

Authorised capital: \$51,600,000

Issued and paid-up capital: \$25,943,401

divided into 51,886,801 fully paid ordinary shares of 50 cents each having been reduced from \$26,743,401 divided into 500,000 fully paid 6% cumulative preference 'A' shares of \$2 each 300,000 fully paid 6% cumulative preference 'B' shares of \$2 each and 50,286,801 fully paid ordinary shares of 50 cents each.

The text of the said Order of the Supreme Court is as follows:

MONDAY THE 7TH DAY OF FEBRUARY 1977

BEFORE THE HONOURABLE MR. JUSTICE O'REGAN

UPON reading the notice of motion for sanction of scheme of arrangement and confirmation of reduction of capital and the affidavits of DONALD FREDERICK MCLEOD and ALISTAIR WILLIAM BOWES filed herein this Court hereby orders:

1. That the underwritten scheme of arrangement be sanctioned and be binding upon the holders of 6% cumulative preference 'A' shares of the company, the holders of the 6% cumulative preference 'B' shares of the company, and the holders of the ordinary shares of the company, and also upon the company itself.
2. That the reduction of paid up capital of \$800,000 resolved in the special resolution of the company passed at the extraordinary general meeting, held on 15 December 1976 be confirmed.
3. That a minute, pursuant to s. 78 of the Companies Act 1955, in the underwritten form be approved for registration with the Registrar of Companies and publication in the *New Zealand Gazette*.
4. That notice of the registration of this order and of the said minute, and the text of this Order, be published once in the *New Zealand Gazette*.
5. That so long as the preference share conversion account, referred to in paragraph 4 of the scheme of arrangement, is in existence, the company shall note every balance sheet of the company to the effect that that account is in all respects subject to the same provisions, rights and restrictions as apply to a share premium account created, pursuant to section 64 of the Companies Act 1955.

FORM OF MINUTE

WATTIE INDUSTRIES LIMITED

Following the sanctioning of a scheme of arrangement on the 7th day of February 1977 whereby each of the existing 500,000 fully paid 6% cumulative preference 'A' shares of \$2 each and each of the existing 300,000 6% cumulative preference 'B' shares of \$2 each in the capital of the company were cancelled and in exchange therefor 1,600,000 ordinary shares of 50 cents each credited as fully paid up were issued with a consequent reduction of share capital of \$800,000 the capital of Wattie Industries Limited is as follows:

Authorised capital: \$51,600,000

Issued and paid-up capital: \$25,943,401

divided into 51,886,801 fully paid ordinary shares of 50 cents each having been reduced from \$26,743,401 divided into 500,000 fully paid 6% cumulative preference 'A' shares of \$2 each and 300,000 fully paid 6% cumulative preference 'B' shares of \$2 each and 50,286,801 fully paid ordinary shares of 50 cents each.

SCHEME OF ARRANGEMENT

WATTIE INDUSTRIES LIMITED

UNDER section 205 of the Companies Act 1955, to convert all preference shares into ordinary shares.

Between

WATTIE INDUSTRIES LIMITED ("the company")

and

- (a) The holders of the 6% cumulative preference 'A' shares of the company.
- (b) The holders of the 6% cumulative preference 'B' shares of the company.
- (c) The holders of the ordinary shares of the company.

SCHEME OF ARRANGEMENT

1. Cancellation of Preference Shares

Each of the existing 500,000 fully paid 6% cumulative preference 'A' shares of \$2 each and each of the 300,000 6% cumulative preference 'B' shares of \$2 each in the capital of the company will be cancelled.

2. Issue of Ordinary Shares

Each holder of the said preference shares at the time of cancellation will be allotted and issued two (2) ordinary shares of 50 cents each in the capital of the company credited as fully paid up for each 6% cumulative preference 'A' share of \$2 each and for each 6% cumulative preference 'B' share of \$2 each.

3. Dividends

- (a) Dividends on all preference shares have been duly declared and paid on a per annum basis up to 31 January 1976 (the last dividend of 3% having been paid on 2 June 1976) and a further dividend of 3% (representing half the dividend payable in respect of the financial year of the company ended 31st July 1976) will be paid on or before 31 December 1976.
- (b) The preference shareholders will not be entitled to any further dividends on the preference shares after 31 December 1976.
- (c) The ordinary shares allotted and issued in substitution for the preference shares will rank *pari passu* in all respects with the existing issued ordinary shares of the company and accordingly will participate in the interim dividend which in the normal course will be payable in June 1977.

4. Alteration of the Share Capital

The following transactions will take place:

(i) The authorised share capital will as a result of the cancellation of the preference share capital be reduced by \$1,600,000 but will be forthwith increased by \$1,600,000 by the creation of 3,200,000 new ordinary shares of 50 cents each.

(ii) The sum of \$1,600,000 being the share capital paid up on the preference shares cancelled will be carried to the credit of an account in the books of the company to be called the "preference share conversion account".

(iii) Of the sum of \$1,600,000 thus transferred to the credit of the preference share conversion account \$800,000 will be applied in paying up in full the 1,600,000 ordinary shares of 50 cents each to be allotted to the holders of the preference shares on cancellation of their shares.

(iv) The balance of \$800,000 remaining to the credit of the preference share conversion account shall remain in such account and this account shall in all respects be subject to the same provisions, rights and restrictions as apply to a share premium account, created pursuant to section 64 of the Companies Act 1955.

(v) The paid up share capital of the company will be reduced by \$800,000 representing the difference between the \$1,600,000 of preference share capital cancelled and the \$800,000 of new ordinary share capital issued credited as fully paid up as provided for above.

5. Effective Date of Scheme

Subject to the separate approval of each of the three classes of shareholders and of the company in general meeting and to the sanction of the Supreme Court, the scheme of arrangement will come into force with effect from 1 January 1977 or the date it is sanctioned by the Supreme Court, whichever shall be the later. The directors may assent to any modifications of the scheme or to any conditions which the Court may think fit to approve or impose.

Dated this 10th day of March 1977.

BUDDLE ANDERSON KENT & CO.

per: J. P. H. OLDFIELD.
Solicitors for the Company.

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FRIENDLY SOCIETY REGISTERED

PURSUANT to section 16 of the Friendly Societies Act 1909, the Wilson and Horton Employees' Credit Union, with registered office at Auckland, is registered as a specially authorised society under the Friendly Societies Act 1909.

Dated at Wellington this 14th day of March 1977.

O. D. GOOD, Registrar of Friendly Societies.

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