

# Cipla Medpro appoints two deputy CEOs

*Move intended to restore  
good governance, says  
acting head*

**TAMAR KAHN**

Science and Health Editor

CAPE TOWN - Pharmaceutical firm Cipla Medpro announced on Friday that it had appointed two new deputy CEOs, a move its acting CEO Johan du Preez said was the first step towards restoring good corporate governance.

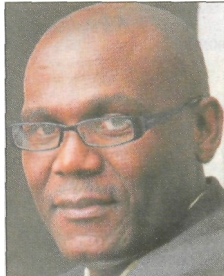
Skhumbuzo Ngozwana would take on responsibility for regulatory and pharmaceutical industry affairs, while Mark James would focus on finance and corporate governance issues.

Dr Ngozwana was previously deputy CEO of Cipla, and is now with the United Nations International Development Organisation, while Mr James is the chief financial officer at clothing retailer Truworths.

Cipla Medpro has been the talk of the pharmaceutical industry since mid-August, when its board suspended then-CEO Jerome Smith without giving investors any details about what had prompted the decision. It promised the market that its corporate activity would be unaffected by the suspension, but afterwards talks with an undisclosed party were called off.

Mr Smith resigned from Cipla Medpro on September 5, just days before an internal disciplinary inquiry was due to begin. His departure prompted the company to issue a statement to the market detailing some of his alleged transgressions, which it said included awarding himself R3.6m in unauthorised bonuses and taking undeclared interest-free loans from the firm.

Mr Smith said at the time of his resignation that there had been a breakdown of trust between him and the board. He denied the allegations Cipla Medpro made, including those of dishonesty and breaches of his fiduciary duties, and said he intended to take legal action against the company.



**Skhumbuzo Ngozwana**

On Friday, Mr du Preez said Cipla Medpro had appointed two deputy CEOs as it needed strong skills in two distinct arenas. "We will do whatever we need to do to restore good governance."

There had been no further developments regarding the legal action Mr Smith threatened after his resignation. No Cipla Medpro staff had been retrenched, nor were any being investigated at this stage, Mr du Preez said.

The Takeover Regulation Panel, which is investigating a complaint laid against Cipla Medpro by Mr Smith regarding the scotched deal with the mystery third party, declined to provide details of its work so far. Its executive director Lucky Phakeng would say only that it was "a slow and laborious process" as it involved a "complicated" matter.

Mr Smith founded Cipla Medpro, which is the third-biggest pharmaceutical company listed on the JSE after Aspen Pharmacare and Adcock Ingram, 10 years ago. It was the target of a takeover bid from Adcock in 2009.

More recently, pharmaceutical industry sources have said talks are under way between Cipla Medpro and Mumbai-based Cipla, one of India's biggest manufacturers of generic medicine. kahnt@bdfm.co.za

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