



MATUSON
ASSOCIATES

Adjourned Meeting in terms of section 151 of the Companies
Act:

Basil Read Limited

27 September 2018

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Discussed at
the meeting
held on 3
September
2018

Amendments



Amendments

The following amendments are proposed -

Amendment 1 - Interpretation and Preliminary

The insertion of a **new paragraph 1.2.57** -

“Investec” means *Investec Bank Limited, Registration Number 1969/004763/06*

Amendment 2

Amendment to **paragraph 1.2.61** -

“Lenders” includes *Aluwani, Finance Parties and Guarantors* to

“Lenders” includes *Aluwani, Investec, Finance Parties and Guarantors*

Amendments to be seconded by holders of creditors’ voting interest and satisfactory to the BRPs

Voting



Voting on Proposed Plan

Amendments to the Proposed Plan

- In terms of section 152(1)(d) of the Companies Act, the BRPs must invite discussion, and entertain and conduct a vote, on any motions to -
 - i. Amend the proposed Plan, in any manner moved and seconded by holders of creditors' voting interests, and satisfactory to the BRP; or
 - ii. Direct the BRPs to adjourn the meeting in order to revise the Plan for further consideration.

Preliminary Approval of the Proposed Plan

- The BRPs must call for a vote of preliminary approval of the proposed Plan, as amended if applicable.
- The Plan will be approved on a preliminary basis if -
 - it was supported by the holders of more than **75% of the creditors' voting interests** that were voted; and
 - the votes in support of the proposed plan **included** at least **50% of the independent creditors' voting interests**, if any, that were voted.
- The preliminary approval of the Plan will constitute the final adoption of the Plan if it does not alter the rights of the holders of any class of Basil Read Limited's securities.

Voting on BRPs Remuneration

Remuneration in terms of the Companies Act

- The Company is classified, in terms of the Companies Act, as a **large company**, in that it has a public interest score greater than 500 points;
- Accordingly, in terms of regulation 127(5), Basil Read Limited was required to appoint a senior Business Rescue Practitioner/s;
- In terms of regulation 128(1)(c) of the Companies Act, a Business Rescue Practitioner/s appointed for a large company is entitled to charge an amount of **R2 000 an hour (inclusive of VAT)** and up to an amount of **R25 000 a day (inclusive of VAT)**;
- To date, the BRPs have charged out their time at the prescribed tariff rates set out in terms of regulation 128 of the Companies Act.

Proposal

- In terms of section 143(2) of the Companies Act, in our capacities as the BRPs of the Company, hereby propose the following:
 - an increase in the charge out rate from **R2 000 (including VAT) per hour** to **R3 000 per hour (including VAT)**;
 - such amount was calculated based on an **increase of 6% per annum** in respect of the prescribed tariff rates set out in Regulation 128 to the Companies Act since its promulgation in **2011**;
 - Approval of the aforesaid increase will be **retrospective** with effect from 15 June 2018 (being the commencement date of Business Rescue).

Conducting of a Vote

Determination of Voting Interests

- A Secured or Unsecured Creditor has a voting interest equal to the value of the amount owed to that Creditor;
- PCF Creditors, including employees with claims in terms of section 135(1) of the Companies Act, will have a voting interest equal to the value of the amount owed to that PCF Creditor;
- A creditor who has a disputed claim, contingent claim, prospective claim, damages or unliquidated claim will only be allowed to vote in the sole discretion of the BRPs;
- A Creditor whose claim amount does not reconcile with the Company's records will only be allowed to vote on the amount determined in the sole discretion of the BRPs.

Conducting of a Vote

- Voting on Proposed Plan in terms of section 152 of the Companies Act;
- Voting on BRPs Remuneration in terms of section 143 of the Companies Act.

Results of Vote



Results of Vote

Results of Voting on the Plan

	Votes in Favour	%	Votes Against	%	Total	%
All Creditors	1 439 818 955	99%	12 586 210	1%	1 452 405 165	100%
Independent Creditors	608 972 972	98%	12 586 210	2%	621 559 182	100%

- Based on the Creditor's voting interests, present and voting in person or by a proxy, from proposed Plan has been **adopted**

Results of Voting on BRPs Remuneration

	Votes in Favour	%	Votes Against	%	Total	%
All Creditors	1 212 171 931	86%	193 759 361	14%	1 405 931 291	100%

- Based on the Creditor's voting interests, present and voting in person or by a proxy, the proposed BRPs fee increase has been **approved**.

Conclusion



Conclusion

Binding Nature of Proposed Plan

- In terms of section 152(4) of the Companies Act, a Plan that has been adopted is **binding** on Basil Read, its Creditors and Shareholders, **irrespective** of whether such person -
 - a) was present at the meeting;
 - b) voted in favour of the adoption of the Plan; or
 - c) in the case of Creditors, had proven their claims against Basil Read Limited.



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