

# Notice of meeting

Notice is hereby given that the eighty-eighth annual general meeting of members of Reunert Limited will be held in the Reunert boardroom, Lincoln Wood Office Park, 6 – 10 Woodlands Drive, Woodmead, on Tuesday, 29 January, 2002, at 10:30 for the following purposes:

1. To receive and adopt the audited annual financial statements and group annual financial statements for the year ended 30 September 2001.
2. To elect directors in place of those retiring in accordance with the company's articles of association.
3. To determine the remuneration of directors with effect from 1 October 2001 in accordance with the company's articles of association.
4. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

**ORDINARY RESOLUTION NO 1**

"Resolved that 12 000 000 (twelve million) of the unissued ordinary shares of 10 cents each in the authorised capital of the company be reserved to meet the requirements of the Reunert 1985 Share Option Scheme and the Reunert 1988 Share Purchase Scheme and that the directors be and they are hereby specifically authorised to allot and issue those shares in terms of the scheme for the purposes of the Reunert 1985 Share Option Scheme and the Reunert 1988 Share Purchase Scheme."

5. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION NO 2**

"Resolved that the ordinary shares not allotted nor issued at 1 February 2002 (excluding for this purpose the ordinary shares which have been reserved to meet the requirements of The Reunert 1985 Share Option Scheme) be placed under the control of the directors who be and they are hereby authorised, subject to section 221 of the Companies Act, 1973, as amended, to allot or issue those shares at their discretion on such terms and conditions as and when they deem it appropriate to do so."

6. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION NO 3**

"Resolved that the executive directors of the company having been granted 250 000 options on 1 February 2001 and 340 000 on 26 September 2001 in terms of The Reunert 1985 Share Option Scheme, the company hereby approves the allotment and issue to the said directors of any number of those shares pursuant to the exercise of such options."

7. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION NO 4**

"Resolved that the company's directors be hereby authorised by way of a general authority to allot and issue for cash, without restriction, all or any of the unissued shares in the share capital of the company under their control, as they in their discretion deem fit, subject to the provisions of the Listings Requirements of the JSE Securities Exchange South Africa. The authority will not exceed, in any one financial year, 15% in the aggregate of the number of shares in the company's issued share capital. This authority shall be valid until the company's next annual general meeting provided that it shall not extend beyond fifteen months from the date of this annual general meeting."

The approval of 75% of the votes cast by shareholders present or represented by proxy at this meeting is required for this ordinary resolution to become effective.

8. Special business

To consider and, if deemed fit, to pass, with or without modification, the following resolutions as special resolutions:

**SPECIAL RESOLUTION NO 1**

"Resolved as a special resolution that:

- (a) The directors be authorised from time to time to acquire any of its issued shares from such shareholder(s), at such price and in such manner and subject to such conditions as they in their sole and absolute discretion deem fit, provided that in making an acquisition, the directors shall comply with the provisions of –
  - i. section 85 of the Companies Act, 1973 (as amended) ("the Act") and any other provisions of that Act which may be applicable; and

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- ii. the Listings Requirements of the JSE Securities Exchange South Africa insofar as they may be applicable.
- (b) The approval given in terms of (a) shall remain in force from the date of registration of this special resolution by the Registrar of Companies until the conclusion of the next annual general meeting of the company or 15 months from the date on which this resolution is passed, whichever is the earlier date.
- (c) The company, insofar as it may be necessary to do so, approves of and authorises the purchase by any of its subsidiaries of shares in the company in the manner contemplated by and in accordance with the provisions set out in section 89 of the Act and any other provision of that Act which may be applicable.
- (d) The approval in (a) shall provide general authorisation to the board of directors to purchase on behalf of the company, shares in the share capital of the company as follows:
  - i. it will be limited to a maximum of 20% in any one financial year of the issued share capital of the class of shares in the share capital of the company on date of granting of such authority; and
  - ii. the buyback price per share will not be more than 10% above the weighted average market value per share thus bought for the five business days immediately preceding the date of such buyback.
- (e) The directors, having considered the effect of a maximum repurchase being implemented immediately, are of the opinion that:
  - i. the company and the group will be able, in the ordinary course of business, to repay its debt;
  - ii. the company's and the group's consolidated assets, valued according to generally accepted accounting practice, will be more than its consolidated liabilities;
  - iii. the company's and the group's capital will be sufficient to meet its needs for the foreseeable future; and
  - iv. the company and the group will have sufficient working capital to meet its needs for the foreseeable future.
- (f) Since the method of repurchase and the maximum number of shares to be purchased are still to be determined by the board of directors in the future, it is confirmed that the board of directors proposes only to utilise its authority if, within their own discretion, circumstances should merit it and provided that, on the date of the buyback of the shares and taking into account the effect thereof, the company will be able to comply with the requirements of (e) (i) to (iv) above.
- (g) The directors authorise, insofar as it may be necessary to do so, the purchase of the shares referred to in (c), *mutatis mutandis*, on the same basis and subject to the same terms and conditions as those set out in (a), (b), (d), (e) and (f) above.

The reason for the passing of this resolution is to give the company the ability to purchase its own shares by buyback or through its subsidiary companies.

The effect of this resolution will be to enable the company, in the interest of shareholders, to utilise the earnings enhancing potential which exists when buying back company shares, and to effectively utilise funds that are surplus to the company's operational requirements.

## SPECIAL RESOLUTION NO 2

"Resolved as a special resolution that the company's articles of association be amended by deleting article 33(a) and (b) and substituting it with the following new article 33(a) and (b) with effect from 1 October 2001:

### *Borrowing powers*

- 33(a) Subject to the provisions of (b) the directors may exercise from time to time the company's power to borrow moneys provided that, if and for so long as the company is a subsidiary of a company whose shares are listed on the JSE Securities Exchange South Africa, the total amount owing from time to time by the company in respect of moneys so borrowed by it shall not exceed the amount authorised from time to time by the company's holding or controlling company.
- 33(b) The directors shall procure (but as regards subsidiaries of the company only insofar as by the exercise of voting and other rights or powers of control exercisable by the company they can do so) that the aggregate amount at any one time outstanding in respect of moneys borrowed by the company and all its subsidiaries for the time being (excluding inter-company borrowings by any of them but including the amount of any outstanding guarantees or suretyships given by the company or any of its subsidiaries for the indebtedness of other persons and not already included in the aggregate amount of the moneys so borrowed, and further excluding any borrowings made by any of the company's subsidiaries who may conduct the business of a finance company, as defined below, unless such borrowings are guaranteed by the company) shall not without the previous sanction of a general meeting exceed the aggregate of –

- (i) the amount of the company's issued and paid-up share capital (including any share premium) as set out in the latest consolidated annual financial statements of the company and its subsidiaries;
- (ii) the amounts standing to the credit of all non-distributable and distributable reserve accounts (other than any provision for taxation) which shall include but shall not be limited to –
  - (A) the balance of any capital redemption reserve fund;
  - (B) the balance of the income statement and provision for deferred tax; and
- (iii) the amount applicable to any share or interest in the share capital, distributable and non-distributable reserves (including the share premium account) of any of the subsidiaries of the company not held by the company or any of its subsidiaries;

as set out in the latest consolidated annual financial statements of the company and its subsidiaries;  
*Less*

- (iv) the amount, if any, by which any distribution out of profits earned prior to the date of the latest consolidated annual financial statements, recommended, declared or made by the company since the date, exceeds the amount provided therefor at that date;

and

- (iv) adjusted

- (A) to the extent to which the auditors of the company consider necessary and appropriate in respect of any subsidiary not consolidated in the latest consolidated annual financial statements;

- (B) to the extent to which the auditors of the company consider necessary and appropriate to reflect any variation subsequent to the date of the latest consolidated annual financial statements in respect of (i), (ii), (iii), (iv) and (v)(A) above.

Provided that sanction shall not be required for the borrowing of any moneys intended to be applied (and actually applied) within 90 (ninety) days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that such new borrowing may result in the above mentioned limit being exceeded.

For the purpose of this article 33(b) the business of a finance company shall mean the business of providing funding and other financial facilities in any manner or form for the financing of instalment and any other forms of trade credit of any kind."

The purpose of special resolution 2 is to amend the articles of association of the company to ensure that the accounting practices in regard to the treatment of goodwill, and a recently introduced accounting practice which requires the company to consolidate the income statement and balance sheet of RC&C Finance Company (Proprietary) Limited will not affect the borrowing powers of the company.

9. To transact such other business as may be transacted at an annual general meeting.

A member entitled to attend and vote at this meeting may appoint a proxy or proxies to attend, speak and, on a poll, vote in his stead. A proxy need not be a member of the company. Proxy forms must be lodged at the registered office of the company at least 24 hours before the time fixed for the meeting.

Shareholders who have dematerialised their holdings and who wish to attend the meeting in person must advise their CSDP or broker accordingly so that the necessary arrangements can be made.

By order of the board

**Reunert Management Services (Pty) Limited**  
Company secretaries  
Sandton  
19 November 2001

**CHANGE OF ADDRESS AND BANKING DETAILS**

*Shareholders are requested to notify any change of address or banking details to the share transfer secretaries.*