

2016/5/1/2/9

TO: Mr. A.M. Hathorn
Mr. D.G. Carlisle
Mr. G.C.M. Brown ✓
Mr. J. Borckenhagen
Mr. M.G. Crosoer
Mr. H.G. Barnby

Will you please attend a Meeting at 54 Queen Street, at 10.00 a.m. on Friday, 3rd March 1972 to discuss the following matters:-

1. Adoption of a new set of Articles

A comprehensive draft set of Articles has been prepared by Mr. K.M. Hathorn, suitable for adoption by a listed Company. However, in a meeting with Mr. B. Hosking attended by Messrs. Carlisle and McLean it was felt that the need for such a comprehensive set of Articles is unnecessary at this stage. Mr. Hosking suggested that the Company adopt a simple set of up to date private company Articles in the new year and, so as to convert the Company to a Public Company, that the clause limiting the number of members to 50 be deleted. The clause covering the restriction on transfer of shares would be worded so as to provide for any share transfer to be made subject to the approval of the Board of Directors.

2. Conversion of Preference Shares to Ordinary Shares

a. It has been suggested that this class of share be removed and that preference shareholders be offered a right of conversion on the basis of 15% earnings yield after tax (based on the average of the 2 years consolidated profits prior to conversion). Based on the accounts for the year ended 28th February 1971 this would result in a conversion basis of 1 ordinary share for 7 preference shares.

b. To avoid a reduction in share capital it is proposed that the conversion be effected as follows:

The ordinary shareholders will acquire all the preference shares not held by them in exchange for a certain number of their ordinary shares. The entire preference capital will then be converted into ordinary share capital.

It would appear that the existing Articles of Association (drawn prior to 1926) provides for such a conversion and this point is being considered by Mr. R.H. Button.

c. The converted preference shares would not rank for a share of the final ordinary dividend to be declared in respect of the year ended 29th February 1972.

3. The issue of new ordinary shares in W.G. Brown Investments to certain executives of the group

4. The offer to minority Shareholders in the group to acquire their shares in subsidiary Companies in exchange for new ordinary shares in W.G. Brown Investments (Pty.) Ltd.

The offer would be made to the following Shareholders:-

In Independent Wholesalers Ltd. : Messrs. D.G. Carlisle
P.R. Heber-Percy
J.C.L. Botha
O.J. Botha

(representing 21% of the ordinary share capital of this Company)

In Go-Rite (Pty.) Ltd. : Mettam Investments (Pty.) Ltd. *← Charlie Yeats*
Norman Yeats → Normet Investments (Pty.) Ltd.
Ian Dore → Gerald Yeats Investments (Pty.) Ltd.
St.Kilda Enterprises (Pty.) Ltd.

(representing 42% of the ordinary share capital and fixed interest bearing shareholder's loan accounts in this Company)

In W.G. Brown Traders : Mr. H. Comrie's loan account of
Cash & Carry R15,000 (this share of the financing of the venture contributed personally)

5. Increase in ordinary share capital

It is suggested that the nominal value of the ordinary share capital of W.G. Brown Investments be increased by R100,000 to cover any allotments arising out of points 3 & 4.

6. Preliminary forecast of 1972 group profits

(to be forwarded)

7. Dividend Policy

a. In view of the group's liquidity problems it is proposed that the total ordinary dividend distribution in respect of the year ended 29th February 1972 be -

R100,100 : 32½% (1971 R95,480 : 31%)

b. It is proposed that an interim ordinary dividend of R46,200 : 15% (1971 R30,800 : 10%)

be declared in respect of the year ended 29th February 1972 payable to all shareholders registered on the 3rd March 1972.

L. H. Whear

SECRETARY.

24th February 1972.
ARMcL/PED.