

TO: AFFECTED PERSONS

20 August 2018

RE: NOTICE OF MEETING OF CREDITORS AND OTHER HOLDERS OF A VOTING INTEREST IN TERMS OF SECTION 151 OF THE COMPANIES ACT, 71 OF 2008 (“THE COMPANIES ACT”)

1. Notice is hereby given to all affected persons of Basil Read Limited (“the Company”) of the meeting to determine the future of the Company in terms of section 151 of the Companies Act (“the Meeting”) to be held as follows -

Date: 3 September 2018

Time: 10h00 to 11h45

Place: Hilton Sandton, 138 Rivonia Road, Sandton, Johannesburg, 2196

2. In terms of section 151 and 152 of the Companies Act, the agenda for the Meeting is as follows –

- 2.1. 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.
- 2.2. Confirmation that the Joint Business Rescue Practitioners (“BRPs”) continue to believe that there remains a reasonable prospect of the Company being rescued as contemplated in the Companies Act.
- 2.3. The consequences for creditors if the Plan is adopted or rejected.
- 2.4. A presentation by the employees’ representatives if they should wish to make such presentation.
- 2.5. Discussions and the conducting of a vote on the following motions -
- 2.5.1. To amend the proposed Plan, in any manner moved and seconded by holders of creditors voting interests which are satisfactory to the BRPs.
- 2.5.2. Directing the BRPs to adjourn the meeting in order to revise the Plan for further consideration.
- 2.6. Vote for preliminary approval of the proposed Plan (as amended if applicable) provided the Meeting is not to be adjourned.

- 2.7. Results of the preliminary vote.
 - 2.8. Report on the outcome of the vote for the adoption of the Plan.
3. Summary of rights of Affected Persons to participate in and vote at the Meeting
- 3.1. Creditors, other holders of a voting interest and employees of the Company are referred to sections 144, 145 and 146 of the Companies Act, and are encouraged to seek independent legal advice in respect of their rights.
 - 3.2. **In terms of section 145 of the Companies Act, Employees -**
 - 3.2.1. are entitled to be present at the Meeting and make a submission before a vote is conducted on the proposed Plan; and
 - 3.2.2. are entitled to vote with creditors on a motion to approve the proposed Plan to the extent that the employee is a creditor of the Company; and
 - 3.2.3. if the proposed Plan is rejected, are entitled to propose the development of an alternative plan or present an offer to acquire the interests of other creditors as provided for in section 153 of the Companies Act.
 - 3.3. **In terms of section 145 of the Companies Act, Creditors -**
 - 3.3.1. have a right to vote to amend, approve or reject the proposed Plan;
 - 3.3.2. if the proposed Plan is rejected, have a further right to propose the development of an alternative plan or present an offer to acquire the interests of other creditors as provided for in the section 153 of the Companies Act; and
 - 3.3.3. whether secured or unsecured creditor, have a voting interest equal to the value of the amount owed to that creditor by the Company.
 - 3.4. **In terms of section 146 of the Companies Act, the Shareholder -**
 - 3.4.1. is not entitled to vote to approve or reject the proposed Plan as it does not alter the rights associated with the class of securities held by the shareholder; and
 - 3.4.2. if the proposed Plan is rejected, is entitled to propose the development of an alternative plan or present an offer to acquire the interests of other creditors as provided for in the section 153 of the Companies Act.



CREDITORS SHOULD PLEASE NOTE THAT SHOULD THEY FOR ANY REASON BE UNABLE TO ATTEND THE MEETING, THEY ARE ENTITLED TO EXERCISE THEIR VOTE BY PROXY FORM, WHICH PROXY FORM MUST BE FORWARDED TO THE JOINT BUSINESS RESCUE PRACTITIONERS PRIOR TO THE MEETING.

Please do not hesitate to contact the BRPs at basilread@matusonassociates.co.za. Creditors can also email their proxies to this email address.

Yours Sincerely

John Lightfoot

Joint Business Rescue Practitioner

Siviwe Dongwana

Joint Business Rescue Practitioner