

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply mutatis mutandis throughout this Circular including the cover page.

ACTION REQUIRED

Shareholders are referred to page 2 of this Circular, which sets out the action required of them with regard to the General Meeting. If you are in any doubt as to the action that you should take, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Shares, this Circular and the Form of Proxy should be forwarded to the purchaser to whom, or the CSDP, Broker or agent through whom, you disposed of your Shares.



ALARIS HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/011142/06)
(Share Code: ALH, ISIN ZAE000201554)
("Alaris" or "the Company")

CIRCULAR TO SHAREHOLDERS

Relating to:

- the adoption of the Nil-Cost Share Based Long Term Incentive Plan;

and incorporating:

- a Notice of General Meeting; and
 - a Form of Proxy (*grey*) for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-name Registration only).
-

Designated Adviser and Transaction Adviser



Date of issue: Friday, 14 December 2018

Copies of this Circular are available in English only and may be obtained during normal business hours from the registered office of Alaris and from the offices of PSG Capital, whose addresses are set out in the "Corporate Information" section of this Circular from Friday, 14 December 2018 until Wednesday, 30 January 2019 (both days inclusive). A copy of this Circular will also be available on Alaris' website (www.alarisholdings.com).

CORPORATE INFORMATION

Directors of Alaris

CP Bester (*Chairman*) **
J Dresel (Chief Executive Officer)
GT Heyman (Financial Director)
A Mellet *
RC Willis **
C van der Merwe **
PV Anania **

* *Non-executive*

Independent

Date of incorporation

11 July 1997

Place of incorporation

South Africa

Registered office

1 Travertine Avenue
N1 Business Park
Centurion
0157
(Private Bag X4, The Reeds, Pretoria, 0166)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)

Designated Adviser and Transaction Adviser

PSG Capital Proprietary Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and at

2nd Floor
11 Alice Lane (Building 3)
Sandhurst
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Company Secretary

Fusion Corporate Secretarial Services Proprietary Limited
(Registration number 2007/008376/07)
Unit 7, Block C
Southdowns Office Park
Karee Street
Irene
Pretoria
(PO Box 68528 Highveld 0169)

Auditors

KPMG Inc.
(Registration Number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown
Johannesburg
2193
(Private Bag 9 Parkview 2122)

CONTENTS

	Page
CORPORATE INFORMATION	<i>inside front cover</i>
ACTION REQUIRED	2
SALIENT TIMES AND DATES	3
DEFINITIONS AND INTERPRETATIONS	4
CIRCULAR TO SHAREHOLDERS	6
1. Introduction and purpose of the Circular	6
2. Rationale for the LTIP	6
3. Summary of the LTIP	6
4. Replacement of the existing Share Option Scheme	9
5. General Meeting	9
6. Experts' consents	9
7. Responsibility statement	9
8. Documents available for inspection	10
Notice of General Meeting	11
Form of Proxy (<i>grey</i>) for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-name Registration only)	Attached

ACTION REQUIRED

The definitions and interpretations commencing on page 4 of this Circular apply to this section.

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Shares in Alaris, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

The General Meeting will be held at 11:30 on Wednesday, 30 January 2019 at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, at which General Meeting Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of General Meeting attached to this Circular.

1. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

1.1. Voting at the General Meeting

- 1.1.1. Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 1.1.2. If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 1.1.3. If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- 1.1.4. **You must not complete the attached Form of Proxy (grey).**

1.2. Attendance and representation at the General Meeting

- 1.2.1. In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
 - 1.2.1.1 attend, speak and vote at the General Meeting; or
 - 1.2.1.2 send a proxy to represent you at the General Meeting.
- 1.2.2. Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALISED SHAREHOLDERS

2.1. Voting and attendance at the General Meeting

- 2.1.1. You may attend the General Meeting in person and may vote at the General Meeting.
- 2.1.2. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (grey) in accordance with the instructions contained therein and lodging, posting or e-mailing it to The Meeting Specialist at the address set out below, to be received by them, for administrative purposes, by no later than 11:30 on Monday, 28 January 2019 or thereafter by handing such form to the chairperson of the General Meeting or The Meeting Specialist at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Hand deliveries to:

The Meeting Specialist Proprietary Limited
One Exchange Square
Gwen Lane
Sandown
2196

An email can be sent to:

proxy@tmsmeetings.co.za

Postal deliveries to:

The Meeting Specialist Proprietary Limited
PO Box 62043
Marshalltown, 2107

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply to these salient dates and times.

2018

Notice record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to receive notice of the General Meeting on	Friday, 7 December
Announcement of distribution of Circular and notice convening the General Meeting released on SENS on	Friday, 14 December
Circular incorporating the Notice of General Meeting and Form of Proxy (<i>grey</i>), distributed to Shareholders on	Friday, 14 December

2019

Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 3 below) on	Tuesday, 22 January
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 25 January
For administrative reasons, Forms of Proxy (<i>grey</i>) in respect of the General Meeting to be lodged at or received via post or e-mail by The Meeting Specialist by no later than 11:30 on	Monday, 28 January
Form of Proxy (<i>grey</i>) in respect of the General Meeting to be handed to the chairperson of the General Meeting or The Meeting Specialist at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at the General Meeting on	Wednesday, 30 January
General Meeting held at 11:30 on	Wednesday, 30 January
Results of the General Meeting published on SENS on	Wednesday, 30 January

Notes:

1. All dates and times indicated above are South African Standard Time.
2. The above dates and times are subject to amendment at the discretion of Alaris. Any such amendment will be released on SENS.
3. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 22 January 2019 will not be eligible to attend, participate in and vote at the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular and annexures hereto, unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

“Alaris” or “the Company”	Alaris Holdings Limited (registration number 1997/011142/06), a public company incorporated in accordance with the laws of South Africa;
“Allocation Date”	the date upon which Nil-Cost Options are annually allocated to a Participant;
“Allocation Value”	the total value of the Nil-Cost Options allocated to a Participant, determined by the Board in the manner set out in 3.5.3;
“Board” or “Directors”	the board of directors of Alaris, from time to time;
“Broker”	a “stockbroker” as defined in the Financial Markets Act, or its nominee;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares that have not been Dematerialised, title to which is evidenced by a share certificate or other Document of Title;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Company Secretary”	the company secretary of Alaris as appointed in terms of the Companies Act from time to time;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a Dematerialised share account;
“Custody Agreement”	a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Alaris’ uncertificated securities register administered by a CSDP or Broker on behalf of that person;
“Dematerialise” or “Dematerialised” or “Dematerialisation”	the process by which Certificated Shares are converted into an electronic format as Dematerialised Shares and recorded in Alaris’ uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
“Employee”	an employee of an entity in the Group;
“Employer Company”	that company in the Group that is the employer of a particular Participant;
“Existing Share Option Scheme”	the existing share option scheme operated under and in terms of the trust deed for the Alaris Holdings Limited Share Incentive Trust, which was approved and adopted by the Shareholders on 23 March 2015;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy (<i>grey</i>) for use only by Certificated Shareholders and Own-name Registered Dematerialised Shareholders;
“General Meeting”	the general meeting of Shareholders to be held at 11:30 on Wednesday, 30 January 2019 at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;
“Group”	the Company and its subsidiaries;
“JSE”	the exchange, licensed under the Financial Markets Act, operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
“JSE Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;

“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Friday, 7 December 2018;
“LTIP”	the Alaris Holdings Limited Nil-Cost Share Based Long-Term Incentive Plan, as amended from time to time;
“Measurement Date”	a date, after the expiry of the relevant Measurement Period on which the vesting criteria set by the Board is tested or measured;
“Measurement Period”	means the 3 financial year period commencing on the financial year end preceding the Allocation Date;
“Minimum Growth Target”	the minimum target cumulative growth in NEPS set by the Board for each allocation of Nil-Cost Options over a Measurement Period in order for Nil-Cost Options to vest;
“NEPS”	the Company’s normalised earnings per share for the financial year end preceding the Allocation Date;
“NEPS Growth Target”	the target cumulative growth in NEPS set by the Board for each allocation of Nil-Cost Options over a Measurement Period (it being recorded that the NEPS Growth Target for the first allocation in terms of the LTIP shall be a cumulative 72% over the Measurement Period)
“Nil-Cost Option”	an option to receive one Share for each nil-cost option that is exercised, subject to the rules of the LTIP;
“Notice of General Meeting”	the notice of the General Meeting of Shareholders, forming part of this Circular;
“Own-name Registration” or “Own-name Registered”	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“Participant”	an Employee that is a participant in the LTIP;
“PSG Capital” or “Designated Adviser”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company incorporated under the laws of South Africa, the particulars of which appear in the “ <i>Corporate Information</i> ” section of this Circular;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholders”	registered holders of Shares;
“Shares”	ordinary no par value shares in the share capital of the Company;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“The Meeting Specialist”	The Meeting Specialist Proprietary Limited (registration number 2017/287419/07), a private company incorporated under the laws of South Africa;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated under the laws of South Africa;
“Vesting Date”	the day when the Nil-Cost Option vest and from which date the Participants may elect to exercise the Nil-Cost Options, subject to the fulfilment of the vesting criteria set by the Board.



ALARIS HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/011142/06)
(Share Code: ALH, ISIN ZAE000201554)
("Alaris" or "the Company")

Directors

CP Bester (*Chairman*) **
J Dresel (Chief Executive Officer)
GT Heyman (Financial Director)
A Mellet *
RC Willis **
C van der Merwe **
PV Anania **

* *Non-executive*

Independent

CIRCULAR

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1. On 14 December 2018, Alaris announced the proposed adoption of the LTIP, which requires the approval of Shareholders at the General Meeting.
- 1.2. The purpose of this Circular is to provide Shareholders with details of the LTIP and all other relevant information pertaining to the implementation thereof, in order for Shareholders to make an informed decision at the General Meeting.

2. RATIONALE FOR THE LTIP

The purpose of the LTIP is to attract, retain, motivate and reward key Employees of the Group by providing them with the opportunity to share in the success of Alaris and to be incentivised to deliver on the business strategy of Alaris over the long term, providing alignment between the Participants, the Company, the relevant Employer Company and Shareholders.

3. SUMMARY OF THE LTIP

3.1. Introduction and Purpose

- 3.1.1. The Board considers it important and appropriate that the Group has a competitive long-term incentive plan in place to incentivise and retain key Employees.
- 3.1.2. The purpose of the LTIP is to attract, retain, motivate, incentivise and reward key Employees of the Group, on a basis which aligns the interests of such key Employees with those of the Company, the relevant Employer Company and the Shareholders.

3.2. Participants

- 3.2.1. Participation in terms of the LTIP will include key Employees of the Group as recommended by the relevant executives of the Employer Companies to the Group chief executive officer. Pre-approval of the nominated Participants is at the Group chief executive officer's discretion, and final approval of the nominated Participants and the allocation of Nil-Cost Options made to such Participants is at the discretion of the Board on an annual basis.

- 3.2.2. The Board has the sole discretion to allocate Nil-Cost Options to Participants on the terms and conditions described in the LTIP.

3.3. Nil-Cost Options

- 3.3.1. Participants shall, if the Board so resolves, be granted, by way of an allocation letter, a number of Nil-Cost Options calculated as a factor of the Participants annual remuneration package upon the terms summarised below, which are exercisable subject to achieving the vesting criteria set by the Board.
- 3.3.2. The allocation letter shall allocate Nil-Cost Options to Participants and shall record the Allocation Date, the number of Nil-Cost Options allocated to the Participant, the strike price of zero, the vesting criteria and the Vesting Date.
- 3.3.3. Nil-Cost Options will be granted to qualifying participants on an annual basis and such Nil-Cost Options will vest on the relevant Measurement Date following the 3rd anniversary of the Allocation Date, provided the vesting criteria, set for the specific annual allocation, are achieved. Notwithstanding the aforementioned the first allocation of Nil-Cost Options will vest on the relevant Measurement Date following the 30-month anniversary of the Allocation Date, provided the vesting criteria are achieved.

3.4. Exercise of Nil-Cost Options

A Participant may exercise the Nil-Cost Option within 90 (ninety) days of the Vesting Date. The Board shall be entitled to extend the vesting period as Nil-Cost Options may not be exercised during any period in which applicable law, the JSE Listings Requirements, regulations or Company policy in force from time to time prevents the Company from issuing or purchasing Shares or for such other reason as the Board may determine.

3.5. Number of Shares made available for the LTIP and Allocations

- 3.5.1. A total of 15,000,000 (fifteen million) unissued ordinary shares of no par value in the Company may be issued for the implementation of the LTIP.
- 3.5.2. The aggregate number of Nil-Cost Options that may be allocated at any time to any one Participant in terms of the LTIP shall not exceed 5,000,000 (five million).
- 3.5.3. The Allocation Value of Nil-Cost Options allocated to a particular Participant in terms of the LTIP shall be within a range of 25% (twenty-five percent) to 100% (one hundred percent), or as may be reviewed by the Board from time to time, of each Participants remuneration package, calculated on a total cost to company basis (excluding annual performance bonuses) and taking into account the Participant's position within the Company and the Participant's strategic contribution to the Employer Company or the Group. The Board shall, in its exclusive discretion determine annually the Allocation Value of the Nil-Cost Options allocated to Participants. The number of Nil-Cost Options allocated to a Participant shall be determined by dividing the Allocation Value by the volume weighted average traded price of the Company's shares on the JSE for the 30 (thirty) days immediately prior to the Allocation Date.
- 3.5.4. Any shares reserved as a result of Nil-Cost Options granted will revert back to the LTIP if such shares are not issued or reallocated to the identified participant/s as a result of, for example, forfeiture or lapsing of Nil-Cost Options.
- 3.5.5. All Shares delivered to Participants in terms of the LTIP shall rank *pari passu* in all respects with the existing issued Shares of the Company. Prior to delivery of Shares to Participants in terms of the LTIP, Participants have no rights in relation to such Shares, even in the case of liquidation.

3.6. Vesting Criteria

- 3.6.1. 100% (one hundred percent) of the Nil-Cost Options granted to a Participant will vest on the relevant Measurement Date following the 3rd anniversary of the Allocation Date provided that 1), at the time of vesting, the Participant remains in the employ of the Employer Company, and, 2) as at the Measurement Date the NEPS Growth Target has been achieved.
- 3.6.2. The Nil-Cost Options granted to the Participant will vest on the relevant Measurement Date following the 3rd anniversary of the Allocation Date on a pro rata basis provided that 1) the Participant remains in the employ of the Employer Company and, 2) as at the Measurement Date, the cumulative growth in NEPS achieved is less than the NEPS Growth Target over the Measurement Period but is greater than the Minimum Growth Target. By way of example, if 50% of the NEPS Growth Target is achieved then 50% of the Nil-Cost Options will vest, provided that the Minimum Growth Target is achieved.
- 3.6.3. All Nil-Cost Options that do not vest in terms of 3.6.1 and 3.6.2 above will lapse and be of no further force or effect and will revert back to the LTIP.

3.7. Delivery of Shares

- 3.7.1. The Board in its sole discretion may elect to settle the vested Nil-Cost Options in cash to the extent that a Participant resides in a jurisdiction that has negative tax consequences for the settlement of Nil-Cost Options through the delivery of Shares to such a Participant.
- 3.7.2. The Shares required for delivery when Nil-Cost Options vest can either be allotted and issued by the Company, or delivered by a subsidiary of the Company, or the subsidiary Company may purchase such shares in the market in order to satisfy obligations in terms of the LTIP. No Shares will be issued or acquired before the Nil-Cost Options have been allocated to Participants in terms of the LTIP.
- 3.7.3. Shares will be delivered to Participants within a reasonable period of the Vesting Date, however, the period will be extended if and to the extent that applicable law, the JSE Listings Requirements or Company policy in force from time to time prevents the Company from issuing or delivering Shares.
- 3.7.4. The Participants are and remain responsible for any tax arising from the exercise of the Nil-Cost Options. The Employer Company will deduct the taxable amount from the Participants remuneration in the month subsequent to the date of delivery of the Shares and pay it over to the Receiver of Revenue or any relevant revenue authority. Furthermore, should there be a requirement on the Employer Company to withhold such tax from a Participant, such tax will be withheld and paid to the Receiver of Revenue or any relevant revenue authority within the prescribed period after the Vesting Date or date any restrictions lapses.

3.8. Net Equity Settlement

Participants may elect (in writing to the Company) to have all (and not only a portion) of their Nil-Cost Options that have been exercised, settled on a net equity basis in order to settle any tax arising from the exercise of the Nil-Cost Options.

3.9. Termination of employment

- 3.9.1. Should a Participant's employment with any Employer Company in the Group terminate for reasons of death, incapacitation or retirement, the Company will deliver to that Participant (or the Participant's executor or curator) such Shares to which that Participant (or the Participant's executor or curator) is entitled to in terms of the LTIP, within a period of 60 (sixty) days after the expiry of the relevant Measurement Period provided the applicable Nil-Cost Options are capable of being exercised and have been exercised by the Participant (or the Participant's executor or curator) within the aforementioned 60 (sixty) days, or subject to 3.9.2 below.
- 3.9.2. Should a Participant's employment with any Employer Company in the Group terminate for reasons of death, incapacitation or retirement, that Participant (or the Participant's executor or curator) will be entitled, at the discretion of the Board, to such portion of the Nil-Cost Options that have been allotted and the corresponding Shares, as equates to a pro rata number of Nil-Cost Options and corresponding Shares duly time-weighted over the period of fulfilment of the vesting criteria calculated from the date on which the Nil-Cost Options are annually allocated to a Participant to the date of termination of employment and granted to that Participant, subject to the vesting criteria being fulfilled for that period. The corresponding Shares will be delivered to Participants within a period of 60 (sixty days) after the fulfilment of the vesting criteria applicable, provided that the applicable pro rated Nil-Cost Options are exercised by the Participant (or the Participant's executor or curator). The Board has, however, the full discretionary rights to apply the most appropriate principles under these circumstances.
- 3.9.3. If a Participant's employment with any Employer Company in the Group terminates for any other reason other than that detailed in 3.9.1 or 3.9.2, all of his Nil-Cost Options and corresponding Shares will, unless the Board determines otherwise, automatically lapse, including those Nil-Cost Options which have vested, but have not been exercised. The Board also has full discretionary rights in this regard.

3.10. Corporate Activity – E.g. Capitalisation Issues, Consolidations, Special Dividends, Scrip Dividends, Mergers and Takeovers

- 3.10.1. In the event of the Company undertaking or effecting a sub-division or consolidation of Shares, the number of Shares that may be issued for purposes of the LTIP and the number of Nil-Cost Options allocated to Participants which have not vested will be adjusted to ensure a Participant's entitlement to the same proportion of Shares as that to which the Participant was entitled previously ("**the adjustment event**"), provided that –

- 3.10.1.1 the issue of Shares by the Company as consideration for an acquisition, or the issue of Shares by the Company for cash or for a vendor consideration placing will not be regarded as a circumstance requiring adjustment;
 - 3.10.1.2. the capitalisation issue of Shares by the Company will not be regarded as a circumstance requiring adjustment;
 - 3.10.1.3 at the discretion of the Board, a rights offer, a special dividend or a reduction of capital may be regarded as a circumstance requiring an adjustment; and
 - 3.10.1.4. such adjustment is to be confirmed by the Company's auditors as having been calculated on a reasonable basis and such confirmation shall be provided to the JSE and will be reported on in the Company's annual financial statements.
- 3.10.2 Should an adjustment event arise, the Board may amend any allocation letters sent to Participants and may adjust the vesting criteria set out in the allocation letter, in such a manner as it may feel appropriate with the objective that such adjustment should give a Participant an entitlement to the same proportion of the equity capital as that to which the Participant had before the adjustment event and taking into account accounting treatment of those rights, provided that the auditors of the Company, acting as experts, shall confirm in writing that in their opinion such adjustments are fair and reasonable.
- 3.10.3 If the Company or the Employer Company is taken over, delisted or becomes the subject of a merger which results in the listing of the Shares being suspended or terminated ("**the Corporate Action**") during a Measurement Period and/or prior to a Measurement Date, the Vesting Date will then automatically coincide with the effective date of the Corporate Action, and the Nil-Cost Options will be adjusted on a time weighted basis and 1) in the case of a successor listed on the JSE or on a foreign exchange, provide that the successor has procured the necessary exchange control approval, exchanged for equivalent valued rights in the Company's successor (as determined and approved by the Board where necessary) or 2) in the case of an unlisted successor or successor listed on a foreign exchange that is not able to procure the necessary exchange control approval, be settled in accordance with the provisions of the LTIP on the effective date of the Corporate Action.

4. **REPLACEMENT OF THE EXISTING SHARE OPTION SCHEME**

- 4.1. No further options will be awarded in terms of the Existing Share Option Scheme.
- 4.2. Accordingly, going forward, all long-term incentives granted to key employees will be made through the LTIP.

5. **GENERAL MEETING**

- 5.1. A General Meeting of Shareholders will be held at 11:30 on Wednesday, 30 January 2019, at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion in order to consider and approve the ordinary resolutions proposed in the Notice of General Meeting.
- 5.2. The Notice of General Meeting and the Form of Proxy (*grey*) for use by Certificated Shareholders and Dematerialised Shareholders with Own-name Registration who are unable to attend the General Meeting and who wish to be represented thereat is attached to and forms part of this Circular.
- 5.3. Full details of the action required by Certificated Shareholders and Dematerialised Shareholders are set out on page 2 of this Circular.

6. **EXPERTS' CONSENTS**

The Designated Adviser, whose name appears in the "*Corporate Information*" section of this Circular, has given and has not, prior to the formal approval of this Circular by the JSE, withdrawn its written consent to the inclusion of its name, and acting in the capacity stated, being included in this Circular.

7. **RESPONSIBILITY STATEMENT**

The Directors, whose names are set out in the "*Corporate Information*" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular which relates to Alaris and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the JSE Listings Requirements.

8. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection at the registered office of Alaris and at the Stellenbosch and Johannesburg offices of PSG Capital at the addresses referred to in the “*Corporate Information*” section of this Circular, during normal office hours from the date of issue of this Circular until the date of the General Meeting:

- 8.1. the LTIP;
- 8.2. written consent letters by experts and advisers, as referred to in paragraph 6 above; and
- 8.3. a copy of this Circular.

SIGNED AT CENTURION ON FRIDAY, 14 DECEMBER 2018 BY GISELA HEYMAN ON BEHALF OF ALL THE DIRECTORS OF ALARIS, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS



G HEYMAN
Financial Director

CP Bester (*Chairman*) **
J Dresel (Chief Executive Officer)
GT Heyman (Financial Director)
A Mellet *
RC Willis **
C van der Merwe**
PV Anania**

* *Non-executive*

Independent



ALARIS HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/011142/06)
(Share Code: ALH, ISIN ZAE000201554)
("Alaris" or "the Company")

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting is attached, shall bear the same meanings where used in this Notice of General Meeting.

NOTICE IS HEREBY GIVEN that a general meeting of Shareholders will be held at 11:30 on Wednesday, 30 January 2019 at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder.

1. **ORDINARY RESOLUTION NUMBER 1 – Adoption of the LTIP**

"RESOLVED AS AN ORDINARY RESOLUTION that the LTIP, the summary of which is included in the Circular to which this Notice of General Meeting is attached and a copy of which has been signed by the chairman for identification purposes and tabled at the General Meeting convened to consider same, be and is hereby adopted."

Reason and effect of Ordinary Resolution Number 1

The reason for Ordinary Resolution Number 1 is to obtain the authority of Shareholders for Alaris to adopt the LTIP. The effect of Ordinary Resolution Number 1 is that the LTIP will have been adopted by Alaris.

Percentage of voting rights required

In terms of the JSE Listings Requirements, in order for Ordinary Resolution Number 1 to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on the ordinary resolution.

2. **ORDINARY RESOLUTION NUMBER 2 – Directors' authority**

"RESOLVED AS AN ORDINARY RESOLUTION that, any Director of Alaris, be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to give effect to the resolutions set out in this Notice of General Meeting and anything already done in this respect be and is hereby ratified."

Reason and effect

The reason for and effect of Ordinary Resolution Number 2 is to authorise each Director of Alaris to do all such things and sign all such documents as are deemed necessary or desirable to implement the resolutions set out in the Notice of General Meeting.

Percentage of voting rights required

In order for Ordinary Resolution Number 2 to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the ordinary resolution.

VOTING AND PROXIES

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this Notice of General Meeting, is Friday, 7 December 2018.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 25 January 2019, with the last day to trade being Tuesday, 22 January 2019.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact The Meeting Specialist for guidance.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak

and vote thereat in their stead. A proxy need not be a Shareholder. A Form of Proxy (*grey*), which sets out the relevant instructions for its completion, is enclosed for use by Certificated Shareholders or Own-name Registered Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (*grey*) will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must be lodged with, posted to or e-mailed to The Meeting Specialist, at the address given below, to be received by them, for administrative purposes, by not later than 11:30 on Monday, 28 January 2019 or thereafter handed to the chairperson of the General Meeting or The Meeting Specialist at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such Shareholders and the CSDP or Broker.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of telephone conference call and if they wish to do so:

- must contact the Company Secretary (by email at andrea@fusioncorp.co.za) by no later than 12:00 on Monday, 28 January 2019, in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their own telephone service providers for their own telephone calls to participate in the General Meeting;
- Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy or representative to vote on their behalf at the General Meeting.

Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each Share held.

By order of the Board



G HEYMAN
Financial Director

14 December 2018

Hand deliveries to:

The Meeting Specialist Proprietary Limited
One Exchange Square
Gwen Lane
Sandown
2196

An email can be sent to: proxy@tmsmeetings.co.za

Postal deliveries to:

The Meeting Specialist Proprietary Limited
PO Box 62043
Marshalltown
2107



ALARIS HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/011142/06)
(Share Code: ALH, ISIN ZAE000201554)
("Alaris" or "the Company")

FORM OF PROXY

FOR USE BY CERTIFICATED AND OWN-NAME REGISTERED DEMATERIALISED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Notice of General Meeting is attached, shall bear the same meanings when used in this Form of Proxy.

For use only by Shareholders holding Certificated Shares, nominee companies of CSDPs, Brokers' nominee companies and Own-name Registered Dematerialised Shareholders at the General Meeting to be held at 11:30 on Wednesday, 30 January 2019 at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion.

Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions, except for Own-name Registered Dematerialised Shareholders recorded in the sub-register through a CSDP or Broker, which Shareholders must complete this Form of Proxy and lodge it with their CSDP or Broker in terms of the custody agreement entered into between them and their CSDP or Broker. Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders wishing to attend the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We (Full name in print)

of (address)

Telephone: (work) area code ()

Telephone: (home) area code ()

Cell phone number:

E-mail address:

being the holder of Shares in Alaris, hereby appoint:

1. or failing him/her
2. or failing him/her

3. the chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of Shares		
	In favour of	Against	Abstain
Ordinary Resolution Number 1 Adoption of the LTIP			
Ordinary Resolution Number 2 Directors' Authority			

Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the space provided should you wish all your Shares to be voted.

Signed at _____ on this _____ day of _____

Signature(s)

Assisted by (where applicable) (state capacity and full name)

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s) of Alaris) to attend, speak and vote in his/her stead at the General Meeting.

Please read the notes on the reverse side hereof.

Notes:

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of Alaris.
2. Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds. In the event of a poll, every Shareholder shall be entitled to that proportion of the total votes in Alaris which the aggregate amount of the Shares held by such Shareholder bears to the aggregate amount of the Shares issued by Alaris.
3. Shareholders who have Dematerialised their Shares with a CSDP or Broker, other than Own-name Registered Dematerialised Shareholders, must arrange with the CSDP or Broker concerned to provide them with the necessary authorisation to attend the General Meeting or the Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the CSDP or Broker concerned.

Instructions on signing and lodging the Form of Proxy:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by The Meeting Specialist.
4. To be valid, the completed Form of Proxy must be lodged with, posted to or e-mailed to The Meeting Specialist, at the address set out below, to be received by them, for administrative purposes, by no later than Monday, 28 January 2019, at 11:30 or thereafter by handing such form to the chairperson of the General Meeting or The Meeting Specialist at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Hand deliveries to:

The Meeting Specialist Proprietary Limited
One Exchange Square,
Gwen Lane
Sandown
2196

Postal deliveries to:

The Meeting Specialist Proprietary Limited
PO Box 62043
Marshalltown
2107

An email can be sent to: proxy@tmsmeetings.co.za

5. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by The Meeting Specialist or waived by the chairperson of the General Meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
7. The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to Alaris.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.
9. The chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.