMINATED FOR ELECTION AS MEMBERS OF THE AUDIT AND RISK COMMITTEE

Bruno Fernandes as Chairperson Lead Independent Non-executive Director	Mr Fernandes holds a B.Comm (Accountancy), B.Acc (Accountancy Honours) and B.Com Honours (Investment Management) Cum Laude and is CA(SA). Bruno completed his accounting articles of Clerkship in audit at KPMG in 1995 and also spent two years at KPMG Corporate Finance in Johannesburg and Manchester (UK). He is currently consulting privately. Bruno was a former Investment Banking Vice-President at Nedbank Investment Bank Limited and former Principal at Nedbank Limited. He was the former Group Operations Risk Review Manager at Balfour Beatty Limited in UK, London. Bruno has held memberships at the Chartered Institute of Business Management (ACIBM), Investment Analysts Society of SA (IAS), the Golden Key International Honour Society, the Public Accountants' & Auditors' Board (PAAB), the Independent Regulatory Board for Auditors (IRBA) and The South African Institute of Chartered Accountants (SAICA).
Alice le Roux Independent Non-executive Director	Ms le Roux, a Chartered Accountant, holds a BComp (Hons) and a Bachelors in Accounting. She is an audit and accounting industry professional with a track record of running her own successful business. Her career in finance, governance and audit spans over 20 years. She is currently a Non-executive director of Shoprite Holdings Limited and serves on their audit and risk committee as well as their social and ethics committee.
Mmaboshadi Chauke Independent Non-executive Director	Ms Chauke, a Chartered Accountant, holds a BComm and a Bachelor of Accountancy (CTA), Auditing, Taxation, Financial Accounting and Financial Management. She is currently serving on the Mr Price Group Limited's Audit Committee.

ANNEXURE 9 – REMUNERATION REPORT

BACKGROUND STATEMENT

REMUNERATION COMMITTEE CHAIRPERSON'S REPORT

On behalf of the Remuneration Committee (the committee), I am pleased to present AfroCentric's remuneration report for the financial year ending June 2023. This report supplements the information provided in the corporate governance report on pages 96 to 118. In addition, this report highlights the committee's focus areas for the year, outlines our policies and practices, and addresses the Group's performance and corresponding remuneration outcomes.

THE PAST YEAR IN FOCUS

During the 2022/23 year, the committee, among other goals, focused on four strategic objectives.

The first objective centred on leadership capability and competencies in the Group. This had the AfroCentric executive team making leadership development its top priority and embarking on a multi-year effort to establish a succession pool of general managers and senior managers as a leadership engine through developing a pipeline of emerging future leaders and strengthening the overall leadership system.

The second objective was to reshape the employee value proposition and enhance employee experience to attract and retain critical organisational talent. One of the strategic initiatives implemented was the introduction of the new Long-Term Incentive (LTI) Plan for the Group, taking the form of a Forfeitable Share Plan (FSP). With the first share allocation to the identified talent pool made in November 2022, the beneficiaries comprise various levels in the organisation, thus increasing the quantity and quality of talent attracted and retained.

The high-level new FSP main features are:

- Vesting of the shares is subject to meeting performance conditions
- The participants are entitled to receive dividends during the vesting period
- All shares vest in year three

The new plan will further strengthen the alignment of management and shareholder interests by driving sustainable capital growth and a potentially high dividend yield.

Furthermore, in safeguarding our employee experiences, management has given prominence to the wellbeing programmes – ensuring a focus on mental health to boost engagement and productivity. Dealing with the reality that some stress is inevitable as our people encounter stress triggers in life, including in the workplace, wellbeing is recognised as a key benefit on par with other incentives to our employees. Having 'open dialogue' sessions and adopting a set of wellbeing practices helped foster active resilience in dealing with mental health in our workplace – a programme to be proud of.

The third objective heightened the focus on diversity, equity and inclusion (within the business transformation focus area) as a key differentiator and enabler for the business strategy. With a strong top-down commitment and role-modelling, the focus went beyond setting and tracking diversity targets, emphasising inclusivity. Nurturing diversity, equality, and inclusion resulted in 71% women employees fully integrated at all levels. Such focus perpetuated respect and fairness, promoting equal access, opportunity, employment, and team spirit among all levels of employees.

The fourth objective was to maintain labour stability by strengthening the relationship between management and the recognised unions of the Group, i.e., the National Education, Health and Allied Workers Union (NEHAWU) and the South African Legal Union (SALU). After successfully negotiating a new bargaining agreement with both unions, the management team and unions have renewed their joint commitment to the organisation's success while recognising each other's legitimate interests. This effort assists in buffering the potential influence of the external volatile labour environment plagued with strikes, unrest and go-slows within the industry. Completing the wage negotiations for the 2022/23 year has demonstrated the joint commitment to collaborating for the organisation's and its employees' success.

In conclusion, it is worth mentioning that the organisation participated in the Top Employer Certification Survey. Top Employer is a global authority in recognising excellence in people practices that attract, motivate, enhance employee experience and retain high-performing talent for business success. The preliminary feedback from Top Employers Institute is that AfroCentric is certified and indicated that the intentional journey to continually improve our people practices, although in its infancy, is on the right track, and we need to continue to strive to be top employers. The Top Employer Institute will announce the official results in the second quarter of the new financial year.

Lastly, the committee further evaluated the overall performance of the Group in line with the balanced scorecard (BSC). As a result of challenging business conditions, the Group was unable to offer bonuses, and the management team did not receive performance bonuses for the past fiscal year.

Our CFO's review provides further detail on the Group's overall performance.

CHANGES TO THE REMUNERATION AND RELATED POLICIES FOR THE 2023 FINANCIAL YEAR

In keeping with our philosophy of ensuring fair and responsible remuneration, the committee continuously reviews the Group's remuneration policies and practices to ensure they remain relevant and responsive to organisational imperatives.

Our remuneration policy sets out to:

» Align the interests of senior executives with the interests of shareholders and with the business strategy formulated by the Board

» Ensure consistent and equitable application of remuneration throughout the organisation

» Provide an overview of all the components of total remuneration in place to motivate the employees to remain engaged and focused on achieving the core business objectives

No material changes were made to the Group's remuneration policy for the year under review, and the committee believes that the remuneration policy was consistently applied to support a common philosophy and ensure good corporate governance.

FOCUS AREAS

The committee envisages the following focus areas in advancing the organisation's value proposition:

2022 FOCUS AREAS	2023 AND 2024 FOCUS AREAS
The design and introduction of a new LTI Scheme following the conclusion of the scheme that ran from 2017 to June 2022.	Post-acquisition Integration Focus – leveraging Sanlam's relevant people practices within the Human Capital Value Chain to enable the success of integration and unlock business value.

SHAREHOLDER ENGAGEMENT AND VOTING

Shareholder voting results

Resolution	November 2022	November 2021
Ordinary resolution on non-binding advisory vote on remuneration policy	99.78%	93.09%
Ordinary resolution on non-binding advisory vote on implementation report	99.78%	99.20%
Special resolution of Non-executive Directors' fees	98.78%	99.98%
Special resolution of general authority to repurchase shares	99.78%	99.22%

The remuneration policy and implementation report were presented for shareholder voting at the AGM held on 10 November 2022. 99% of our shareholders endorsed the policy, and the implementation report received an in favour vote of 99%.

As required by the Companies Act and King IV, the following resolutions will be tabled for shareholder voting at the AGM, details of which can be found on page 5 of this report.

In the event that either the remuneration policy, the implementation report, or both are voted against by 25% or more of shareholders, the Board will engage with shareholders to understand the concerns raised. This engagement may be done by virtual meeting or in writing and will be implemented at a time after the release of the voting results. Where possible and prudent, objections are taken into consideration when formulating any amendments to the Company's remuneration policy and implementation report in the following financial year.

APPRECIATION

I thank my fellow committee members for their contribution and support. The committee believes that the remuneration policy achieved its stated objective of attracting and retaining high-calibre talent within the organisation. I am satisfied that the committee responsibly and professionally discharged its obligations.

Thank you to our shareholders for your support and engagement. We look forward to further interaction on AfroCentric's remuneration policy.

Joe Madungandaba
Remuneration Committee Chairperson

14 September 2023

REMUNERATION OVERSIGHT AND POLICIES

REMUNERATION GOVERNANCE

AfroCentric's remuneration policy, structures and processes are set within a governance framework with designated levels of authority.

Shareholders	Board of Directors	Group Remuneration Committee	Group CEO and executives
Approve Non-executive Directors' fees and non-binding approval of remuneration policy and implementation report	Approval of remuneration policy Provide the Group Remuneration Committee with specific mandates	Recommends policy and monitors the implementation of the remuneration policy	Implementation, oversight, communication and formulation of recommended policies and remuneration supported by the Group CFO and Human Capital Executive

While we apply a common remuneration structure across the Group, we differentiate its implementation according to the size and operating models of various entities within the Group.

REMUNERATION POLICY DESIGN PRINCIPLES

Our remuneration policy provides a framework for managing total remuneration within the Group and supports the Group's employee value proposition.

Remuneration objectives

Talent motivation and engagement

Ensures strategic alignment with organisational and individual objectives, thus keeping employees engaged.

Talent attraction and retention

Manages high-calibre talent for the achievement of strategic objectives.

Leveraging the total reward offering and enhancing our employee value proposition

Balances financial and non-financial rewards for a holistic reward mix that is sustainable.

Remuneration principles

Employees are at the core of our business since we require highly skilled, competent and experienced employees to drive our business growth. Accordingly, AfroCentric's remuneration policy is designed to reward employees for their performance and contribution towards value for our shareholders. The following principles govern Group-wide remuneration at all levels:

Pay for performance	Pay-for-performance methodology, linking executive reward to business performance. This allows for differentiated increases based on the individual's contribution and performance.
Parity and equity	Ensure external parity is maintained, market relevance is achieved, balanced internal equity is ensured, and pay adjustments are affordable for the organisation.
Talent attraction and retention	Ensure a remuneration mix that will attract the best talent in the market and retain top talent in the organisation.
Performance incentives	Align executives to shareholder interests by linking short-term incentives (STIs) and LTIs to performance indicators not limited to financial indicators.
Fair and responsible pay	Internal equity: Ensuring all our employees are appropriately and fairly rewarded for their contributions, irrespective of gender, race, age, ethnicity, religion or sexual orientation.

Pay for performance

Executives' remuneration is based on the level of accountability, complexity and nature of the role, which is sized relative to the organisation's turnover, number of employees (including wage bill), market cap, assets and net after-tax profitability benchmarked to the external market. The table below shows the relationship between the Group's strategy, its pay-for-performance philosophy and the requirements set out in King IV:

STRATEGIC OBJECTIVE: MAXIMISE SHAREHOLDER VALUE AND RETURNS

Strategic aspiration: Operating profit (EBIT) target as agreed with the Board from time to time

The pillars of the BSC support the delivery of our strategic objectives

Strategic impact	Pillars
Strategic impact » Enhancing our operating model » Stabilising IT systems and enhancing the infrastructure » Launching and implementing primary care products to create a unique value proposition for the Group » Delivering a successful medicine capitation model with full value chain optimisation	**FINANCIAL** (40% weighting) **GOVERNANCE** (15% weighting) **TRANSFORMATION** (10% weighting) **STRATEGIC IMPACT** (35% weighting)

Our deliverables, contained in our BSCs, are derived from and directly support the Group strategy. The Group BSC cascades to the various business units and is aligned with the business unit and individual performance objectives.

Remuneration arrangements for other employees

Recognising the need to remunerate executive management fairly and responsibly in the context of the overall remuneration, we awarded higher increases to bargaining unit employees compared to executive levels (6.1%). Increases in respect of the bargaining unit are negotiated annually with the NEHAWU, the recognised labour union, considering various internal and external factors such as affordability, market conditions and benchmark information. PwC's Remchannel Salary Survey formed the basis for market benchmark information to facilitate the remuneration review.

Differences in remuneration policy for executives compared to other employees

There are differences in the remuneration policy's structure for Executive Directors, prescribed officers and other salaried employees, which are necessary to reflect the different levels of responsibility and market practices. The key difference is the increased emphasis on incentives or variable performance-related pay in senior roles. Lower maximum variable pay limits, as a percentage of guaranteed pay, apply for roles below the executive level, driven by market benchmarks and the relative impact of the role.

Senior executives, general management and key strategic resources at senior management, middle management or specialist levels may participate in STI and LTI schemes, where these plans are targeted at individuals with the greatest responsibility for Group performance.

General staff are eligible to participate in a performance-based bonus scheme.

REMUNERATION MODEL

AfroCentric's remuneration model balances short-term and long-term financial and non-financial rewards to drive a high-performance culture. The critical components of this model, including policy elements, are illustrated below:

Guaranteed pay

This comprises the benchmarked, market-related fixed component of AfroCentric's remuneration offering set to attract and retain qualified and experienced employees

BASE PAY	BENEFITS AND ALLOWANCES
Market-related salary reflecting individual contributions, roles and responsibilities	Market-related benefits including medical aid, retirement fund[1] and insured benefits such as Group death and disability benefits, Nedbank workplace banking benefits
Purpose To attract and retain qualified and experienced employees	*Purpose* To retain employees and contribute to their overall wellbeing
Mechanics » All employees » Pay bands are set with reference to industries » For executives, benchmarks are derived from similar comparator groups » Salaries are paid monthly » Employees are eligible for adjustments when promoted to other positions; however, specific conditions apply » Market benchmarking according to job family grouping, job grade and individual long-term performance	*Mechanics* » Applicable to all employees » Allowances are paid in terms of statutory requirements or policy » Contributions to all benefits are made by both the employer and the employee » Beneficiaries of employees who pass away while in service receive additional benefits such as education benefits, medical aid, premium waivers, etc.
Maximum opportunity » Cost of annual increases is approved by the Remuneration Committee and set in accordance with expected market movements, affordability and forecast inflation » Increases granted to bargaining and non-bargaining unit employees are linked to individual performance	*Maximum opportunity* » In addition to the standard basket of benefits, employees can buy additional benefits at Group rates, e.g. extended family funeral cover

1 *Employees elect participation in either a pension fund or the NEHAWU Provident Fund, the latter only available to NEHAWU members.*

Variable pay

Additional financial compensation in the form of STIs and LTIs aligned to the Group's performance, strategy and value creation

STI SCHEME	LTI SCHEME
Performance-based Group annual incentive schemes » Management strategic incentive scheme » Management performance bonus scheme » Performance-based bonus for all general staff » Actuarial incentive scheme » Other sales incentive schemes (self-funding)	Share scheme designed to incentivise the delivery of long-term strategic goals aligned with shareholder expectations
Purpose » To motivate employees, management and executives to achieve short-term strategic, financial and non-financial objectives » To reward Company, business unit and individual performance » To recognise, motivate, attract and retain	*Purpose* To retain, motivate and reward executives and senior management or individuals who influence the long-term sustainability, value creation and strategic objectives of the Group on a basis which aligns their interests with those of the Group's shareholders
Mechanics » Executive Committee members, general management[2], senior management[3] and management[4] at corporate and business unit level, as well as general staff » The STI consists of Group and individual performance targets » Group targets on a BSC basis are set each year and cascaded » Business unit targets are set in line with the approved business plans » Individual targets are recorded in the performance contract with reference to the role's requirements » Performance below the threshold results in a zero score, and the individual will not be eligible for an STI award » Hurdle for payment of any STI is the achievement of EBIT targets; however, a sliding scale is applicable at the Remuneration Committee's discretion upon achieving all other key performance area targets » The committee approves any payments in respect of performance-based STIs » Other STIs, such as general staff performance bonuses or commissions, are paid quarterly or monthly as per the respective set of rules	*Mechanics* » Vesting share scheme » Executive Committee members, general and senior management at Group and business unit levels » The LTI scheme consists of an FSP subject to performance vesting conditions in year three after the award » Governing resides with the committee, which considers annual awards for eligible employees » Annual awards are linked directly to the role as well as long-term individual performance and potential » Share value is determined by volume-weighted average price measured 30 days prior to the award date » Group performance targets include EBIT (40%), governance (10%), organisational culture (5%), transformation (10%) and strategic impact (35%)

STI SCHEME	LTI SCHEME
Maximum opportunity » Stretch performance percentage of guaranteed pay of 150%, or 14th cheque, depending on the scheme in which the employee participates » Participation is limited to one scheme only	*Maximum opportunity* » The employee's job grade determines the maximum allocation
Number of participants » 487 for management; 3 250 for general staff	*Number of participants* » 103

[2] *General management is defined as positions at grade levels E1 to E3 on the Paterson grading scale.*

[3] *Senior management is defined as positions at grade levels D3 and D5 on the Paterson grading scale.*

[4] *Management is defined as positions at grade level D2 on the Paterson grading scale.*

STI schemes

The Group relies on various bonus schemes designed to achieve its strategic objectives.

Individual performance below the threshold results in a zero score, and the employee will not be eligible for consideration for an STI award.

Management strategic incentive scheme

The annual strategic management incentive scheme focuses on the executive team and tier two managers, who report directly to the executives and employees selected for value contribution as well as scarce and critical skills. This applies to employees whose roles directly impact the Group's strategic imperatives.

Strategic incentives are calculated as shown below; however, any payment is subject to achieving the Group performance scorecard on a sliding scale basis.

On-target % X business multiplier X individual performance multiplier

ON-TARGET % DETERMINED BY EMPLOYEE'S LEVEL/JOB GRADE

Level	On-target % of annual CTC
Group CEO	50%
Group CFO	45%
Group executives	40%

GROUP PERFORMANCE MULTIPLIER GROUP PERFORMANCE IS MEASURED AGAINST TARGETS SET ANNUALLY IN ADVANCE

Financial target (EBIT)

Governance

Transformation

Strategic Company objectives

INDIVIDUAL PERFORMANCE MULTIPLIER DETERMINED BY EMPLOYEE'S INDIVIDUAL PERFORMANCE SCORE

Performance rating	IP multiplier
Above stretch	150%
Stretch	125%
On-target	100%
Below target	50%
Missed targets	0%

Group performance

As explained in the Group CFO's report, the Group achieved EBIT of R628 million. The performance conditions for the STI bonus were therefore not achieved for the year ending June 2023.

Management performance bonus scheme

At the Remuneration Committee's request, the management performance bonus scheme was introduced during the 2017 financial year. This scheme targets exceptional performance through a reward of 100% of the guaranteed monthly package and additional bonus payments as given in the rules.

Bargaining unit performance-based bonus

The performance-based bonus scheme was introduced in 2019 with the Remuneration Committee's support. This scheme is aimed at non-management level employees and ensures an all-inclusive performance-based total reward strategy for the Group across all levels.

STIs on termination of employment

There is no automatic entitlement to annual STIs on termination, but it may be considered at the committee's discretion, considering performance measures during the period. Any such payment will be pro-rated to service. The governing rules require active employment on the date of payment. No bonus will be payable in the case of misconduct or resignation, unless done under extenuating circumstances.

LTI scheme

AfroCentric introduced a new FSP LTI scheme in November 2022, following Board approval. The Remuneration Committee approves the allocations for all participants.

Malus and clawback

Where defined trigger events occur, provision is made for redress against remuneration through either malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture). Malus and clawback provisions and the application thereof to trigger events are governed by the Group Malus and Clawback Policy.

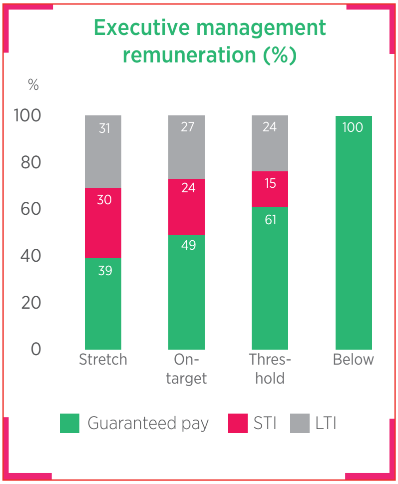
Vesting share scheme

AWARD MECHANISM	Linked to job grade and allocated by the committee. The committee has discretion within a range per job grade with a maximum number of shares set per grade, aligned with shareholder expectations
BONUS SHARES	Discretionary allocation by the committee, considering scarce skills, personal performance ratings, leadership and potential.
VESTING	Cliff vesting three years from the date of award subject to satisfaction of performance conditions.
PARTICIPATION	Individual participation is reviewed annually by the committee to ensure alignment with the strategic objectives of the Group, and consideration is given to: » Individual long-term performance (over three years) » Scarce and critical skills, particularly at other levels » Strategic importance of the role » Potential or talent of the employee (in particular ability, attitude, aspiration)
CONDITIONS	Share award is conditional to the retention period, provided the employee is eligible.
PERFORMANCE CONDITIONS	Long-term business performance criteria set for the relevant award cycle.

Remuneration mix

To maintain a high-performance culture and alignment with shareholders through value creation, the total reward mix for the Group CEO, Executive Directors, executives and senior management is geared towards a higher percentage of variable pay 'at risk' for achieving stretch goals.

The chart alongside represents the potential mix of guaranteed pay, STI and LTI for the Group CEO at below, on-target and stretch levels. The below target assumes no variable incentive payments.



REMUNERATION PROCESSES

Service contracts and notice periods

AfroCentric can summarily terminate executive employment for any reason recognised by law in the respective jurisdiction. It is policy that the Executive Directors and executives have employment agreements with the Group, which may be terminated with a three-month notice period. Executive Directors may be required to work during the notice period, but if not, the full notice period may be provided with pay in lieu of notice (subject to mitigation where relevant).

NON-EXECUTIVE DIRECTORS' REMUNERATION

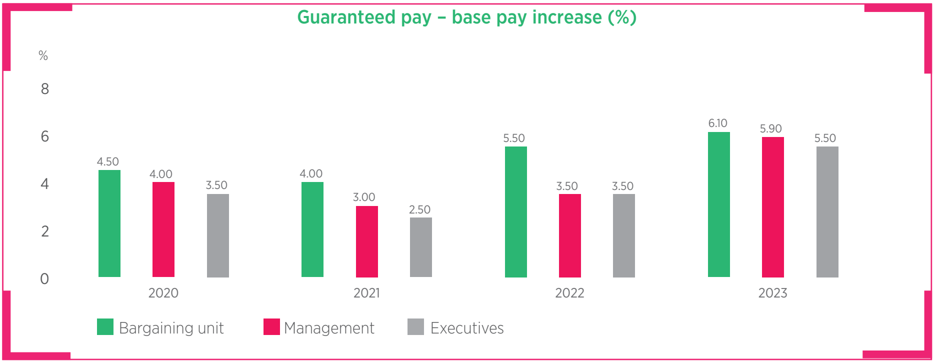
The table below sets out the remuneration principles applied by the Group for the 2023 financial year for Non-executive Directors. These policies also apply for the 2023 financial year and form the underlying basis for the fees tabled for approval at the AGM held on 10 November 2022.

	Chairman	Deputy Chairman	Directors and Lead Directors	Committee
Objective	A market-related fee to attract and retain experienced and diverse Non-executive Directors		Fees to reflect the additional responsibilities undertaken through membership of committees. Committee chairpersons receive an additional amount	
Fee principles	» Fees are reviewed annually, and fees in respect of the Chairman and Deputy Chairman were adjusted during the reporting period following the benchmark done by PwC » Fees reflect the time commitments in respect of meetings and additional stakeholder relations as well as other standard duties associated with each role » Fees are fully inclusive » The Remuneration Committee recommends the fees to the Board for final approval			
Payable	**Main Board:** quarterly **Subsidiary board:** monthly		Per meeting fee payable monthly	

ANNEXURE 10 – IMPLEMENTATION OF THE REMUNERATION REPORT AND REMUNERATION POLICY

IMPLEMENTATION REPORT

It is the view of the Remuneration Committee that the remuneration policy achieved its stated objective.



TOTAL REMUNERATION OUTCOMES

Single figure remuneration (R'000)

	Guaranteed pay			
	Base pay		Benefits and allowances	
Executive directors	2023	2022	2023	2022
A Banderker	**5 261 969**	5 086 864	**516 761**	470 525
W Britz	**–**	3 212 007	**–**	268 866
H Boonzaaier	**3 618 654**	3 491 926	**351 367**	326 122
S Mmakau	**–**	2 072 609	**–**	202 572
TOTAL	**8 880 623**	13 863 406	**868 128**	1 268 085

STI performance outcomes

Financial performance indicators are measured against audited annual financial results and are net of STI accruals. Non-financial performance KPIs are based on a formal performance evaluation conducted by the Group CEO for executives and by the Remuneration Committee and Board Chairman for the Group Chief Executive.

Performance below the threshold attracts no STI payments, where the threshold for financial targets is 100% of the target.

Non-financial individual performance is assessed against suitable KPIs and is rated on a sliding scale where a score of 2.75 represents threshold performance, 3 on-target performance, 4 excellent performance and 5 stretch performance.

Variable pay					
STI and Retention Awards		LTI		Total remuneration	
2023	2022	2023	2022	2023	2022
20 252 268	1 780 345	**1 515 000**	–	**27 545 998**	7 337 734
–	–	**–**	–	**–**	3 480 873
5 080 000	1 208 153	**1 010 000**	2 200 000	**10 060 021**	7 226 201
–	–	**–**	–	**–**	2 275 181
25 332 268	2 988 498	**2 525 000**	2 200 000	**37 606 019**	20 319 989

Management strategic incentive scheme

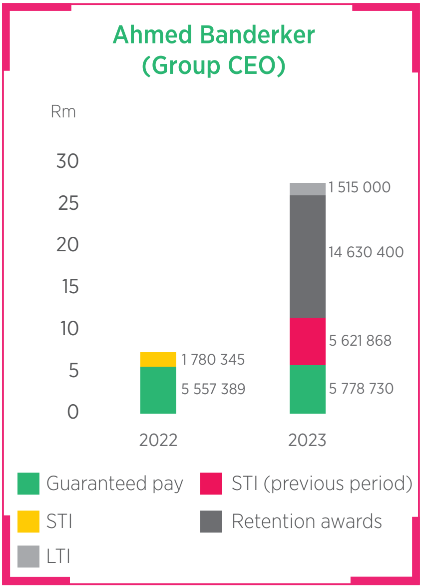
Business multiplier		Outcome		Comments
Weighting – 40%	Finance (EBIT)	1 out of 5	Target not met	EBIT of R628 million was achieved relative to the target of R886 million (Target not met)
Weighting – 15%	Governance	3.33 out of 5	Target partially exceeded	The Group continued to manage all litigation well, thus minimising liability risk for the organisation
Weighting – 10%	Transformation	4.5 out of 5	Target partially exceeded	AHL maintains its level 1 B-BBEE rating. Pharmacy Direct maintains a Level 1 B-BBEE rating, and other subsidiary entities improved ratings from the prior year
Weighting – 35%	Strategic impact » Improving and implementing a more efficient Medscheme operational model that ensures lower costs of administration and better competitiveness » Improved IT systems that are more stable and less costly to maintain. Development costs and development cycles improving » The Pharma cluster growth was driven by partnerships in tenders, current Scriptpharm initiatives, Group strategic projects and increased Pharmacy Direct volumes in the private sector	3 out of 5	Target met	While the Group achieved specific key strategic targets, the overall outcome fell short of the target

INDIVIDUAL REMUNERATION OUTCOMES

Ahmed Banderker (Group CEO)

	2023 (R)	2022 (R)
Salary	**5 261 969**	5 086 864
Medical aid	**60 200**	49 796
Retirement benefits	**351 526**	336 471
Other employee benefits	**105 036**	84 258
Total guaranteed pay	**5 778 730**	5 557 389
Increase in guaranteed pay	**4.0%**	2.9%
STI	**–**	1 780 345
STI (previous period)*	**5 621 868**	–
Retention awards*	**14 630 400**	–
Value of awarded shares (300 000 shares)	**1 515 000**	–
Total variable pay	**21 767 268**	1 780 345
TOTAL REMUNERATION	**27 545 998**	7 337 734

* *During 2022, the Remco appointed external consultants to benchmarking the CEO and CFO rewards which demonstrated shortcomings specifically relating to LTI awards. Given that backdating of share awards is not possible, the cash payments were then made in the various categories to rectify the shortcomings.*

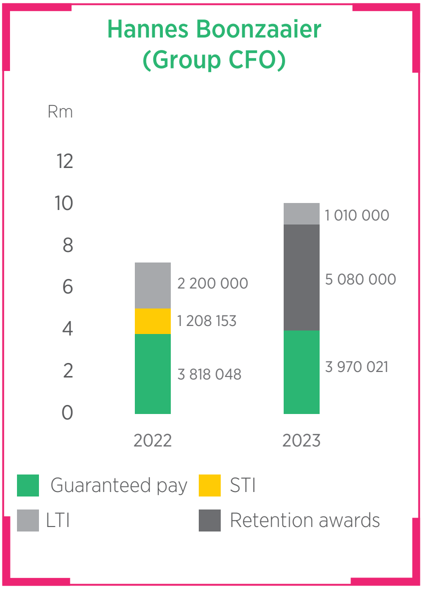


Hannes Boonzaaier (Group CFO)

	2023 (R)	2022 (R)
Salary	**3 618 654**	3 491 926
Medical aid	**57 320**	55 024
Retirement benefits	**226 399**	216 807
Other employee benefits	**67 648**	54 292
Total guaranteed pay	**3 970 021**	3 818 048
Increase in guaranteed pay	**4.0%**	2.7%
STI	**–**	1 208 153
Retention awards*	**5 080 000**	–
Value of awarded shares**	**1 010 000**	2 200 000
Total variable pay	**6 090 000**	3 408 153
TOTAL REMUNERATION	**10 060 021**	7 226 201

* *During 2022, the Remco appointed external consultants to benchmarking the CEO and CFO rewards which demonstrated shortcomings specifically relating to LTI awards. Given that backdating of share awards is not possible, the cash payments were then made in the various categories to rectify the shortcomings.*

** *200 000 shares in 2023 and 400 000 shares in 2022.*



Willem Britz (Non-executive Director)

	2023 (R)	2022 (R)
Salary	–	3 212 007
Medical aid	–	55 803
Retirement benefits	–	171 080
Other employee benefits	–	41 982
Total guaranteed pay	–	3 480 873
Increase in guaranteed pay	(100.0%)	(23.0%)
STI	–	–
Number of shares awarded	–	–
Value of awarded shares	–	–
Total variable pay	–	–
TOTAL REMUNERATION	–	3 480 873

Sello Mmakau (Director: Group Chief Technology)***

	2023 (R)	2022 (R)
Salary	–	2 072 609
Medical aid	–	35 687
Retirement benefits	–	134 002
Other employee benefits	–	32 883
Total guaranteed pay	–	2 275 181
Increase in guaranteed pay	(100.0%)	(40.2%)
STI	–	–
Number of shares awarded	–	–
Value of awarded shares	–	–
Total variable pay	–	–
TOTAL REMUNERATION	0 –	2 275 181

**** Resigned in February 2022.*

NON-EXECUTIVE DIRECTORS' 2023 REMUNERATION

The following table sets out the fees for the period 1 January 2022 to 31 December 2023, approved by means of a majority vote during the AGM:

	CURRENT 2023	PROPOSED 2024	PROPOSED INCREASE %
MAIN BOARD (ANNUALISED RETAINER FEE)			
Chairman	**1 503 683**	1 578 867	5.0%
Deputy Chairman	**1 370 558**	1 439 086	5.0%
Lead Independent Director	**694 332**	729 049	5.0%
Member	**318 193**	334 103	5.0%
SUBSIDIARY BOARD (PER MEETING FEE)			
Chairman	**24 904**	26 149	5.0%
Member	**18 331**	19 248	5.0%
AUDIT AND RISK COMMITTEE (PER ANNUM FEE)			
Chairman	**266 139**	279 446	5.0%
Member	**136 928**	143 774	5.0%
REMUNERATION COMMITTEE (PER ANNUM FEE)			
Chairman	**138 317**	145 233	5.0%
Member	**75 265**	79 028	5.0%
NOMINATION COMMITTEE (PER ANNUM FEE)			
Chairman	**138 317**	145 233	5.0%
Member	**75 265**	79 028	5.0%
SOCIAL AND ETHICS COMMITTEE (PER ANNUM FEE)			
Chairman	**128 307**	134 722	5.0%
Member	**74 535**	78 262	5.0%
INVESTMENT COMMITTEE (PER ANNUM FEE)			
Chairman	**199 968**	209 966	5.0%
Member	**110 000**	115 500	5.0%
*ICT STEERING COMMITTEE (PER ANNUM FEE)			
Member	**73 334**	77 001	5.0%

* *The ICT Steering Committee Chairperson was previously salaried, and no fees were applicable. The Sanlam CIO is currently chairing the committee – no fees have been paid.*

PAYMENTS MADE TO NON-EXECUTIVE DIRECTORS

The following fees were paid in respect of the AfroCentric Board:

Name of director	Directors fees	Nomination Committee	Audit and Risk Committee	Investment Committee	Remuneration Committee
Dr ATM Mokgokong	1 695 981	107 070	–	–	–
MJ Madungandaba	1 545 831	48 967	–	170 262	148 796
JB Fernandes	680 982	–	261 021	26 442	–
FG Allen	270 925	–	155 952	100 545	64 089
Dr ND Munisi	312 074	–	–	138 728	–
AM le Roux	358 885	–	308 879	–	–
M Chauke	312 074	–	268 590	–	–
K Mkhize	379 715	–	–	–	–
P Hanratty	30 493	–	–	–	–
	5 586 960	156 037	994 441	435 977	212 885

TERMINATION OF OFFICE PAYMENTS

No termination of payments were made for ACT directors during the year under review.

STATEMENT REGARDING COMPLIANCE WITH THE REMUNERATION POLICY

The committee satisfied itself that the remuneration policy as detailed in the report was complied with, and there were no substantial deviations from the policy during the year.

ADVISORY VOTE ON THE IMPLEMENTATION REPORT

The implementation report, as it appears above, is subject to an advisory vote by shareholders at the 2023 AGM. Accordingly, shareholders are requested to cast an advisory vote on the remuneration policy's implementation for 2023.

APPROVAL OF THE REMUNERATION REPORT BY THE BOARD

The Board approved the remuneration report on 14 September 2023.

	Social and Ethics Committee	Pharma Cluster Audit Committee	ADS Board Meeting	Medscheme Board Meeting	Pharma Cluster Board Meeting	Ex-Gratia Payment (Projects Everest)	Total
	–	–	–	–	–	–	1 803 051.12
	–	–	76 156	27 538	27 538	–	2 045 088.13
	–	97 700	–	–	–	100 000	1 166 144.75
	–	–	–	–	–	–	591 510.83
	118 133	–	–	–	–	–	568 934.34
	–	–	–	–	–	100 000	767 763.60
	–	–	–	–	–	100 000	680 664.00
	41 844	–	–	–	–	–	421 558.90
	–	–	–	–	–	–	30 493.50
	159 977	97 700	76 156	27 538	27 538	300 000	8 075 209.17

ANNEXURE 11 – COMPANY INFORMATION

REGISTRATION NUMBER

1988/000570/06

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