



ADAMANTEM



MATUSON
ASSOCIATES

TO: AFFECTED PERSONS

31 August 2018

RE: NOTICE TO THE AFFECTED PERSONS OF BASIL READ LIMITED (IN BUSINESS RESCUE) ("THE COMPANY") OF A MOTION IN TERMS OF SECTION 151(3) OF THE COMPANIES ACT 71 OF 2008

1. As you are aware, a meeting has been convened in terms of section 151(1) of the Act to be held on Monday, 3 September 2018, ("the Meeting") for the purposes of voting on the business rescue plan that was circulated to all affected persons on 20 August 2018.
2. Certain of the post commencement funders ("Funders") have indicated to the Business Rescue Practitioners that they require further time to:
 - 2.1. consider the proposed business rescue plan, and
 - 2.2. follow their internal processes and procedures for purposes of providing additional post commencement finance.
3. You are hereby notified that the Funders intend to propose a motion for an adjournment of the Meeting in terms of section 151(3) read with section 152(1)(d)(ii) of the Act and which motion will be put to a vote at the Meeting. The joint business rescue practitioners ("BRPs") advise that this motion has already received the support from creditors, who hold more than 50% of the creditors' voting interest, and is therefore likely to succeed.
4. The BRPs being cognisant of the fact that creditors have set aside the time and expense to attend the Meeting, still intend to address the following agenda items at the Meeting:
 - 4.1. an introduction of the proposed Business Rescue Plan ("Plan") for consideration by creditors and a presentation on the salient terms and conditions of the Plan;
 - 4.2. confirmation that the BRPs continue to believe that there remains a reasonable prospect of the Company being rescued as contemplated in the Companies Act;
 - 4.3. the consequences for creditors if the Plan is adopted or rejected;
 - 4.4. a presentation by the employees' representatives, if they should wish to make such presentation;

4.5. discussions and the conducting of a vote on the following motions –

4.5.1. to approve the BRPs further remuneration;

4.5.2. to amend the proposed Plan, if applicable;

4.5.3. to adjourn the Meeting.

5. In the event that the Meeting is not adjourned, the BRPs will also conduct a vote for preliminary approval of the Plan (as amended, if applicable), and will report on the results of the preliminary vote.

Yours faithfully



Business Rescue Practitioner
Mr Siviwe Dongwana



Business Rescue Practitioner
Mr John Lightfoot